44th Annual Report 2024-25

THERMAX

Driven by **Purpose.** Defined by **Impact.**

#ThermaxForABetterTomorrow

Contents

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Driven by **Purpose.** Defined by **Impact.**

Rooted in values and driven by innovation and care, we partner with industry to deliver sustainable energy and environment solutions – creating long term value for all our stakeholders. This belief powers our brand promise: 'Conserving Resources, Preserving the Future.'

For nearly six decades, we have remained true to this commitment. From our early days in packaged boilers to our present role as a comprehensive solutions provider across energy, environment and chemical domains, we have been continuously evolving to address the changing needs of our customers and the environment.

As we work across diverse sectors, we focus on delivering clean air, clean energy, and clean water solutions — each designed to balance energy and resource availability with environmental responsibility. Our newer capabilities in advanced biofuels, carbon capture technologies, comprehensive water & wastewater management and digital enablement solutions will also aid the evolving future of industries. By doing this, we support industries transitioning to more sustainable practices while contributing to global sustainability goals, including India's net zero ambition.

As we expand our impact on industries, we also recognise the importance of our relationships with local communities and stakeholders. We stand true to the ideology of our Former Chairperson R. D. Aga – "Profit is not only a set of figures, but of values."

By fostering collaboration and engaging with those around us, we ensure that the benefits of our work extend beyond industries. Through our CSR initiatives, we bring lasting change in people's lives by supporting education for children, skill building for the youth, or facilitating access to basic entitlements for the worker community, our efforts seek to create meaningful and sustainable improvements.

Our vendors and channel partners form an integral part of our shared progress. By engaging them through responsible sourcing practices and sustainability training, we are building an ecosystem rooted in environmental and ethical values, from procurement to execution.

None of this would be possible without the dedication and passion of our people. At Thermax, our workforce brings our purpose to life, fostering collaboration, driving excellence, and constantly pushing the boundaries of what is possible.

As we continue our journey, we remain resolute in our belief that we are not only driven by purpose but also defined by the impact we make — an impact that will continue to resonate for generations to come.

ABOUT THIS INTEGRATED REPORT

Reporting Approach and Period

We are pleased to present the Integrated Report for FY 2024-25, offering insights into how Thermax Limited and its group of companies create value for stakeholders in the short, medium, and long term. This report provides an overview of our financial and non-financial achievements, strategies, governance, operating environment, and the risks and opportunities we foresee.

In compliance with SEBI regulations, we also publish a Business Responsibility and Sustainability Report (BRSR) for Thermax Limited, covering stakeholder-relevant performance. We have integrated both reports to ensure clarity and avoid duplication, delivering a comprehensive yet concise overview for all stakeholders.

Throughout this report, the terms 'Thermax', 'Thermax Group', 'the Group', 'the Company', 'your Company', 'we', 'our' and 'us' refer to either Thermax Limited and/or our Group companies.

Framework, Guidelines and Standards

The Report has been prepared following the Integrated Reporting (IR) framework published by the International Financial Reporting Standards (IFRS) Foundation, a global not-for-profit organisation dedicated to developing high-quality, understandable, enforceable, and globally accepted accounting and sustainability disclosure standards. Non-financial disclosures are made with reference to the GRI Standards 2021.

The report also adheres to the following regulatory and accounting requirements:

- The Companies Act, 2013
- The Indian Accounting Standards
- Regulations issued by the Securities and Exchange Board of India (SEBI)
- The Secretarial Standards issued by the Institute of Company Secretaries of India
- Additionally, the Report highlights Thermax's contributions to the United Nations Sustainable Development Goals (UN SDGs)

Boundary and Scope of Reporting

This report includes details on the manufacturing facilities, products and solutions, operations and maintenance, and office premises of Thermax Limited and its Group companies. Unless specified otherwise, it covers disclosures for the period from April 1, 2024, to March 31, 2025.

Responsibility Statement

The management, in its capacity as Those Charged With Governance (TCWG), has reviewed the contents of this report and assured its accuracy and integrity to the best of their knowledge. The Board approved the publication of this report on May 09, 2025.

Forward-Looking Statements

This report may contain forward-looking statements related to Thermax's business operations. While these statements reflect our expectations, various risks, uncertainties, and other key factors could cause actual results to differ materially.

External Assurance

M/s. Price Waterhouse Chartered Accountants LLP has carried out Reasonable Assurance on core KPIs of BRSR for the reporting year. This assurance covers the following:

- **Standards issued by the Sustainability Reporting Standards Board of Institute of Chartered Accountants of India (ICAI)**
  - Standard on Sustainability Assurance Engagements – (SSAE) 3000 – Assurance Engagements on Sustainability Information
  - Standard on Assurance Engagements (SAE) 3410 – Assurance Engagements on Greenhouse Gas Statements
- **International Standards Issued by the International Auditing and Assurance Standards Board (IAASB)**
  - International Standard on Assurance Engagements (ISAE) 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information
  - ISAE 3410 – Assurance Engagements on Greenhouse Gas Statements

The Assurance Report, available on page 181, details the subject matter, criteria, procedures performed, and the reasonable assurance opinion.

Our Capitals

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Natural Capital
- Human Capital
- Social and Relationship Capital

Who We Create Value For

- Owners and Shareholders
- Customers
- Employees
- Vendors and Business Partners
- Communities and Academia Groups
- Planet
- Government Authorities

Our Strategic Objectives

- **SO1** Innovate for Energy Transition
- **SO2** Strengthen Solutions Businesses
- **SO3** Scale Up Businesses Relating to Sustainability and Urbanisation
- **SO4** Drive Digital Transformation
- **SO5** Build an Agile, Market Responsive Organisation Structure
- **SO6** Energise the Core

Approach to Materiality

- To identify material issues
- To evaluate current status
- To map ambitions against issues
- To identify key actionable areas

Sustainable Development Goals

STAKEHOLDER-WISE HIGHLIGHTS

Fostering Thriving Partnerships and Ecosystems

Owners and Shareholders

Rs. 10,389 cr
Total Revenue

Rs. 14
Dividend Declared Per Share

Rs. 627 cr
Profit After Tax

Vendors and Business Partners

127
No. of Channel Partners

9,369
No. of Orders Placed through Channel Network

5,231
No. of MSMEs

Planet

16,715 tCO_2e
Reduction in Carbon Emissions

2,51,388 m^3
Water Reused and Recycled

17,523
Trees (Saplings) Planted

Customers

Rs. 10,337 cr
Order Book

Rs. 10,693 cr
Order Balance

Rs. 2,324 cr
International Revenue

Employees

4,437
Permanent Employees

10.1%
Gender Ratio

11.5%
Attrition Rate

Communities and Academia Groups

Rs. 11 cr
CSR Expenditure

5,362
Alumni Supported from iTeach and Akanksha Foundation

15,000+
Individual Worker Beneficiaries

Government Authorities

Rs. 416 cr
Taxes Paid

Rs. 5.5 cr
Government Grants in our R&D Projects

Figures are maintained up to one decimal place and rounded to the nearest whole number where applicable in this Annual Report.

CORPORATE OVERVIEW

Thermax in Focus

Headquartered in Pune, Thermax Limited (NSE: THERMAX) has been a leading player in the energy and environment space since 1966. As a trusted partner in energy transition, we support industries with sustainable solutions across heating, cooling, power generation, and air pollution control. Our capabilities in water and wastewater treatment and recycling help customers optimise resource use, while our range of chemicals are engineered to deliver high performance across diverse applications. With a strong focus on enabling clean air, clean energy, and clean water for industries, we deliver integrated, future-ready solutions, backed by strategic collaborations and a deep commitment to innovation and impact.

16	49	90+	5,601
Manufacturing Facilities (12 Domestic and 4 International)	Subsidiaries (28 Domestic and 21 International)	Countries Served	Permanent Employees (4,437) and Permanent Workers (1,164)

Key Highlights of FY 2024-25

Financials	Strategic Partnerships and Acquisitions	Major Project Wins
Reported a consolidated revenue of Rs. 10,389 crore in FY 2024-25, marking an 11.4% increase from Rs. 9,323 crore in FY 2023-24. Consolidated profit after tax (PAT) remained at Rs. 627 crore, while order booking grew 10.5% to Rs. 10,337 crore, compared to Rs. 9,355 crore in FY 2023-24.	Thermax Chemical Solutions Private Limited (TCSPL) entered into a shareholders' agreement with UK-based Vebro Polymers to address India's industrial and commercial flooring needs. It also partnered with Latin America's Oswaldo Cruz Química (OCQ) to manufacture and supply high performance resins and polymers. Additionally, Thermax expanded its construction chemicals portfolio by acquiring Buildtech Products, an Indian manufacturer of admixtures, accelerators and capsules.	Thermax Babcock & Wilcox Energy Solutions Limited (TBWES) secured two orders worth Rs. 1,029 crore for a 600 MW greenfield energy project in Botswana, South Africa, where TBWES is the sole partner. The scope includes supplying 4 × 550 TPH CFBC (circulating fluidised bed combustion) boilers and overseeing design, engineering, manufacturing, testing, erection and commissioning.

Thermax's Business Philosophy

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

Values
» Respect
» Commitment
» Honesty and Integrity
» Concern for Society and the Environment

Ethos
Our business ethos is rooted in good governance. We respect and balance the interests of our diverse stakeholders.

Business Segments

Industrial Products

» Air Pollution Control Systems
» Cooling & Heating Solutions
» Process Heating Solutions
» Water and Wastewater Solutions
» Specialised Services

42% Share of Total Revenue

Industrial Infra

» Large Boilers and Fired Heaters
» Projects and Energy Solutions
» Specialised Services

44% Share of Total Revenue

Green Solutions

» Build-Own-Operate-Maintain
» Green Hydrogen
» Renewable Energy (Solar/Wind)

7% Share of Total Revenue

Chemicals

» Construction Chemicals
» Ion Exchange Resins
» Oil Field Chemicals
» Water Treatment Chemicals

7% Share of Total Revenue

Industries Served

- Agriculture & Allied Industries
- Automobiles & Auto Components
- Bio-CNG
- Biotechnology
- Brewery & Distillery
- Cement
- Chemicals
- Construction
- Engineering & Capital Goods
- Ethanol
- Fertiliser & Agro
- FMCG
- Food & Beverages
- Healthcare
- Hospitality
- Infrastructure
- IT & Data Centres
- Manufacturing
- Medical Devices
- Metals
- Oil & Gas
- Paper & Pulp
- Pharmaceuticals
- Power
- Renewable Energy
- Rubber
- Semiconductors
- Telecommunications
- Textiles
- Wood

GEOGRAPHICAL PRESENCE

Globally Diversified, Trusted Worldwide

Domestic (India)

PAUDH, MAHARASHTRA

Offerings	Chemicals
Manufacturing Capacity	~10,000 cubic metres
Area Footprint	50 acres

JHAGADIA, GUJARAT

Offerings	Chemicals and Ion Exchange Resins
Manufacturing Capacity	~70,000 metric tonnes of chemicals ~10,000 metre cube of ion exchange resins
Area Footprint	34 acres

DAHEJ, GUJARAT

Offerings	Ion Exchange Resins
Manufacturing Capacity	~20,000 m³
Area Footprint	15 acres

SOLAPUR, MAHARASHTRA

Offerings	Air Pollution Control Equipment
Manufacturing Capacity	7,500 metric tonnes of fabrication
Area Footprint	25 acres

PUNE, MAHARASHTRA

Offerings	Water & Wastewater Solutions
Manufacturing Capacity	1,600 assemblies
Area Footprint	2 acres

SRI CITY, ANDHRA PRADESH

Offerings	Chillers and Heat Pumps
Manufacturing Capacity	450+ units
Area Footprint	40 acres

CHINCHWAD, MAHARASHTRA

Offerings	Air Pollution Control Equipment, Boilers, Heaters and Fuel Cells
Manufacturing Capacity	130 units of large boilers and heaters 2,100 units of process heating equipment 1,08,000 filter bags 50 units of fuel cells
Area Footprint	35 acres

SAVLI, GUJARAT

Offerings	Boilers, Heaters, and Steam Accessories
Manufacturing Capacity	78 units of large boilers and heaters 430 units of process heating equipment 10,000 steam accessories
Area Footprint	100 acres

SHIRWAL, MAHARASHTRA

Offerings	Boilers and Heaters
Manufacturing Capacity	80 units of large boilers and heaters
Area Footprint	102 acres

MUNDRA, GUJARAT

Offerings	Boilers and Heaters
Manufacturing Capacity	16 units of large flue gas steam generators/utility boilers/heat recovery steam generators - fully assembled plug-and-play weighing between 750 to 1,700 metric tonnes
Area Footprint	8.2 acres

Manufacturing capacities are stated on an annual basis, but actual figures may vary depending on customisation requirements.

International

DANSTOKER A/S, DENMARK

Offerings	Boilers
Manufacturing Capacity	120+ boilers
Area Footprint	11 acres

DANSTOKER POLAND SP. Z O.O.

Offerings	Boilers
Manufacturing Capacity	160+ boilers and pressure parts
Area Footprint	4.10 acres

RIFOX, GERMANY

Offerings	Steam Accessories
Manufacturing Capacity	3,500 units
Area Footprint	0.91 acres

PT THERMAX INTERNATIONAL, INDONESIA

Offerings	Boilers
Manufacturing Capacity	40 units of process heating equipment
Area Footprint	11.78 acres

- Manufacturing Units
- International Subsidiaries, Sales, and Service

Manufacturing capacities are stated on an annual basis, but actual figures may vary depending on customisation requirements.

MESSAGE FROM THE CHAIRPERSON

Navigating a Purpose-Led Journey Through Progress and Responsibility

"People remain at the heart of our organisation. Our culture of respect, empowerment, and inclusion continues to evolve meaningfully. We are investing in leadership development through platforms like the Executive Development Programme (EDP), Senior Leadership Development Programme (SLDP) and Young Leadership Development Programme (YLDP) across the organisation. These efforts are building more agile, robust, authentic and forward-looking leaders."

My Dear Shareholders,

Thermax is nearing 60. As I look back on this journey, it has truly been one 'driven by purpose and defined by impact'.

The last financial year brought in a mixed bag of business development initiatives, a number of successful events strengthening our customer reach, highs and also misses.
It has been a year of both celebration and introspection - meaningful progress, as also a reminder to reinforce our business imperatives and commitment to our people, processes and the planet we serve.

Before I delve into the year gone by, on behalf of the Board, I would like to welcome Parag Shah to our Board of Directors. His vast experience in building new businesses, leading start-ups, driving turnarounds, managing joint ventures and mergers & acquisitions, along with his strong financial acumen, will be a significant asset to Thermax. Welcome Parag!

Global Uncertainties

We are living through a time defined by extreme uncertainty. Geopolitical developments, prolonged conflicts and wars, and instability in the Middle East are deeply disconcerting, with innocent lives being lost and many injured. At the same time, global supply chains are being disrupted, raising input costs and causing delays. Rising US-China tensions and protectionist trade policies are reshaping global sourcing strategies.

Even on issues like climate change, which once had near-universal consensus, the global narrative appears fragmented. Yet amidst this volatility, the need for clean air, clean energy, clean water, and a liveable planet remains urgent and undeniable. For Thermax, this complex environment presents both challenges and opportunities.

Business Performance and Strategic Growth

Moving on to business performance and strategic growth, the last fiscal year proved to be one of measured progress for Thermax. While our consolidated topline reflected an upward trajectory, profitability took a hit, due to cost escalations in select projects and higher technology investments, particularly in our Green Solutions segment. Despite a softer pace in order intake, our order pipeline remained healthy, supported by demand across energy, environment, and chemical solutions.

Building on the strategic foundation laid in FY 2023-24, we continue to align our efforts around the six key themes that define Thermax's long-term direction. We continue to advance our commitment to energy transition - developing new waste biomass-based products and introducing initiatives such as the 'Biomass Centre of Excellence'. We are penetrating the market with our waste-to-energy and green utility solutions, and broadening our capabilities through partnerships in emerging areas such as green hydrogen and biofuels.

Among the four verticals, our Industrial Products segment contributed to 42% of total sales and 70% of the Company's total profit. The higher revenue can be attributed to strong growth in the metal & steel, fertiliser & agro and food & beverage sectors. This has been supported by the increasing shift towards climate-conscious technologies, coupled with stringent sustainability norms being implemented by industries.

The overall Industrial Infra segment performance remained below expectations. Thermax Babcock & Wilcox Energy Solutions Limited (TBWES), a wholly-owned subsidiary of Thermax, has performed well and is gearing up for growth, parts of our EPC business, which is changing trajectory due to shifts in the market with energy transition, has been slow to take off – areas such as advanced biofuels, carbon capture utilisation & storage and non-power process plants. Looking ahead, we hope to make a breakthrough in some of these areas.

Another subsidiary under this segment, Thermax Bioenergy Solutions Pvt. Ltd. (TBSPL), incurred additional technology intervention costs of Rs. 66 crore to address scale-up challenges in our bio-CNG projects, particularly those involving the complex processing of rice straw. Despite these hurdles, our teams have been working diligently to improve plant yields and operational efficiency. While our long-term vision remains centred on unlocking the full potential of rice straw and municipal solid waste as sustainable feedstocks for large-scale bio-CNG production, the viability of this business is closely tied to the evolving regulatory landscape and continued government support for clean energy initiatives — both of which are being monitored with optimism and caution.

As part of this segment, I would like to share an update regarding the arbitration case mentioned in last year's report. The matter remains sub-judice, with the final hearing challenging the award currently in progress before the Bombay High Court. We hope for a decision in the next few months.

First Energy Private Limited (FEPL), our subsidiary under the Green Solutions segment, commissioned 43.5 MWp of solar and wind open access projects during the year. With a renewed focus on strategic partnerships and timely project execution, the business is better placed for an improved performance in the year ahead.

Last year we signed a technology partnership with Ceres - a company in the UK, that has developed technology for solid oxide electrolyser cells (SOEC) to produce green hydrogen. This technology is particularly useful for the hard to abate emissions in industries like steel, refineries, fertilisers. The teams are working together to develop the stacks and balance of plant, aiming to reduce costs and have a working model in place by 2027.

Coming to the fourth segment, our Chemicals business is undergoing a transformation. Recognising its vast potential, we are adopting a focused approach to drive innovation, explore partnerships and M&A opportunities, and accelerate growth.

Partnering with Our Customers

Our customer relationships were further strengthened through the Thermax Roadshows and Intouch programmes, which gave us the opportunity to connect, not just across India but also in Indonesia. These vibrant gatherings saw enthusiastic participation, where customers openly engaged with us, providing feedback as well as how Thermax can be a trusted partner in their energy transition journey.

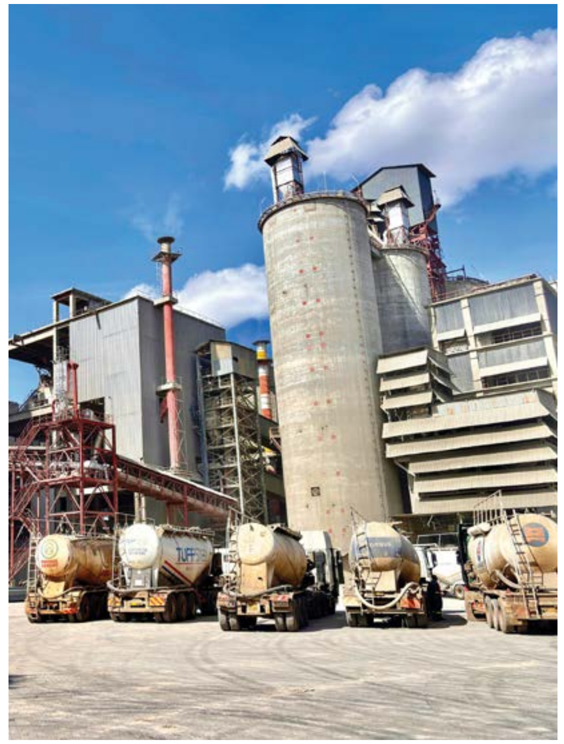
Commitment to Sustainability

I am pleased to share that we achieved a 38% absolute reduction in carbon emissions internally, surpassing our original FY 2024-25 target of 25% from the base year of FY 2018-19.
This success has emboldened us to revise our goal to a 50% reduction by FY 2029-30. Initiatives like transitioning from light diesel oil to piped natural gas at our Chinchwad (Pune) plant, scaling up renewable energy use, and modernising our manufacturing operations have played a key role in this effort.

Our manufacturing plants in Solapur, Shirwal, and Sri City have been certified as water positive by TÜV SÜD, reflecting our ongoing efforts towards water sustainability. We are also in the process of working towards water neutrality certifications for our remaining plants.

Empowering People and Building Inclusive Leadership

People remain at the heart of our organisation. Our culture of respect, empowerment, and inclusion continues to evolve meaningfully. We are investing in leadership development through platforms like the Executive Development Programme (EDP), Senior Leadership Development Programme (SLDP) and Young Leadership Development Programme (YLDP) across the organisation. These efforts are building more agile, robust, authentic and forward-looking leaders.



Bag filter supplied to the largest cement mill in Kenya

Chairperson Meher Pudumjee and Non-Executive Director Pheroz Pudumjee welcome Dinesh Dakhave and Hanamant Bahirgonde, two of Thermax's oldest factory workers, to inaugurate and unveil Thermax's latest products at Boiler India 2024

On the diversity, equity, and inclusion (DEI) front, we continue to focus on enhancing gender diversity through targeted hiring, nurturing talent with focused development programmes, fostering a mindset shift through unconscious bias training, and driving inclusive growth. While we have increased women's representation from 9.4% to 10.1% this year, we remain some distance from our goal of 15% by FY 2025-26.

Giving Back to Communities

Project Saathi, under our Social Compact (SoCo) umbrella, expanded its footprint to 70 project sites across 15 states in India, engaging over 2,000 contract workers and enabling access to critical social security benefits.

Through Thermax Foundation, we have extended our skill-building training to over 600 individuals surrounding our manufacturing locations. Our Worker and Community Facilitation Centres have been able to reach over 15,000 informal workers, providing them with direct monetary and indirect benefits under varied government schemes, such as Ayushman Bharat, ration cards, voter ID cards, to name a few.

Quality and holistic school education of underserved communities, as well as a focus on their alum programmes under PPP (public private partnership) with the local government continues. Preparing youngsters for college or vocational careers also continues to be an area of focus for the Foundation.

I am very happy to share that the SLDP programme mentioned earlier, also included projects within the social sector.

Notable Recognitions

Our commitment to excellence was recognised through several prestigious awards this year.
My mother, Anu Aga, was honoured with the Lifetime Achievement Award by Business Today—an acknowledgement of her enduring legacy in HR, turning around the Company during its toughest time, and in shaping Thermax's values.

We were conferred with the Best Governance Award in the GIGA category at the Indian Family Business Awards 2023 by Moneycontrol and with the Excellence in Sustainability and Circular Economy Award 2024 by Manufacturing Today. We were also pleased to see our 43rd Annual Report earn global recognition at the LACP Vision Awards, winning Gold and being ranked among the top 100 reports worldwide.

Looking Ahead

As we look ahead, our ambition remains clear—to continue to be a long-term purpose driven, financially healthy and future-ready organisation.

I would like to express our heartfelt gratitude to Ashish Bhandari, our Managing Director and CEO, for his strategic leadership. My sincere thanks to our BU and SBU leaders, and each and every Thermaxian — your dedication, resilience, and belief in our vision continue to shape our journey.

I am equally grateful to our customers, suppliers, investors, partners, and communities who walk this path with us. Your trust and support inspire us to do better every day. Thank you for your continued belief in Thermax.

Warmly,

Meher Pudumjee
Chairperson

MESSAGE FROM THE MD AND CEO

Sowing Seeds for a Greener Tomorrow

"Our focus on innovation and R&D continues to gain momentum. Through our licensing partnership with Ceres, we are co-developing solid oxide electrolysers (SOEC) for green hydrogen production in India. We are also making strategic investments in three emerging verticals: carbon capture & upcycling, green hydrogen & electrochemical technologies, and biofuels & bioprocessing."

Dear Stakeholders,

As we close the books on FY 2024-25, I am pleased to share that Thermax is making significant progress toward becoming a 'partner in energy transition.' Financially, our performance last year fell short of my expectations. Orders were muted, particularly in the Industrial Infra segment, as we focused on improving the project mix. Profitability was also affected mainly on account of higher technology intervention costs for bio-CNG (TBSPL) projects. However, Thermax's FY 2024-25 financial performance is not reflective of the potential the Company holds. This was a year of planting seeds. Thermax continues to build capabilities across all aspects of our strategy (read more on page 90-95). In a world that is going through a millennial shift, building new strengths is essential to securing Thermax's future.

Our World in Constant Flux

The past few months have been a reminder of how complex and fast-changing our world has become. Recent policy changes in the US, including a slowdown in green energy funding and an impending increase in tariffs, are beginning to impact the global business environment. In the short term, this is likely to affect the pace of growth in climate-change technologies, with capital flows, government support, and R&D all taking a hit. At the same time, higher tariffs could slow down global trade, but they may also open up opportunities for Indian manufacturers by creating differential access to the US market. India's exports to the US reached $86.51 billion in FY 2024-25, up from $77.52 billion in FY 2023-24. Relative to the size of the US GDP, these numbers of trade are small. While the short term brings uncertainty, I remain confident about the long term. Climate change is real, and technologies such as green hydrogen, renewable power, carbon capture, and advanced biofuels will play a big role in shaping a cleaner future. According to Bloomberg NEF's Energy Transition Investment Trends 2025 report, in the calendar year 2024 alone, global investment in the energy transition reached a record $2.1 trillion — a strong signal that this direction is here to stay. Artificial Intelligence (AI) is also making its presence felt across industries. While adoption in manufacturing is still at an early stage, the potential is significant. As AI matures, it will reshape how we run operations, design products, and serve our customers.

India: Slowing, Yet Stable

India's economy moderated but remained stable in FY 2024-25, with GDP growth of 6.5%. Importantly, the government has doubled down on infrastructure, clean energy, and industrial decarbonisation—all areas central to Thermax's business. Budgetary allocations toward PM Gati Shakti, the continuation of the PLI schemes in renewables and green hydrogen, and new announcements around bioenergy corridors and ethanol blending targets - all point to sustained demand for clean-tech solutions. Regulatory clarity on waste-to-energy frameworks and bio-CNG, expanded emission norms, and fiscal incentives for energy-efficiency projects are further initiatives needed. These policy moves are not just directional—they are actionable. They create tangible value through import substitution, improving quality of life, and cutting India's energy intensity.

Owning Our Challenges

Before I address some of the big areas of focus for Thermax, I want to reflect on what we could have done better. One of the most instructive experiences in the past couple of years relates to our bio-CNG business. While our delivered plants are now among the most reliable in the country, the journey was not without its setbacks. Scaling up and operating the plants consistently to rated capacities proved to be more complex than anticipated. Challenges arose due to customer-site conditions, feedstock variability, and technical rework. As a result, Thermax's Bio-CNG business (reflected in TBSPL's performance, read on page 78) incurred significant losses, comprising write-downs, customer settlements, and an additional Rs. 66 crore investment in higher technology intervention in FY 2024-25. Despite this, we remained resilient and are improving plant design, investing in cutting-edge technology, incorporating deeper O&M insights, and realigning customer expectations.

From a technology standpoint, we now have a good understanding of what can be consistently delivered, giving us a strong base to scale with greater predictability. Another area where we can improve is project execution, particularly in projects with large civil and construction scope.

MESSAGE FROM THE MD AND CEO

Thermax consciously avoided supercritical projects that involved multi-year execution with interdependent scope and extensive site work. Going forward, we are investing in best-in-class project execution capabilities through digital tools, process improvements, and focused people training. Projects remain a core strength of Thermax, and we are committed to sharpening that edge.

New Engines of Growth

Our Chemicals business is undergoing a structural transformation. In FY 2024-25, we consolidated and expanded operations under Thermax Chemical Solutions Private Limited (TCSPL), with a sharper focus on performance-engineered chemicals. Thermax partnered with global brands such as Vebro Polymers (UK) in the industrial flooring segment and Oswaldo Cruz Química (OCQ, Brazil) to manufacture acrylic resins and polymers in India. Additionally, we acquired Buildtech Products, an Indian company, to strengthen our capabilities in infrastructure-related applications. Capacity expansion at Jhagadia, Gujarat, the groundbreaking of our Chemicals plant in Jakarta, Indonesia, and the launch of Thermax Chemicals Europe will enhance our ability to serve customers across industries and geographies with greater agility.

Services is another area where Thermax can create long term value. As industrial customers demand higher reliability, efficiency, and sustainability, we are expanding our service offerings across both Thermax and non-Thermax installations. Project Amplify aims to grow our aftermarket revenue while deepening customer engagement through digital tools like EDGE Live and new platforms such as Urban Water and Steam-as-a-Service. Service initiatives such as Amplify are fuelling our ambition to significantly scale up service revenue and cementing services as a core pillar of Thermax's future-ready growth (Read more on Project Amplify on page 37).

At the same time, our focus on innovation and R&D continues to gain momentum. Through our licensing partnership with Ceres, we are co-developing solid oxide electrolysers (SOEC) for green hydrogen production in India. We are also making strategic investments in three emerging verticals: carbon capture & upcycling, green hydrogen & electrochemical technologies, and biofuels & bioprocessing. Our Research and Technology Innovation Centre (RTIC) is advancing pilot-scale projects in these areas through strengthened collaborations with premier government research institutions and leading academic partners, including the IITs. One such initiative involves transforming CO_2 into methanol.

These efforts aim to develop scalable, indigenous solutions that support India's energy transition.

The above are just some notable examples. Across Thermax's businesses, we have launched a range of innovative products, including Effitron, a compact electric boiler; GreenPac and GreenBloc, biomass-fired solutions designed for low-density fuels; hybrid heat pump and hybrid closed loop cooling tower — all aimed at improving energy efficiency and reducing carbon footprint. Supporting utility and process optimisation, Thermax has also launched Compact Pressurised Condensate Recovery System (CPCRS) for efficient condensate recovery, Instaheat 2.0 for hot water generation at precise temperature, and A2Zflo-S for accurate steam flow measurement. For modern sewage management, we introduced Biofilter Pro, addressing growing sustainability needs.

16 MWp solar PV project site in Sivagangai, Tamil Nadu, India set up by our subsidiary First Energy

Putting Our People First

We are investing in our people through focused career and capability-building initiatives. As part of this, the Executive Development Programme (EDP) in particular, designed for our senior leadership in collaboration with global institutions such as Harvard Business School and London Business School, is enabling them to lead in an increasingly complex environment.

Beyond leadership development, we implemented key initiatives such as salary corrections, digitised recognition platforms, and expanded learning opportunities, including coaching, AI training, and managerial capability workshops were conducted. Over 1,600 employees have participated in more than 70 training sessions, achieving a 97% satisfaction score.

Employee engagement has been a priority. Our ongoing Pulse Surveys, conducted three times over the past three years, have enabled data-driven improvements, raising our satisfaction score from 71 to 76 on a scale of 100. Structured feedback forums and wellness initiatives further reinforce our employee-first culture.

MD & CEO Ashish Bhandari with team Thermax, our channel partner Value Addition, and esteemed customers at Gulfood Manufacturing Expo, Dubai

Together, these efforts have contributed to a 2.7% decline in overall attrition.

Welcoming New Leadership

I am pleased to welcome Arun Unni and Dr. Santanu Chaudhuri to our Executive Council. Arun brings deep insights in digital transformation and operational excellence, while Santanu offers strong expertise in sustainability and innovation, both critical to Thermax's growth and future readiness.

A Note of Thanks and Optimism

FY 2024-25 was a year of sowing seeds. FY 2025-26 will be about watering and nurturing those seeds as we prepare to scale new heights. As I look back on the year, I want to thank the Board for their trust and guidance.

I am also thankful for the resilience shown by the larger Thermax team. Many of our site operations were delivered under exacting conditions. Our commitment to not letting a customer down is a sentiment that runs strong across every employee of the organisation.

Despite the uncertainties of the global environment, I am optimistic because we have invested and continue to invest in the areas that matter. On behalf of the Thermax leadership, I thank our employees, customers, partners, and shareholders for your continued trust. Together, we will keep building an enterprise that thrives on challenge, delivers meaningful impact, and stays true to our promise—'Conserving Resources, Preserving the Future'.

Best regards,

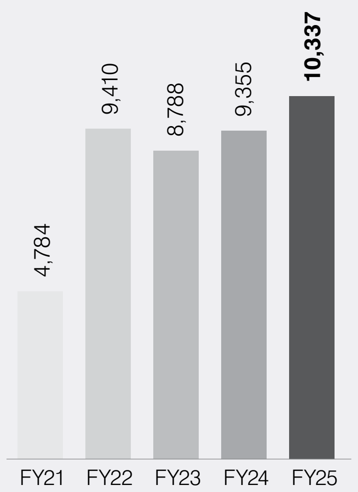
Ashish Bhandari
MD & CEO

KEY PERFORMANCE INDICATORS

Generating Sustained Growth

Order Booking

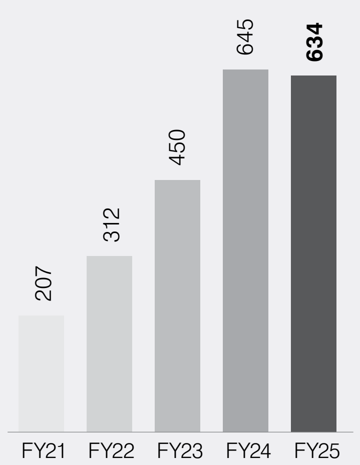
(in Rs. crore)



17%
CAGR
(Five-year)

Profit After Tax (PAT) Attributable to Equity Holders of the Parent

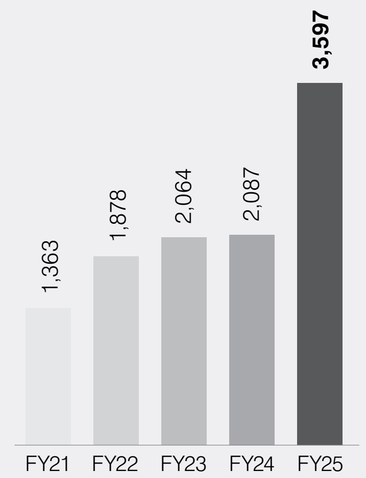
(in Rs. crore)



25%
CAGR
(Five-year)

International Order Booking

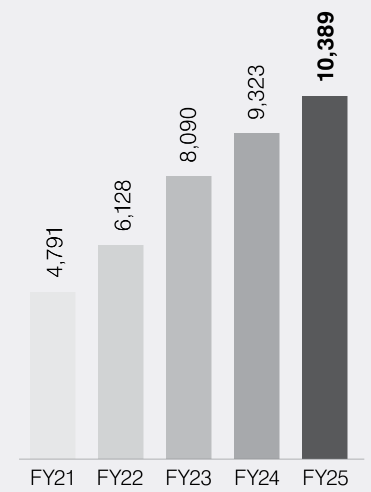
(in Rs. crore)



21%
CAGR
(Five-year)

Revenue from Operations

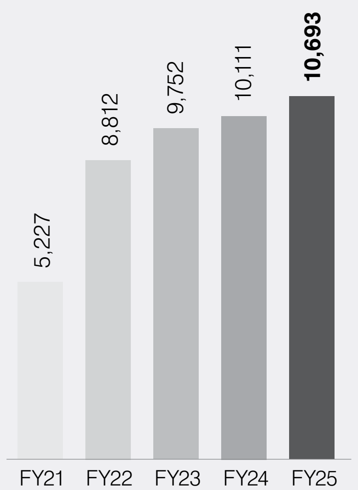
(in Rs. crore)



17%
CAGR
(Five-year)

Order Balance

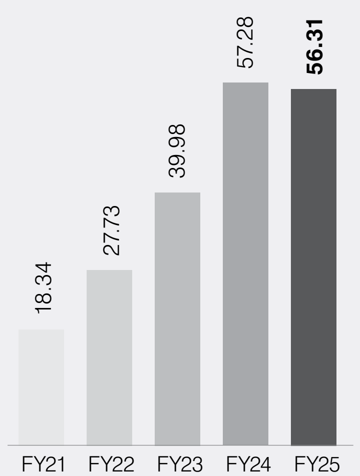
(in Rs. crore)



15%
CAGR
(Five-year)

Diluted Earnings Per Share (EPS)

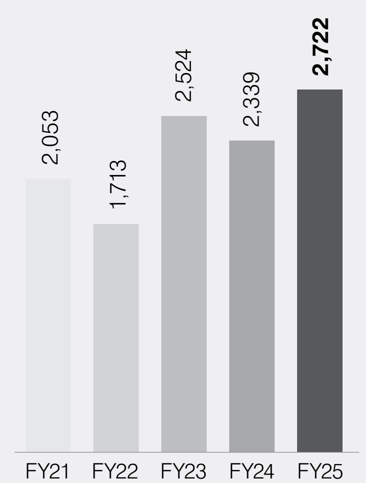
(in Rs.)



25%
CAGR
(Five-year)

Cash and Cash Equivalents, including Current Investments

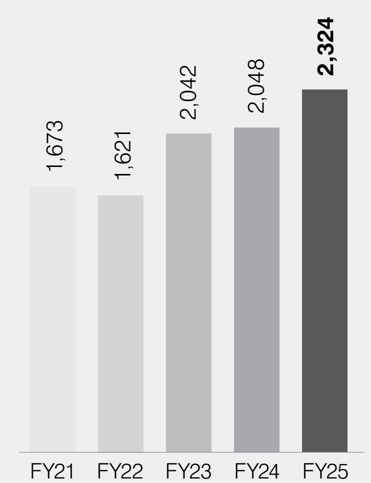
(in Rs. crore)



6%
CAGR
(Five-year)

International Revenue

(in Rs. crore)



7%
CAGR
(Five-year)

The graphics have been prepared on the basis of consolidated financial numbers.

AWARDS AND ACCOLADES

Celebrating Our Successes

EY Entrepreneur of the Year Award

Chairperson Meher Pudumjee was named EY Entrepreneur of the Year™ 2024 in the manufacturing category. The award is one of India's most distinguished business accolades for entrepreneurs, recognising those who lead dynamic businesses and inspire others with their achievements.

Chairperson Meher Pudumjee receiving the award from Shri Bhupender Yadav, Union Minister of Environment, Forest and Climate Change

Business Today's India's Best CEOs Awards

Former Chairperson Anu Aga, received the 'Lifetime Achievement' award at Business Today's India's Best CEOs Awards. The accolade celebrates her lasting contributions to industry and society.

Anu Aga receiving the award from Shri Nitin Gadkari, Minister for Road Transport & Highways

Energy Excellence Award 2025

Thermax was honoured with the 'Energy Excellence Award 2025' by Chemtech Foundation at the Oil, Gas & Power World Expo 2025 in the category of 'Outstanding Achievement in R&D and Innovation'. The Energy Excellence Awards recognise industry pioneers leading India's sustainable energy transition with the vision of achieving net zero by 2070.

Pravin Karve, President, TBWES, receiving the award from Shri Suresh Prabhu, Former Union Minister, Government of India, and Padma Vibhushan Dr. V. K. Saraswat, Member (Energy), NITI Aayog, Government of India

Best Governance Award at Indian Family Business Awards 2023

Thermax won the Best Governance Award (GIGA category), presented by Moneycontrol and Waterfield Advisors in partnership with PwC India, highlighting the Company's commitment to ethical leadership and transparency.

Samina Khalid, Head of Corporate Communications, receiving the award from Harivansh Narayan Singh, Deputy Chairman of Rajya Sabha

Mahatma Award 2024 for Social Responsibility

Former Chairperson Anu Aga was awarded for Lifetime Achievement in Social Responsibility and Social Impact, recognising her dedication to social equity and sustainability. The award was presented by Dr. Kiran Bedi, Former Lieutenant Governor of Puducherry and Amit Sachdeva, a social entrepreneur.

Dr. K. S. Basu Lifetime Achievement Award

Former Chairperson Anu Aga, became the first woman to receive this honour from the Bombay Management Association (BMA) in its 70-year history. Former Maharashtra Governor Shri Ramesh Bais presented the award, which recognises her transformative leadership in the industrial sector.

National Excellence Award in Digital Platforms

Thermax received gold recognition at the 12th CII IQ National Excellence Practice Competition for its digital platforms – Thermax EDGE® and the AI/ML powered IIoT platform Thermax EDGE Live® – in the manufacturing sector. This award reflects our drive for innovation and enhanced customer experience.

Excellence in Sustainability and Circular Economy

At the 12th Annual Manufacturing Today Awards 2024, Thermax was recognised for pioneering efforts in air pollution control, energy sustainability, and water conservation, driving measurable environmental impact.

NASSCOM AI Gamechanger Award

Thermax EDGE Live® received the AI Gamechanger Challenger Award for its AI-driven energy transition solutions, which improve asset performance, fuel efficiency, and carbon reduction.

Gold Award for Industrial Safety Excellence

Thermax's Sri City facility secured the Gold award at the 2023 CII Andhra Pradesh Industrial Safety Excellence Awards, recognising its robust safety culture and commitment to employee well-being.

Platinum Award for Sustainability

The Sri City plant earned Platinum Certification from the CII - IGBC, Bengaluru, recognising its leadership in energy efficiency, carbon reduction, and circular economy practices. The facility achieves 30% energy savings, operates a 1 MWh solar plant, recycles 100% wastewater, and reduces freshwater use by 18,000 kilolitres annually.

BOARD OF DIRECTORS

Guiding Strategic Vision

Meher Pudumjee
Chairperson

M M M C

Nationality: British
Age: 58
DIN: 00019581
Date of Appointment:
January 15, 2001
Tenure on Board: 24 years

Pheroz Pudumjee
Non-Executive,
Non-Independent Director

M M M C

Nationality: British
Age: 63
DIN: 00019602
Date of Appointment:
January 15, 2001
Tenure on Board: 24 years

Harsh Mariwala
Non-Executive,
Lead Independent Director

C

Nationality: Indian
Age: 74
DIN: 00210342
Date of Appointment:
November 10, 2016
Tenure on Board: 8.6 years

Ashish Bhandari
Managing Director and CEO

M M

Nationality: American
Age: 54
DIN: 05291138
Date of Appointment:
June 18, 2020
Tenure on Board: 5 years

Parag Shah
Non-Executive,
Independent Director

M

Nationality: India
Age: 49
DIN: 00374944
Date of Appointment:
December 12, 2024
Tenure on Board: 4 months

Dr. S. B. (Ravi) Pandit
Non-Executive,
Independent Director

M M M M C

Nationality: Indian
Age: 75
DIN: 00075861
Date of Appointment:
May 30, 2017
Tenure on Board: 8 years

Shyamak R. Tata
Non-Executive,
Independent Director

C M M

Nationality: Indian
Age: 61
DIN: 07297729
Date of Appointment:
October 17, 2023
Tenure on Board: 1.7 years

Dr. Ravi Gopinath
Non-Executive,
Independent Director

C M M

Nationality: Singaporean
Age: 59
DIN: 00803847
Date of Appointment:
November 10, 2021
Tenure on Board: 3.6 years

Rajani Kesari
Non-Executive,
Independent Director

M

Nationality: Indian
Age: 53
DIN: 02384170
Date of Appointment:
November 14, 2018
Tenure on Board: 6.6 years

60 Years
Average Age of the Board

5 Years
Average Tenure of Independent Directors on the Board

9 Years
Average Tenure on the Board

22%
Female Representation on the Board

- Audit Committee
- Stakeholder Relationship Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility (CSR) Committee
- Risk Management Committee
- Strategic Business Development Committee

(C) Chairperson (M) Member

EXECUTIVE LEADERSHIP

Delivering Excellence with Expertise

Ashish Bhandari
Managing Director and CEO

Dr. Amit Sethi
Executive Vice President and Chief Digital & Information Officer

Arun Unni
Executive Vice President and BU Head – New Energy & Strategy

B C Mahesh
President and BU Head – Industrial Products

B C Rajesh
Executive Vice President and CEO – TBWES

Dinesh Mandhana
Executive Vice President and BU Head – Chemicals

Jasmeet Bhatia
Executive Vice President and Chief Human Resources Officer

Kirtiraj Jilkar
Executive Vice President and BU Head – Projects & Energy Solutions

Pravin Karve
President – TBWES

Rajendram Arunachalam
Executive Vice President and Group Chief Financial Officer

Dr. Santanu Chaudhuri
Executive Vice President and Chief Technology Officer

VALUE CREATION MODEL

Building a Legacy of Lasting Impact

What We Depend On

Financial Capital

Our healthy financial base supports strategic investments in technology, capacity expansion, and sustainability, ensuring long-term value creation for stakeholders.

Rs. 4,937 cr Net worth

Rs. 7,313 cr Current assets

Rs. 3,368 cr Net block of assets

Rs. 10,337 cr Order booking

Rs. 1,693 cr Borrowings

Manufactured Capital

Our state-of-the-art plants and innovation centres ensure high-quality production of energy, water, and environmental systems, underpinning our operational excellence.

16 Manufacturing plants

49 Subsidiaries

472 Project sites (O&M)

213.5 MWp Total solar, wind and wind-solar hybrid project sites capacity – under open access

Rs. 5,814 cr Material consumed

Human Capital

Our people—engineers, technicians, and support professionals—drive innovation and growth. Continuous upskilling and development empower our workforce to deliver advanced energy and environmental solutions.

31 Certified HSE internal auditors

1,164 Permanent workers

21,682 Contractual workforce (Staff on fixed term contract and workers)

4,437 Permanent employees of the Thermax Group (including subsidiaries and excluding workers)

Rs. 5.9 cr Investment in L&D initiatives

Intellectual Capital

Our robust R&D and technical expertise fuel innovation, allowing us to develop cutting edge solutions that address evolving energy efficiency and environmental management challenges.

0.4% R&D expenditure as a percentage of the Group's turnover

62 Employees in the R&D team

Rs. 2.5 cr Investment in technology/process improvement initiatives

Social & Relationship Capital

Through CSR and collaborative partnerships, we build strong, trust-based relationships with customers, suppliers, and local communities, enhancing mutual growth.

Rs. 11 cr CSR expenditure

127 Dealers

563 Green channel vendors

5,231 MSMEs

Natural Capital

We integrate sustainable practices across our operations, reducing our environmental footprint and contributing to a cleaner, greener future.

1,53,746 GJ RE consumption

2,02,733 GJ Non-RE consumption

9,29,522 m^3 Water consumption

1,29,044 m^3 Rainwater harvesting capacity (domestic)

Rs. 2.5 cr Capex on carbon footprint reduction-related projects

6 Zero liquid discharge installations within our facilities

Figures are maintained up to one decimal place and rounded to the nearest whole number where applicable in this Annual Report.

What We Do

Vision

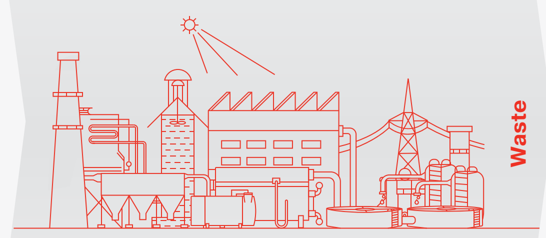
Values

Ethos

Key Business Activities

Utilities: Power, Heating, Cooling, Water Treatment, Chemicals

Raw Materials



Desired Products

Waste: Hazardous Waste Treatment, Wastewater Treatment, Air Pollution Control, Waste to Energy Generation

Strategic Objectives

S01 S02 S03

S04 S05 S06

Value Created for Stakeholders

Owners and Shareholders

We create long-term shareholder value by delivering innovative and sustainable solutions, ensuring operational excellence and profitable growth. Our commitment to transparency and accountability fosters investor trust and confidence, reinforcing our reputation as a reliable and future-focused enterprise.

13.4% Return on equity

Rs. 14 Dividend declared per share

24.9% Dividend payout ratio

Customers

Our customers are at the core of our business. From concept to execution, we work closely with them to develop innovative products and solutions that adapt to their evolving needs, ensuring excellence at every stage.

99% Customer complaints resolved

11 Suppliers trained on sustainability

Vendors and Business Partners

Our channel partners are integral to our vision. We foster a shared commitment to excellence and innovation through active collaboration and mutual trust. This strong partnership drives strategic growth, enabling us to achieve breakthroughs and deliver greater value.

450 Suppliers trained on sustainability

54% Material sourced sustainably

Employees

Our employees are the foundation of our success. We cultivate a workplace built on inclusivity, collaboration, and continuous learning, empowering our people to thrive. We enhance morale, drive productivity, and attract top talent through open communication and recognition programmes, ensuring long-term growth and retention.

27,283 Total headcount (Permanent employees, permanent workers and contractual workforce)

66,536 Training person-hours

0.2 Lost time injury frequency rate

Communities and Academia Groups

Thermax Foundation (TF), established in 2007, is the philanthropic arm of Thermax dedicated to bridging the educational divide. Its mission is to empower underprivileged children, equipping them with the tools to break the cycle of poverty and create a brighter, more equitable future.

5,362 Alumni supported from iTeach and Akanksha Foundation

657 Community youth at ITI supported for industry-specific training

Rs. 1.2 cr Direct monetary benefits to workers from government schemes

Planet

We recognise our responsibility to protect the planet for current and future generations. Through sustainable innovation and continuous process enhancements, we remain committed to reducing our carbon and water footprint, fostering environmental stewardship, and shaping a more sustainable future.

16,715 tCO_2e Carbon emission reduction

2,51,388 m^3 Water reused and recycled (domestic)

Government Authorities

The Government of India plays a crucial role in shaping the country's energy landscape, driving the transition towards a sustainable future. Thermax actively collaborates with government ministries and agencies, contributing to the shared vision of a cleaner and more energy-efficient nation.

Rs. 416 cr Taxes paid

Rs. 5.5 cr Government grants in our R&D projects

STRATEGIC OBJECTIVES

Paving the Way for a Sustainable Tomorrow

While innovation, sustainability, and global expansion remain key focus areas, our strategy encompasses a broader and more integrated vision. It is grounded in deep customer insight, operational excellence, and a steadfast commitment to long-term value creation. For FY 2024-25, we are intensifying our investments in digital transformation and manufacturing capabilities to enhance energy efficiency, reduce emissions, and deliver pioneering clean energy solutions. By harnessing advanced technologies and forging strategic partnerships, we aim to create enduring value for our stakeholders while paving the way for a resilient and sustainable future.

SO1

Innovate for Energy Transition

Introduce products and technologies to help industries bridge the gap between energy availability and energy sustainability

Focus Areas

» Develop cutting-edge energy transition products
» Foster technology partnerships
» Invest in R&D

Read more on page 90

SO2

Strengthen Solutions Businesses

Enhance our capabilities to provide long-term utility services

Focus Areas

» Implement build-own-operate (BOO) model for utility delivery services
» Provide renewable energy solutions
» Offer end-to-end energy management for utilities

Read more on page 91

SO3

Scale Up Businesses Relating to Sustainability and Urbanisation

Grow our air pollution control, water, cooling and chemicals businesses to offer comprehensive solutions beyond energy transition

Focus Areas

» Form strategic partnerships and diversify product portfolio
» Establish new growth units
» Expand manufacturing capabilities and capacities

Read more on page 92

SO4

Drive Digital Transformation

Leverage digitalisation to improve efficiency both internally and externally

Focus Areas

» Increase digital interventions across processes
» Proliferate customer-centric digital platforms
» Strengthen cybersecurity measures

Read more on page 93

SO5

Build an Agile, Market Responsive Organisation Structure

Assess evolving market demands and align the organisation with them to optimise business performance and resource management

Focus Areas

» Solution selling approach
» Accelerate market penetration with unified, cross-business energy transition offerings
» Drive internal changes to mobilise, manage and retain talent
» Foster a performance-driven culture

Read more on page 94

SO6

Energise the Core

Continue to build on our existing strategic priorities

Focus Areas

» Increase the share of green offerings
» Grow services portfolio
» Internationalisation

Read more on page 95

RISK MANAGEMENT

Steering Confidently Amidst Uncertainties

At Thermax, we recognise that risks are inherent in a dynamic global environment. We proactively identify, assess, and mitigate potential challenges to protect our stakeholders and maintain peak performance. Our forward-thinking approach safeguards our operations and uncovers opportunities for continuous improvement, ensuring we remain resilient and agile in the face of change.

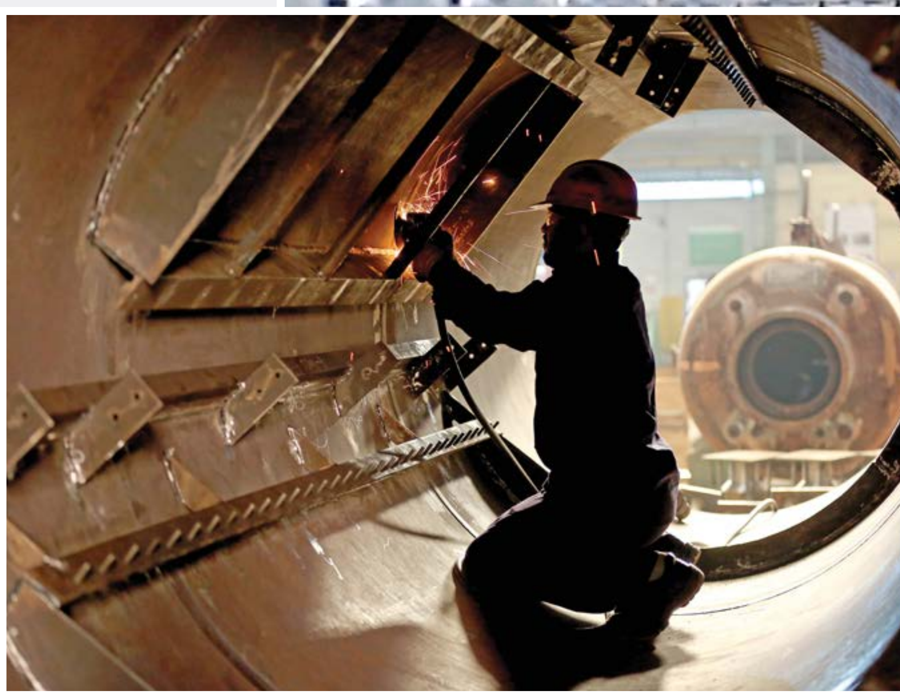
Risk	Definition	Mitigation Plan	Strategies Impacted	Capitals Impacted
Project Execution Risk	» Loss of reputation/market share/margin erosion due to inadequate process framework and monitoring of risks during the project lifecycle	» Deployment of robust project management structures across business divisions to monitor and control project execution risks during the project lifecycle » Multiple controls from the proposal to the execution stage enable the Company to take timely measures and mitigate potential risks » Monitoring of credit ratings and credit locks for defaulting customers are implemented » Digitally enabled systems for integrated project planning, document and knowledge management, quality monitoring and issue resolution, vendor collaboration and procurement management, including HSE applications for near-miss reporting, audits, and compliance dashboards	SO2, SO3, SO4, SO6	Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital
Data Governance and Cybersecurity Risk	» Inability to identify, classify, document, digitise and archive business-critical knowledge/information to ensure complete, consistent, reliable, and secure corporate data » Adverse impact on the Company's operations due to cyberattacks and lack of firewalls, encryption, and remote access controls, leading to compromise of confidential data and intellectual property » Inability to continue/recover business operations during any crisis, and/or disaster, with minimal disruption or loss of business	» Regular cybersecurity training sessions are conducted to raise awareness and promote best practices among employees » Multi-factor authentication is in place for access to critical systems, enhancing protection against unauthorised access » Cyber monitoring mechanisms are implemented to detect and respond to cyber-attacks » Cybersecurity technologies have been implemented to safeguard our systems and network infrastructure » Servers and databases supporting hosted applications are continuously upgraded to ensure high availability and performance » Disaster recovery procedures for critical applications are regularly tested to ensure business continuity in the event of a disruption	SO1, SO2, SO3, SO4, SO5, SO6	Financial Capital, Intellectual Capital, Human Capital, Social and Relationship Capital
Risk of Climate Change	» Impact on business dynamics due to restrictions and increase in compliance with conventional energy	» To mitigate the effects of climate change in the short, medium, and long-term, we are developing products based on renewable energy, acquiring new technologies, and complying with statutory standards » Prepared plan of action to be ready for adverse climatic conditions to prevent loss to production facilities, avoid stoppage of work, and ensure safety of workmen	SO1, SO2, SO3, SO5, SO6	Financial Capital, Manufactured Capital, Natural Capital, Social and Relationship Capital
People Risk – Skills and Competencies	» Inability to attract talent and plan succession of people for key positions	» Leadership programmes at various leadership levels are being implemented » Introduced ESOP for senior management executives » Successors for critical roles have been identified and action planning is being tracked to develop them to take up available roles » Leadership competency framework created for comprehensive leader development in current business landscape and aligning capabilities with Company's future vision & strategy » Exit interviews of regrettable attrition are conducted by external consultants to understand the improvement areas from an organisational perspective. The same is followed by action planning at BU level	SO1, SO2, SO3, SO4, SO5, SO6	Intellectual Capital, Human Capital, Social and Relationship Capital, Financial Capital

Financial Capital | Manufactured Capital | Intellectual Capital | Natural Capital | Human Capital | Social and Relationship Capital

STAKEHOLDER VALUE CREATION

Empowering a Sustainable Future: Innovating for People, Planet and Progress

At Thermax, we embed Environmental, Social, and Governance (ESG) principles into our core strategy to create sustainable value for every stakeholder—from investors and customers to employees, suppliers, communities, and regulators, ensuring our growth benefits all and safeguards the planet. Our holistic ESG approach drives innovation in clean technologies, nurtures an inclusive workplace, strengthens ethical governance, and builds resilient supply chains, thereby delivering tangible improvements in operational efficiency, stakeholder trust, and long-term value. By aligning our business decisions with global ESG standards and stakeholder expectations, we not only mitigate risks but also unlock new market opportunities, reinforcing Thermax's resilience and positive societal impact over the long term.



Owners and Shareholders
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Customers
Page 36

Employees
Page 40

Vendors and Business Partners
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Communities and Academia Groups
Page 48

Planet
Page 54

Government Authorities
Page 58

STAKEHOLDER VALUE CREATION - OWNERS AND SHAREHOLDERS

Creating Enduring Value for Our Shareholders

Thermax remains focused on building long-term value through strategic investments, research and development (R&D) and capability enhancement. While FY 2024-25 presented challenges, including muted order inflows in select businesses and margin pressures, the company continued to strengthen its foundation for future growth. With a diversified portfolio centred on sustainable technologies and renewable energy solutions, Thermax is well-positioned to capitalise on emerging opportunities both in India and globally. Through prudent capital allocation and a future-ready portfolio, we remain committed to delivering resilient returns, reinforcing investor confidence, and supporting sustained growth for our shareholders.

Thermax leadership with employees and shop floor teams from the Heating business at the inauguration of the revamped Chinchwad plant, Pune

Chairperson Meher Pudumjee engaging with the employees during the Chinchwad (Pune) plant revamp event

13.4%
Return on Equity

Rs. 14
Dividend Per Share

24.9%
Dividend Payout Ratio

Interaction with Shareholders

We regularly engage with our shareholders, investors, and analysts through forums such as quarterly earnings calls and Annual General Meetings. These interactions provide valuable insights into stakeholder expectations, which help shape our sustainability framework. We also share critical updates in our Annual Report, official website, investor meetings, e-mails, press releases, and stock exchange communications.

Promoters and senior leadership during the inauguration of Thermax's Water & Waste Solutions manufacturing facility in Pune

Analysts and investors gathered to learn about Thermax's future plans

Investor/Analyst Calls

After announcing each quarter's financial results, Thermax hosts investor and analyst calls to ensure transparent, timely communication. Led by the managing director and the chief financial officer, these sessions begin with an overview of the Company's performance, operating environment, and strategic direction, followed by an interactive Q&A. This approach fosters clarity, trust, and alignment with the investor community. Subsequently, recordings and transcripts of these calls are posted on our website, extending accessibility and serving as a valuable reference for all stakeholders.

Board Meetings

In line with our governance framework, Thermax conducts quarterly Board Meetings—physically or virtually, supplemented by periodic Committee meetings scheduled according to a pre-approved annual calendar. A highlight of this process is the annual Board Retreat, held in February, where the Board and senior leadership convene for in-depth discussions on long-term strategy.

STAKEHOLDER VALUE CREATION - CUSTOMERS

Partnering for Growth Across Energy, Environment and Chemicals

At Thermax, our customers are at the heart of every innovation we pursue. We deliver integrated and customised solutions spanning clean air, clean energy, clean water, and performance-engineered chemicals — all designed to elevate operational efficiency and sustainability. With a deep understanding of diverse industry needs and a strong commitment to responsible growth, we enable our customers to achieve their performance goals while advancing their transition towards a more sustainable future.

MD and CEO Ashish Bhandari addressing the media at the Boiler India 2024 event held in Mumbai

Thermax team at the India Bio-Energy & Tech Expo in New Delhi, India

99%

Customer Complaints Resolved

11

Roadshows and Intouch Programmes Organised

Collaborating with Purpose: Listening, Solving, Delivering

Project Amplify

It is a strategic transformation initiative by Thermax designed to elevate and expand our service business with a strong customer-first mindset. It aims to deepen engagement across our installed base while unlocking new opportunities beyond Thermax systems — including emerging areas such as urban water and steam solutions. Powered by digital enablers like EDGE Live, Amplify is enhancing responsiveness, service quality, and customer satisfaction. At its core, the initiative empowers our service teams to drive innovation, take ownership, and deliver exceptional value, strengthening Thermax's position as a trusted, solution-oriented partner across global markets.

Thermax Serve

It is Thermax's dedicated service arm, committed to ensuring the peak performance and reliability of industrial utilities. Drawing from five decades of experience, it delivers end-to-end solutions—from retrofitting and revamping to genuine spare parts-for equipment from all manufacturers. With a focus on enhancing operational efficiency, sustainability, and customer uptime, Thermax Serve supports industries across geographies with expertise in advanced combustion systems, heat recovery, and preventive maintenance.

Q&A session at one of the Thermax Roadshows

The Thermax team at the Boiler India 2024 event

Events and Exhibitions

Boiler India

At Boiler India 2024, we showcased our advanced clean technologies at the CIDCO Exhibition Centre, Navi Mumbai. With over 2,000 visitors, the booth highlighted cutting-edge solutions like the universal biograte combustion technology, GreenPac™ boiler, GreenBloc™ heater, and Thermeon 2.0 for small-scale industries. Expert-led interactive seminars offered insights into heating, gas conversion, and biogas solutions trends, making it a high-impact event for lead generation, networking, and knowledge sharing.

STAKEHOLDER VALUE CREATION - CUSTOMERS

IFAT India

Thermax made a strong mark at IFAT India 2024 under the theme 'Sustaining the Blue', showcasing innovations in water management. Divisions like Water and Waste Solutions (WWS), Heating, and TBWES presented groundbreaking technologies at the event. WWS launched Biofilter Pro, an advanced wastewater treatment solution with a strong focus on sustainability. The three-day event featured immersive digital experiences and expert sessions addressing global water challenges.

MD and CEO Ashish Bhandari with the PT Thermax, Indonesia team during the Thermax Roadshow event in Jakarta

Q&A at one of the customer outreach events

Aquatech Amsterdam

At Aquatech 2025, we underscored our commitment to innovative water treatment solutions through advanced ion exchange resin technologies. The event was a key platform for engaging global water leaders and European stakeholders. Discussions revolved around critical challenges such as PFAS removal, condensate polishing, metal recovery, and membrane technologies, reinforcing Thermax's innovation leadership in high performance chemicals.

Gulfood Manufacturing

Thermax debuted at the Gulfood Manufacturing Expo 2024 in Dubai, focussing on clean air, clean energy and clean water solutions tailored for the food and beverages sector. The booth featured integrated solutions, from electrostatic precipitators and electric boilers to digital platforms like EDGE Live. With over 200 customers participating, the event enhanced Thermax's brand visibility while aligning with global sustainability goals.

Indonesia Roadshow

We hosted our first global roadshow in Jakarta, Indonesia, expanding our international footprint. Backed by the Indian Embassy, the event highlighted green technologies for energy transition—closely aligned with Indonesia's decarbonisation goals. With content presented in Bahasa and over 220 attendees, the roadshow featured expert panels and fostered dialogues with local customers and government representatives, opening avenues for regional partnerships and business development.

Regional Intouch

We organised multiple regional customer engagement events across the textile, plywood, and automobile sectors. With a unified 'One Thermax' strategy, these interactions reinforced the Company's end-to-end sustainability offerings and solutions to reduce carbon footprints, tailored to diverse industry needs.

Ashish Bhandari, in conversation with a media professional during the Gulfood Manufacturing Expo, Dubai

Customers exploring Thermax's solutions during one of the Thermax Roadshows

Thermax team engaging with the customer at one of the Roadshows

Digital Marketing

As part of our digital marketing strategy, Thermax has strengthened its global presence through region-specific social media pages across Southeast Asia, MENA, Europe, the Americas, and Sub-Saharan Africa. These platforms are gaining meaningful traction, helping us engage with a wider audience and stay closer to our customers across key international markets. The content shared is a balanced mix of business updates, brand storytelling, and people-centric narratives, enabling us to build deeper connections, showcase regional relevance, and keep stakeholders informed and inspired.

Also, through campaigns such as #AcceleratingSustainabilityTogether, Thermax empowered channel partners with high-impact digital assets—product demos, case studies, and technical content—distributed via TCA social accounts to expand outreach and influence across platforms.

STAKEHOLDER VALUE CREATION - EMPLOYEES

Nurturing Talent, Inspiring Growth

Our employees form the backbone of our success at Thermax, and we strive to cultivate an inclusive and growth-oriented work culture. We invest in continuous learning, robust safety practices, and career development initiatives, enabling our workforce to perform at their best and drive our collective mission of delivering superior stakeholder value.

Senior Leadership Development Programme (SLDP) participants enjoying a team-building activity

Chairperson Meher Pudumjee addressing the new joinees at the Aarambh induction programme for Graduate Apprentice Trainees (GATs) and Diploma Apprentice Trainees (DATs)

27,283

Total Headcount*

21.6 Hours

Average Annual Training Per Employee

0.2

Lost Time Injury Frequency Rate

** Permanent employees, permanent workers and contractual workforce*

Culture at Thermax

Rooted in Purpose, Shaped by Action

At Thermax, culture is more than just words—it reflects how we work, engage, and grow together. Built on purpose, integrity, and collaboration, our culture develops through everyday actions and open communication. We encourage honest and interactive dialogue, from our All Hands Meets, connecting leadership with teams, to the MD's regular updates after Board meetings, emphasising transparency. Our 'speak up' approach invites employees at all levels to share ideas, ask questions, or raise concerns, helping to build trust and a supportive environment. We are also working toward a stronger performance-driven culture, with clearer appraisal discussions and a focus on meaningful feedback and development. While there is still progress to be made, we are committed to building a workplace where innovation thrives, learning is continuous, and every individual feels respected and heard.

Leadership Conference and Annual Awards

Business with a Purpose

On April 25, 2025, Thermax hosted its annual Leadership Conference and Awards Evening with the theme 'Business with a Purpose: Acting Now, Shaping What's Next!'. The theme highlighted how today's actions shape our future. Leaders from across the company came together to review progress, discuss new ideas, celebrate outstanding achievements, and focus on our goal of creating positive, lasting impact for the industries we serve, keeping environmental well-being at the core. The event emphasised that business success and responsibility must go hand in hand, and that every decision should contribute to a greater good. The evening culminated in a vibrant awards ceremony, honouring individuals and teams who embodied our CLOCC (customer, lead, own, create and collaborate) behaviours through their actions.

The Industrial Products team celebrating their win as the 'Best Business Unit' at the Annual Awards Ceremony

Diversity, Equity and Inclusion

Together We Rise

Thermax is deeply committed to building a diverse and inclusive organisational culture, guided by a well-defined DEI strategy structured around four key pillars:

We undertook various initiatives aligned with these pillars during the year to drive meaningful change and foster an inclusive workplace environment.

STAKEHOLDER VALUE CREATION - EMPLOYEES

1. Enhancing Gender Diversity Through Focused Hiring

At Thermax, our commitment to segmented hiring drives tangible progress in building a gender-diverse workforce—especially at mid-managerial levels where leadership potential is nurtured. By intentionally allocating roles for women across various business functions, we are strengthening the leadership pipeline for the future. In the current financial year, we have increased women's representation from 9.4% to 10.1% a reflection of our ongoing efforts toward diversity. This steady progress highlights our dedication to gender parity and creating a workplace where all talent is empowered to thrive.

Employees gathered to celebrate the Navratri festival

2. Promoting Openness and Inclusivity in the Workplace

Employee Engagement – The Pulse Survey

At Thermax, Pulse Surveys are a cornerstone of our ongoing commitment to listening to employee voices. These surveys have been conducted thrice over the past three years and have helped us monitor progress across 22 critical engagement drivers, enabling timely, targeted action. Through focused action planning after each cycle, we have seen measurable improvements in key areas such as barriers to execution, recognition, work-life balance, and feedback—each improving by five to seven points. Our overall employee satisfaction (ESat) score has also shown steady growth, rising from 71 to 76, demonstrating our sustained efforts to foster a more fulfilling and engaging workplace experience.

Celebrating Diversity Through Inclusive Festivities

Thermax celebrates the vibrant cultural diversity of its workforce by commemorating a wide array of festivals across its locations. We enthusiastically observe major celebrations like Holi, Diwali, Christmas, Navratri, Makar Sankranti, and region-specific festivities aligned with local traditions. These events create opportunities for employees to bond, appreciate cultural nuances, and contribute to an inclusive, joyful, collaborative work culture.

Leaders solving a puzzle at the SLDP graduation ceremony

Building Stronger Bonds Through Team Retreats and Outbounds

Our outbound programmes and retreats aim to strengthen interpersonal relationships, encourage collaboration, and build team spirit in an informal, energising setting. These curated experiences including adventure-based activities, reflective sessions, and team-building exercises enable employees to reconnect, share perspectives, and develop a sense of trust and unity. They also serve as a rejuvenating space for leaders and teams to align on shared goals and return to work with renewed motivation and focus.

3. Developing and Sponsoring Talent

Executive Leadership Development Programme (ELDP)

The Executive Leadership Development Programme intends to equip our senior leaders with advanced business acumen, global insights, and strategic leadership skills through immersive learning at top international universities.

Senior Leadership Development Programme (SLDP)

During the year, SLDP 1.0 empowered 33 future leaders, with 27% being promoted and 42% transitioning into new roles. The programme received a 90% effectiveness score, highlighting its impact. SLDP 2.0, launched in July 2024, with 35 participants, is a structured, competency-based programme aimed to develop senior leaders' strategic mindset and leadership capabilities.

Young Leadership Development Programme (YLDP)

YLDP accelerates the growth of emerging leaders through a structured development journey focused on key business and leadership competencies. It prepares young talent with the capabilities and a strategic mindset needed for long-term success.

Managerial Capability Programme (MCP)

MCP is a four-month development journey designed for foundational-level managers, strengthening leadership across three core pillars—self, others, and business. It combines immersive sessions, digital nudges, and real-time action learning projects to drive impact. The programme covers 80% of Thermax's managerial population and is rated 4.6/5. It builds competencies like self-awareness, emotional intelligence, coaching, and strategic thinking. Personalised development plans, digital coaching, and continuous learning tools support lasting growth. MCP Level 2 has trained 135+ leaders across four batches, with six more planned.

Calendar Programmes

Our Calendar Programme framework, built on Root Learning, Self-Development, Leadership Development, and Skills for Tomorrow, has evolved to increase accessibility and business alignment.

Key Highlights

New Workshops: Coaching Skills, Foundational English, Discovering AI, and Managing Your Manager

Wider Outreach: Regular workshops for regional and site employees across all BUs

Sustained Impact: Over 1,600 employees trained in 70+ batches with a 97% satisfaction score

Honeycomb 2.0

Honeycomb 2.0 is Thermax's digital-first competency development framework for building scalable technical capabilities. With redesigned assessments and individual development plans (IDPs), it supports self-directed learning and future readiness. Backed by robust talent analytics like the Talent Readiness Index and Business Risk Indicator, Honeycomb 2.0 enables deeper insights into workforce planning, hiring strategy, succession planning, and training interventions. Active across four businesses, the framework has delivered:

- 200+ competency deconstruction workshops
- 70+ functions, 500+ roles
- 800+ broad-level and 4,800+ sub-competencies
- 2,200+ unique proficiency scales

Digital Learning Initiative

In partnership with UpGrad, Thermax introduced 13 digital programmes focused on future-ready, industry-relevant skills. Popular courses like 'How to Sell Your Ideas at Work' and 'Develop a Problem-Solving Mindset' have seen over 2,400 enrolments and are actively integrated into manager development sessions. These initiatives foster continuous learning and professional growth, reinforcing our commitment to organisational excellence.

Leaders and participants strike the #AccelerateAction pose at the Women's Day event

4. Enabling Mindset Change

DEI Awareness Workshop

We conducted an engaging, drama-based DEI (diversity, equity, and inclusion) awareness workshop for mid-senior leaders and employees, reaching 413 participants across eight batches. The workshop blended interactive drama with group discussions and created a safe and relatable environment to explore critical topics such as unconscious bias, gender bias, inclusive language, and disability sensitivity. Participants were encouraged to reflect on their behaviours and take steps towards fostering a more inclusive workplace. The initiative was met with overwhelmingly positive feedback, earning a strong net promoter score (NPS) of 4.3 out of 5, highlighting its relevance and impact.

International Women's Day Celebration

Thermax celebrated International Women's Day with a vibrant two-day event themed #AccelerateAction, aligning with the global call for gender equity. Highlights included the 'Flip the Script' cooking competition, where men cooked under the guidance of women as head chefs, challenging traditional gender roles with humour and teamwork. The celebration also featured leadership reflections, a powerful panel discussion — Between Hustle & Humour — and the #HerImpactHisTribute campaign, where male colleagues honoured the everyday impact of women at Thermax.

Attrition: Evolving Together Through Transparency

In FY 2024–25, Thermax recorded an overall attrition rate of 11.5%, with regrettable attrition—the loss of key or high-performing talent was at 7.5%, same as last year. To address this, we rolled out focused initiatives to boost engagement and retention. These included career development programmes, salary corrections, enhanced learning interventions, digitised recognition platforms, and the Managerial Capability Programme. Structured platforms such as focused group discussions, skip-level interactions, and continuous feedback via Pulse surveys, complemented by wellness initiatives, have all significantly reduced attrition and enhanced the employee experience.

Change in Overall Attrition

FY 2024-25	FY 2023-24
11.5%	14.2%

2.7% YoY decrease

Thermax Cares: Nurturing Growth, Inspiring Hope

At Thermax, caring for our people goes beyond the workplace. Through Thermax Cares, we promote holistic well-being by creating safe spaces, driving awareness, and offering accessible support systems for mental and physical health.

Prioritising Mental Health and Well-being

Counselling Services at the Workplace

Recognising the increasing significance of mental health in today's work environment, we expanded our 'Counselling Service at Your Workplace' initiative beyond the Head Office to include factories and regional offices. A qualified counsellor was available at each location, providing employees with confidential, one-on-one sessions at no cost. Each hour-long session offered a safe and empathetic space for individuals to explore personal or professional concerns. Notably, 88.37% of registered participants attended their sessions—an encouraging indicator of relevance and acceptance.

Burnout to Brilliance 30-Day Resiliency Programme

In September 2024, we launched a comprehensive programme to address workplace burnout—a growing global concern. 'Burnout to Brilliance' integrates diagnostic tools with expert-led workshops, empowering employees to identify personal stress triggers, adopt tailored wellness practices, and build long-term resilience. The programme enhanced mental well-being and contributed to reduced absenteeism and improved performance.

Creative Healing Workshops

To promote emotional balance and expression, we introduced a series of creative wellness sessions such as Expressive Art Therapy, Therapeutic Wellness, and Mindfulness Meditation. These engaging, interactive experiences allowed employees to reflect, recharge, and reconnect, supporting mental clarity and emotional growth.

Encouraging a Healthy and Active Lifestyle

All-Thermax Badminton Tournament

This year's tournament was divided into two age group categories (<45 and >45 years) to encourage wider participation across the organisation. Two new teams, Enabling Functions and New Energy, joined the event, enriching the spirit of inter-team engagement. A major highlight was the introduction of the women's doubles category, replacing the mixed doubles format, to promote and celebrate increased female participation in the sport.

Pune Half Marathon Participation

Employees from Pune and Shirwal participated in the Bajaj Allianz Pune Half Marathon on December 15, 2024, celebrating health, teamwork, and Thermax's commitment to well-being. Compared to the previous year, the overall marathon nominations saw a remarkable rise from 920 to 1,590, with participation from women employees experiencing a significant boost, increasing from 156 to 363. MD and CEO Ashish Bhandari, an avid runner, also participated in the marathon and finished first with an impressive time of 1:51:42 in the 21 km run. The marathon reinforced our focus on a healthier, more connected workplace.

MD and CEO Ashish Bhandari addresses a session on the importance of innovation and resilience at IIM, Ahmedabad, to Thermax's young leaders

STAKEHOLDER VALUE CREATION - VENDORS AND BUSINESS PARTNERS

Fostering Partnerships for Mutual Success

We value our relationships with vendors and business partners by engaging in transparent and mutually beneficial collaborations. These strategic partnerships streamline our supply chain, enhance project delivery, and foster innovation, ensuring that all parties contribute to superior market performance and sustained value creation.

Supply chain sustainability training on BRSR 9 principle for all buyers, procurement and materials teams conducted in Pune

Zero Effect Zero Defect (ZED) MSME and Supply Chain Sustainability training session

450

Suppliers Trained on Sustainability

563

Green Channel Vendors

Empowering Vendor Partners through Sustainability Training

Thermax's Corporate Supply Chain Sustainability team, under the HSE function, launched a series of focused workshops for vendor partners as part of our ongoing commitment to building a responsible and future-ready supply chain. These sessions strengthened their understanding of environmental, social, and governance (ESG) standards, which align with SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework. We conducted 16 training batches, in person and virtually, ensuring wide accessibility and engagement. The HSE team also introduced a customised sustainability checklist to help vendors integrate sustainable practices into daily operations. These sessions were further integrated with the Zero Effect Zero Defect (ZED) certification programme to reinforce quality and sustainability benchmarks, creating a lasting impact across the supply chain.

ZED MSME Vendor Meet covering more than 300+ vendors in Pune

Strengthening Channel Partnerships

Driving Performance, Channel Engagement, and Growth

In FY 2024–25, the Channel Business Group (CBG) enhanced its channel performance management system to grow the TCA (Thermax Channel Associate) fraternity along with Thermax's business. Key initiatives like the TCA Balanced Scorecard 2.0, performance-linked incentives, Propel 2.0 for talent and training support, and focused marketing efforts strengthened partner capability, visibility, and alignment with our growth ambitions.

Initiatives for Thermax Channel Associates (TCAs)

TCA Balanced Scorecard 2.0 and the BSC-linked TCA Incentive Programme are strategic channel initiatives that form the foundation of our channel performance management system.

Balanced Score Card 2.0

The Balanced Score Card 2.0 is a holistic approach for channel performance management ensuring equal emphasis on financial performance, operational excellence, and customer satisfaction.

- TCA Balanced Scorecard 2.0 (BSC 2.0): BSC 2.0 was launched comprising 16 key performance indicators categorised under four strategic pillars: Business, Customer, Process & People perspectives
- TCA Participation in BSC 2.0: 88 out of 95 CBG TCAs participated in the Balanced Scorecard 2.0 initiative in FY 2024-25 (against 84 TCAs in FY 2023-24)

Incentive Programme

For the first time, CBG launched an integrated quarterly incentive programme for channel partners linking the Balanced Scorecard performance with financial performance to drive key organisational objectives.

- Base incentive was offered to those driving the CBG Annual Business Plan (ABP) signed with TCAs on a quarterly basis
- Accelerated incentive was released with an aim to motivate TCAs to deliver beyond assigned targets
- To drive sustainable business practices, customer satisfaction and process compliance across partner organisations, this programme was linked to the BSC 2.0 performance of the TCAs
- The eligibility criteria for TCAs is signing an ABP with CBG with a minimum threshold of units and values & participation in BSC 2.0
- The qualification criteria is basis the quarterly ABP performance and BSC performance
- This incentive programme was offered to 86 channel partners of which 46 channel partners leveraged the programme to earn incentives

Propel 2.0

Through the Propel 2.0 initiative, CBG helped TCAs bolster their workforce by connecting them with talent from tier 2 and tier 3 colleges across India. This resulted in the issuance of 26 offer letters across 12 TCAs.

STAKEHOLDER VALUE CREATION - COMMUNITIES AND ACADEMIA GROUPS

Bridging Gaps Through Education and Opportunity

We are deeply committed to uplifting communities through our philanthropic arm, Thermax Foundation (TF). The foundation's core mission is to bridge the educational divide, break the cycle of poverty, and build a brighter future via targeted CSR initiatives, educational programmes, and skill-building.

The KCTVN School students engrossed in a learning activity

Students at the KCTVN School studying at the computer lab

5,362

Alumni Supported from iTeach and Akanksha Foundation

1,782

Students Impacted Under The School Project (KCTVN and SBP)

657

Community Youth at ITI Supported for Industry-specific Training

Focus Areas

- Quality Education
  - The School Project
  - Alumni Projects Akanksha & iTeach
- Worker/Community Facilitation Centres
- CSR Near Factory Locations and Select O&M Sites
- Thermax Employee Volunteering in CSR

Students of the KCTVN school posing after the Codex workshop

SBP School students performing the 'nukkad natak' on substance abuse

Thermax Foundation Projects

The School Project – Enabling Access to Quality Education

The Thermax Foundation (TF) supports two Pune Municipal Corporation (PMC) schools run by the Akanksha Foundation. During the fiscal year, Savitri Bai Phule (SBP) English Medium School and K. C. Thackeray Vidya Niketan (KCTVN) English Medium School were partially funded by TF. This initiative provides students from economically disadvantaged backgrounds with access to quality holistic education. It encompasses academic excellence, participation in extra-curricular and sporting activities, and a strong emphasis on the socio-emotional well-being of every student.

The project has a strong focus on academic outcomes, parental engagement, and youth development. As part of its commitment to sustained improvement, Thermax Foundation also partners with a third-party to assess the effectiveness and impact of its school and alumni programmes.

Glimpses of the School Project

- A two-day Codex workshop introduced Grade 6 students of K.C. Thackeray Vidya Niketan School (KCTVN) to Python programming using Microbit kits. Conducted with support from the school's Robotics team, the workshop enhanced interest in STEM fields, with all participants receiving certificates
- A street play (nukkad natak) on substance abuse was performed by Savitri Bai Phule (SBP) School students in the Kashewadi community to raise awareness through storytelling
- SSC (Maharashtra state board) results of FY 2024-25 reveal that 100% students from KCTVN and SBP school who appeared for SSC passed with 55% students of KCTVN securing 90% and above scores

STAKEHOLDER VALUE CREATION - COMMUNITIES AND ACADEMIA GROUPS

Alumni Project

Thermax Foundation continues to support alumni from the Akanksha Foundation and iTeach in their pursuit of higher education. As most are first-generation learners, the alumni programme focuses on career guidance, academic mentoring, and assistance with junior college admissions. In FY 2024-25, we supported 5,362 alumni through these partner NGOs.

Key Highlights - Akanksha Foundation and iTeach Alumni Projects

» 96% of the students who passed Grade 10 were admitted to first year junior colleges

» 28% among them were admitted to prominent colleges in the city (students with 80% plus marks)

» 5% students who completed Grade 12 were supported and joined national colleges like KREA, Ashoka, Flame among others

» One student from Akanksha received admission to UWC Atlantic in the UK

Akanksha – iTeach Meet-Up

Thermax Foundation facilitated a best-practice sharing session between Akanksha and iTeach to foster innovation and collaboration in education. A joint session with Akanksha, iTeach, and NGOs Roshni and Tapasya (to help students access scholarships for higher education) further strengthened collective impact strategies.

An ongoing career guidance session for grade 9 and grade 10 students

Digital learning at the KCTVN School

CSR Near Factory Locations – Enabling Inclusive Growth on the Ground

Thermax Foundation, in collaboration with various NGO partners, implements impactful community development initiatives near its factory locations. These include skill-building programmes for roles suited to industry requirements. Worker and community facilitation centres and other need-based projects are initiated near factory sites.
Across locations, Thermax employees continuously engage in meaningful activities that reflect a shared commitment to uplift and empower local communities.

Awareness session on government schemes for the trucker community camp in Sirohi, Rajasthan

Awareness session on women's reproductive health at Dahej, Gujarat

Skill Building Initiatives

Thermax Foundation (TF), in collaboration with trusted NGO partners, offers skill-building programmes for various roles, including electricians, welders, fitters, and data entry operators.
In FY 2024-25, Thermax Foundation focused on strengthening the capacity of 657 ITI students near factory locations.

Avanti Fellows

This year, Thermax Foundation partnered with NGO Avanti Fellows. The NGO has a key focus on providing IIT JEE and NEET entrance training for meritorious but underprivileged students studying in the Jawaharlal Navodaya Schools (JNVs). Through this programme, Thermax Foundation supported 50 students from Grades 11 and 12. Students from Grade 12 received focused mentoring at JNV schools near our Jhagadia factory. One student successfully cleared JEE Mains and subsequently advanced and secured a seat at IIT Ranchi.

Roshni Foundation

Thermax Foundation partnered with Roshni Foundation, an NGO specialising in securing scholarships for students to pursue higher education. The updates for FY 2024-25 are as follows:

- 600+ scholarship applications were successfully submitted via government portals
- 250 students received support for legal documentation, and 1,000 were screened for eligibility
- 500+ students participated in capacity-building workshops, with leadership sessions recording 83% average attendance
- One student received a fully funded scholarship worth Rs. 46 lakh from the UK government to pursue an MS in Data Science, made possible through Roshni's multi-level support

A class preparing for IIT JEE Mains in progress

Horti-Max FPO Project

Near our Solapur factory, TF supports NGO Manavlok for a collaborative farming project aimed at capacity building for farming in water-deficient lands. The initiative includes guidance on scientific farming, and the Farmer Producing Organisation (FPO), Horti-Max, is the outcome of the collaboration. Prior to the FPO, TF supported the villagers with stream widening and deepening initiative to combat the drought situation in the village. Subsequently, 200+ farmers with marginal lands of 2-3 acres, have been brought together through the FPO for production of onion through mechanised farming. In FY 2024-25, the Horti-Max project continued to focus on promoting sustainable agriculture that led to the following:

Thermax's welding instructor conducting a session on types of welding for 100 students of welding trade from ITI Savli

- Completed the onion value chain infrastructure for seamless processing and sale
- Increased 30% price realisation for member farmers through improved market access
- Reduced cost of cultivation by Rs. 3,000-4,000 per acre as compared to non-member farmers
- Enabled assured income systems by streamlining production and sales
- Encouraged optimal water use, steering farmers away from water-intensive crops

Worker/Community Facilitation Centres (WFC)

In alignment with Thermax's commitment to Social Compact, through worker/community facilitation centres (CFCs), TF's NGO partners have facilitated the reach to 15,000+ beneficiaries through 19,417 entitlements and services under the government schemes like e-shram labour card, widow pension, among others. These WFCs/CFCs are located across Thermax's factory locations and sites, including Pune, Savli, Sahibabad and Sirohi.

19,417

Entitlements Secured

Rs. 1.2 cr

Direct Monetary Benefits to Workers from Government Schemes

Social Compact (SoCo)

Project Saathi

Project Saathi, under the Social Compact (SoCo) initiative, focused on improving contract worker welfare and social security access. In FY 2024-25, the initiative expanded from a single state to 15 states, reaching 70 Thermax sites across TOESL, P&ES (O&M) and Chemical customer sites units.

2,725

Government Social Security Schemes Facilitated

An interactive session on government schemes and labour welfares scheme in progress

Key Milestones

- 2,025 contract workers engaged (exceeding the 2,000 target)
- Conducted 300+ awareness workshops on government schemes
- Enabled access to 2,725 social security benefits, with over 76% coverage beyond Provident Fund (PF) and Employee State Insurance Corporation (ESIC)
- Created digital profiles for over 1,800 workers from marginalised community through the SoCo portal to support data-driven planning
- Toll-free helpline with regional languages and multimedia features, resolving 500+ worker queries
- Promoted better scheme utilisation and transparency

Project Saathi has laid a robust foundation for a scalable, digitally enabled, and worker-centric ecosystem, supporting Thermax's broader vision for inclusive and socially responsible business growth.

Thermax Employee Volunteering in CSR Initiatives

At Thermax, community service is a deeply embedded value. Across all major locations Pune, Chennai, Savli, Dahej, and Jhagadia, employees actively contributed to impactful social programmes:

- 500+ employees signed up the Run in Sync marathon with differently-abled participants under the Social Venture Partners-Adventures Beyond Barriers Foundation (SVP-ABFF) initiative in Pune
- Thermax volunteers joined the Confederation of Indian Industry (CII) Road Cleanliness Drive in Pune and, in collaboration with the HSE team, conducted waste collection drives in Pune and Savli
- Blood donation camps across offices and factories saw participation from 500+ employees
- The Chennai team conducted cybercrime awareness sessions for Grade 9 students at Sevalaya
- In Jhagadia, the Dhanvantri Rath mobile facilitated 1,000+ free medical check-ups, and an e-Nirman camp issued 223 government ID cards
- In Dahej and Jhagadia:
  - Distributed 300+ school bags and uniforms to 236 students
  - Supplied 325 water bottles and installed 20 water coolers in eight municipal schools
  - Sponsored transport for underprivileged students for three months
  - Installed 240 solar lights in Dahej and 10 in Jhagadia

STAKEHOLDER VALUE CREATION - PLANET

Leading the Charge for a Greener Tomorrow

We demonstrate our commitment to the planet through significant investments in renewable energy and environmental stewardship. By prioritising innovative low-carbon technologies, energy-efficient solutions, and sustainable practices, we actively reduce our ecological footprint and contribute to the global effort towards environmental preservation and responsible resource management.

Employees planting a sapling at the Shirwal factory in Maharashtra

Thermax employees after successfully completing the waste collection drive

16,715 tCO_2e

Carbon Emission Reduction

2,51,388 m^3

Water Reused and Recycled (Domestic)

Thermax's Decarbonisation Journey

Thermax has embarked on a decarbonisation journey, achieving significant milestones in reducing its carbon footprint. In FY 2018-19, the Company took a target to reduce absolute carbon reduction by 25% by FY 2024-25. This goal is based on a focused strategy centred on four key areas: improving energy efficiency, scaling up renewable energy generation, increasing procurement of green energy, and implementing fuel-switching to cleaner alternatives.

Thermax has not only surpassed its target of 25% but has impressively achieved a 37% reduction in carbon emissions in FY 2024-25. The new target is to achieve a 50% reduction by FY 2029-30, keeping FY 2018-19 as the baseline. Over the last year, significant initiatives have propelled progress toward this goal. These include increasing the use of renewable electricity at key manufacturing facilities in Chinchwad and Shirwal, expanding solar rooftop capacity by 109 kWp at the Solapur plant, and transitioning the stress release furnace at the Chinchwad plant from light diesel oil (LDO) to piped natural gas (PNG).

Collectively, these measures resulted in a total reduction of 16,715 tonnes of CO_2 equivalent (tCO_2e).

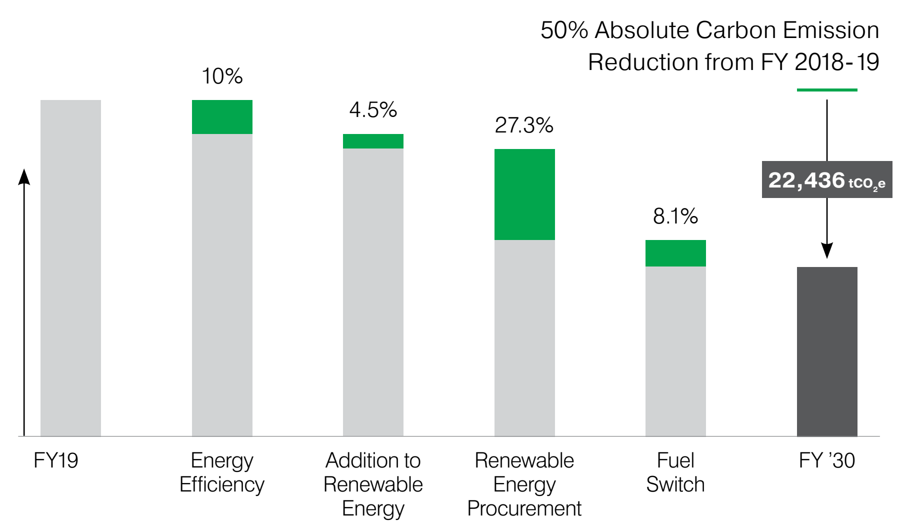
50%

Target Reduction in Absolute Emissions by FY 2029-30 (from FY 2018-19 baseline)

A waste collection drive at Pune and Savli

Roadmap till 2030

(%)



A road cleanliness drive in Pune

STAKEHOLDER VALUE CREATION - PLANET

Switching to Cleaner Fuel at Chinchwad Plant (LDO to PNG)

Thermax has successfully transitioned from light diesel oil (LDO) to piped natural gas (PNG) for the stress release furnace at our Chinchwad plant, demonstrating our commitment to sustainability and operational efficiency. Previously, the use of LDO resulted in high greenhouse gas (GHG) emissions, poor air quality, and frequent maintenance issues due to inefficient burner placement and manual operation requirements.

To address these challenges, we implemented several solutions, including the installation of a PNG gas line, 18 gas burners, a gas train, an air modulator, an auto temperature controller, a flame ignitor, and a gas meter.

Additionally, we modified the exhaust system for better efficiency and connected the controller to a UPS line for uninterrupted operation. The project, meticulously planned and executed, has resulted in a significant reduction of 1,150 tCO_2e per year, lower operational costs, improved air quality, and reduced maintenance needs.

This project underscores Thermax's dedication to sustainability by reducing our carbon footprint and enhancing operational efficiency, aligning with our environmental goals and commitment to innovative solutions.

Waste storage area at Thermax's manufacturing facility in Savli, Gujarat

Waste Management – Driving Circularity and Minimising Impact

Thermax has operationalised an innovative solution at Dahej special economic zone (SEZ) by supporting a biomass ash-based brick manufacturing unit as part of our strategic approach to waste reduction. By channelling biomass ash generated at our Dahej facility to this unit, we effectively convert industrial waste into a valuable resource for sustainable construction. This initiative exemplifies our commitment to circular economy principles, resource efficiency, and responsible waste utilisation.

Strengthening Our Waste Management Efforts

- All Thermax manufacturing locations continue to uphold their single-use plastic-free certification, reflecting our resolve to eliminate plastic waste and promote sustainable alternatives.
- As part of our journey toward zero waste to landfill, we have set an annual target to restrict landfill disposal to less than 5% of total waste generated. In FY 2024-25, we recorded a landfill rate of 6%, reflecting a marginal variance from the target.

Thermax is committed to reducing total waste generation by 5% by 2030, using FY 2024-25 as the baseline. This target demonstrates our sustained efforts to minimise environmental impact and drive continuous improvement in waste management.

Biodiversity – Fostering Nature Within and Beyond Our Premises

At Thermax, we recognise the intrinsic value of biodiversity in sustaining ecosystems and building environmental resilience. In FY 2024-25, we set out a goal to plant 5,000 trees, successfully planting 17,523 trees across operational and community sites. These efforts contribute meaningfully to carbon sequestration, air quality improvement, and the restoration of green cover.

Beyond afforestation, we integrate native landscaping across our offices, manufacturing units, and project sites. Specially curated spaces like medicinal gardens, butterfly gardens, and women's gardens (a garden created by women workforce) enrich local ecosystems while providing serene and educational environments for employees and the community. Our biodiversity-friendly campuses have become havens for native birds, butterflies, reptiles, and small mammals. We conduct regular awareness and training sessions to encourage harmonious co-existence, helping employees understand and respect the native fauna that thrives alongside our operations.

17,523

Trees Planted Across Operational and Community Sites

Water Management – Advancing Sustainability Through Stewardship

Thermax remains committed to safeguarding water resources through targeted, data-driven conservation and optimisation efforts. This fiscal year, our Shirwal and Sri City units earned Water Positive certification, joining our Solapur plant, which successfully maintained its credibility through recertification. These recognitions reflect our integrated approach to water stewardship and sustainability.

3,600 KLD sewage treatment plant installed at Gurugram, Haryana for a prominent Indian automotive company

Key Highlights of FY 2024-25

- 191% increase in rainwater harvesting capacity, enhancing our ability to capture and conserve rainwater
- Notable progress in water recycling and reuse, resulting in a 21% reduction in freshwater intake across operational units
- Comprehensive water audits at our Dahej and Jhagadia chemical plants to benchmark usage patterns and move towards water neutrality
- Ongoing infrastructure development at Chinchwad to support its planned transition to a water-neutral facility Thermax has set a Group-wide target to reduce freshwater consumption by 5% by 2030, with FY 2024-25 as the baseline. Continuous efficiency improvements, innovative reuse strategies, and a strong culture of responsible water use across all sites support this ambition.

STAKEHOLDER VALUE CREATION - GOVERNMENT AUTHORITIES

Liaising with Government & Regulatory Authorities for Sustainable Development

We collaborate closely with government and regulatory authorities to support national and regional policies for sustainable development and clean energy. Our initiatives comply with stringent regulatory standards and contribute to broader socio-economic goals, reinforcing public trust and demonstrating our commitment to driving positive change on a national scale.

The coal to methanol plant site at Thermax's Chinchwad facility in Pune

Dr. Vasundhara Sen, Head – Regulatory Affairs at Thermax, accepting the award for operational excellence in biofuels at the International Summit & Expo on Bioenergy Value Chain held in Delhi, India

Rs. 416 cr

Taxes Paid

Rs. 5.5 cr

Investment by the Government in our R&D Projects

Engagement with Key Government Agencies

Ministry of New and Renewable Energy (MNRE)

Under the Green Hydrogen Certification of India (GHCI) scheme, MNRE has established threshold emissions to define Guarantees of Origin (GOs) for green hydrogen. Thermax contributed to the national guidelines through two key regulatory inputs. First, Solid Oxide Electrolysis Cell (SOEC) technology has been recognised for its lower lifecycle carbon footprint, acknowledging its high decarbonisation potential. Second, green tariffs and renewable energy (RE) sourced via trading platforms such as G-TAM and G-DAM are now accepted as valid proof of GOs, offering an alternative to direct RE procurement. These regulatory inclusions will enable cost-effective hydrogen production, particularly in RE-deficient states, and are being adopted in several state-level green hydrogen policies.

Bureau of Energy Efficiency (BEE)

With the introduction of India's domestic carbon market, nine hard-to-abate sectors will soon be required to reduce carbon intensity over a defined trajectory. Thermax participated in the policy design process and recommended a carbon accounting methodology for biomass-based boilers, a widely adopted clean energy alternative. Once approved, this methodology will facilitate carbon offsets for industries transitioning to biomass-based thermal energy solutions.

Petroleum Planning and Analysis Cell (Ministry of Petroleum and Natural Gas)

Compressed Biogas (CBG) sector is poised for robust growth owing to strong policy support from the government. Recent reforms have been announced by way of higher CBG off-take prices and relaxations in digestate regulations. Under the Sustainable Alternative Towards Affordable Transportation (SATAT) scheme (2018), CBG Blending Obligations have been set at 1% for FY 2025-26, and green attributes of compressed biogas are to be monetised through trading of Renewable Gas Certificates (RGCs). Thermax is pleased to have been part of the national policy formulation on the sectoral reforms, including formation of RGCs' mechanism. RGCs are set to play a pivotal role in elevating CBG economics and propel CBG sectoral growth.

Ministry of Heavy Industries

In alignment with the government's localisation and quality control vision, the National Capital Goods Policy 2016 is undergoing revision. Thermax engaged with the ministry under the Bureau of Indian Standards (BIS) Act, 2016, which mandates BIS certification for capital goods. One of Thermax's key recommendations—mandating BIS certification for raw materials used in fully imported capital goods—has been accepted and integrated into the National Capital Goods Policy 2025 draft. This development will likely strengthen quality compliance and domestic manufacturing standards.

Foundation stone unveiling of the CO_2 to methanol pilot plant project in Pune

Central Transmission Utility of India Ltd. (CTUIL)/PowerGrid Corporation of India

As the designated authority for grid-connected power evacuation, CTUIL plays a vital role in clean energy infrastructure. First Energy Private Limited (FEPL), a Thermax Group company, worked closely with CTUIL and secured 300 MW of grid evacuation approvals. This milestone supports the development of over 500 MW of hybrid wind-solar capacity, expanding FEPL's renewable footprint and enabling the delivery of round-the-clock green power to industrial clients across multiple states.

CORPORATE INFORMATION

Board of Directors

Meher Pudumjee
Chairperson

Pheroz Pudumjee
Non-Executive Director

Ashish Bhandari
Managing Director & CEO

Independent Directors

Harsh Mariwala

Rajani Kesari

Dr. Ravi Gopinath

Dr. S.B. (Ravi) Pandit

Shyamak R. Tata

Parag Shah
(appointed as Independent Director with effect from December 12, 2024)

Executive Council

Ashish Bhandari

Amit Sethi

Arun Unni

B C Mahesh

B C Rajesh

Dinesh Mandhana

Jasmeet Bhatia

Kirtiraj Jilkar

Pravin Karve

Rajendran Arunachalam

Dr. Santanu Chaudhuri

Key Managerial Personnel

Ashish Bhandari
Managing Director & CEO

Rajendran Arunachalam
EVP and Group CFO

Janhavi Khele
Company Secretary & Compliance Officer
(Resigned w.e.f. April 18, 2025)

Registered Office

D-13, M.I.D.C Industrial Area,
R.D. Aga Road, Chinchwad,
Pune - 411 019
Ph.: 020-66122100/66155000
Fax: 020-66122142
Corporate Identity No.
L29299PN1980PLC022787

Corporate Office

Thermax House
14, Mumbai-Pune Road,
Wakdewadi, Pune - 411 003
Ph.: 020-66051200/66051202
Website: www.thermaxglobal.com

Registrar & Share Transfer Agent

KFIN Technologies Ltd.
Selenium Building, Tower-B,
Plot No 31 & 32, Financial District, Nanakramguda,
Serilingampally,
Hyderabad, Rangareddy,
Telangana, India - 500 032
WhatsApp Number:
(91) 910 009 4099
KPRISM (Mobile Application):
https://kprism.kfintech.com/
Tel: 040-67162222 / 79611000
Toll free: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Bankers

1. Union Bank of India
2. Bank of Baroda
3. Citibank N.A.
4. ICICI Bank Ltd.
5. Kotak Mahindra Bank Ltd.
6. Hongkong and Shanghai Banking Corporation Ltd.
7. Axis Bank Ltd.

CSR Arm

Thermax Foundation

Auditors

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

Subsidiaries

Domestic (India)

1. EnerNxt Private Limited
2. First Energy Private Limited
3. First Energy 2 Private Limited
4. First Energy 3 Private Limited
5. First Energy 4 Private Limited
6. First Energy 5 Private Limited
7. First Energy 6 Private Limited
8. First Energy 7 Private Limited
9. First Energy TN 1 Private Limited
10. Jalansar Wind Energy Private Limited
11. Kanakal Wind Energy Private Limited
12. Thermax Babcock & Wilcox Energy Solutions Limited
13. Thermax Bioenergy Solutions Private Limited
14. Thermax Cooling Solutions Limited
15. Thermax Engineering Construction Company Limited
16. Thermax Instrumentation Limited
17. Thermax Onsite Energy Solutions Limited
18. First Energy 8 Private Limited
19. First Energy Nine Private Limited
20. First Energy 10 Private Limited
21. First Energy 11 Private Limited (incorporated on 29-07-2024)
22. TSA Process Equipments Private Limited
23. Thermax Chemical Solutions Private Limited (incorporated on 28-05-2024)
24. Thermax Vebro Polymers India Private Limited (incorporated on 18-07-2024)
25. Buildtech Products India Private Limited (acquired on December 20, 2024)
26. Onix-Two Enersol Private Limited (acquired on October 08, 2024)
27. Fortmax Chemicals India Private Limited (incorporated on April 11, 2025)
28. First Energy 12 Private Limited (incorporated on May 05, 2025)

Overseas

1. Boilerworks A/S, (Denmark)
2. Danstoker A/S, (Denmark)
3. Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia
4. Ejendomsanpartsselskabet Industrivej Nord 13, Denmark
5. PT Thermax International, Indonesia
6. Rifox – Hans Richter GmbH Spezialarmaturen, Germany
7. Thermax (Thailand) Limited
8. Thermax Denmark ApS
9. Thermax do Brasil Energia e Equipamentos Ltda., Brazil
10. Thermax Energy & Environment Lanka (Private) Limited, Sri Lanka
11. Thermax Energy and Environment Philippines Corporation
12. Thermax Engineering Construction FZE, Nigeria
13. Thermax Engineering Singapore Pte. Ltd.
14. Thermax Europe Limited, U.K.
15. Thermax Inc., U.S.A
16. Thermax International Limited, Mauritius
17. Thermax International Tanzania Limited
18. Thermax Netherlands B.V.
19. Thermax Nigeria Limited
20. Thermax SDN. BHD., Malaysia
21. Thermax Chemical Europe A/s (incorporated on December 06, 2024)

Management Discussion and Analysis

1. Economic Overview

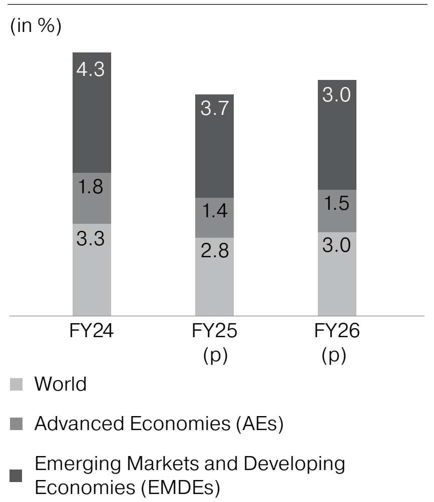
1.1. Global Economy

The global growth is expected to remain tepid around 2.8% in 2025 and 3.0% in 2026, closely matching the pace of 2024, with advanced economies growing at about 1.4% and emerging market and developing economies at 3.7% in 2025. Having peaked at 6.8% in 2023, global headline inflation eased to 5.8% in 2024 and further to 4.4% in 2025, though it remains above many central banks' targets.[1]

Merchandise trade volumes are expected to contract by 0.2% in 2025 after stagnating in 2024, underscoring persistent demand weaknesses.[2] Labour markets have held up, with the global unemployment rate stabilising at 4.9% in both 2024 and 2025.[3] Global foreign direct investment inflows slipped 2% to $1.3 trillion in 2023, and fell further by 11% in 2024, with the UN trade agency warning of further downside risks going into 2025.[4] Commodity prices, which have fuelled recent cost pressures, are now expected to modestly soften, slipping by about 3% in 2024 and a further 4% in 2025.[5]

Energy markets and climate policy are reshaping both investment and growth prospects. In 2024, renewables accounted for 585 GW of new power capacity—over 90% of total global additions—a record annual increase that underscores the accelerating clean-energy transition.[6] The IEA's Renewables 2024 report forecasts that the world will add 5,500 GW of new renewable capacity by 2030, nearly triple the expansion seen in 2017-2023, driven by falling costs and supportive policies.[7] At COP29 in Baku, Azerbaijan, nearly 200 nations agreed to raise climate finance to $300 billion annually for developing countries by 2035 and finalised rules under Article 6.4 of the Paris Agreement for international carbon credit trading, offering a new mechanism to channel private investment into emission reduction and carbon removal technologies.

Global GDP Trend

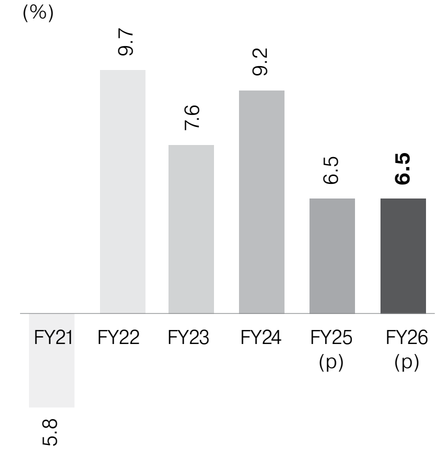


(p) - projected
Source: World Economic Outlook, April 2025

1.2 Indian Economy

India's economy expanded by 6.5% in FY 2024-25, underscoring a resilient rebound driven by strong private consumption, robust public infrastructure outlays and a buoyant services sector.[9] Retail inflation has moderated to 3.34% in March 2025, its lowest in over five years, and will likely average around 4% over the fiscal year, providing space for accommodative monetary policy. The government aims to narrow the fiscal deficit to 4.8% of GDP in FY 2024-25, down from 5.6% in the previous year, signalling continued fiscal prudence amid targeted capital expenditure and social spending.

India's GDP Trend



(p) - projected
Source: Ministry of Statistics and Programme Implementation, RBI

Outlook

India is projected to remain among the world's fastest-growing major economies, with real GDP growth forecast at 6.5% in FY 2025-26.[10] Continued public and private investment in infrastructure, the expansion of production-linked incentive schemes and the rapid digitalisation of the economy will be key growth drivers. Meanwhile, India's commitment to net zero emissions by 2070 is stimulating fresh capital inflows into solar, wind and green hydrogen projects, presenting both opportunities and imperatives for sustainable energy solution providers.

1.3 India's Climate Commitments

India's updated Nationally Determined Contribution (NDC) under the Paris Agreement commits to reducing the emissions intensity of GDP by 45% by 2030 (from 2005 levels), achieving 50% of cumulative power capacity from non-fossil sources, and creating an additional carbon sink of 2.5-3 billion tonnes of CO_2 equivalent through afforestation by 2030.[11]

At COP26 (Glasgow 2021), the "Panchamrit" package further pledged to build 500 GW of non-fossil energy capacity, meet 50% of energy needs from renewables, cut 1 billion tonnes of projected emissions by 2030, and target net-zero by 2070. To underpin these goals, India amended the Energy Conservation Act in 2022 to establish a Carbon Credit Trading Scheme (CCTS). In July 2024, the Bureau of Energy Efficiency released compliance-mechanism guidelines for nine industries, enabling obligated and non-obligated entities to trade certified carbon credits, with a voluntary offset mechanism set to be detailed by end-2024 and first trades from 2025.

Thermax is aligning closely with these national ambitions. In FY 2024-25, it has surpassed its 25% CO_2 reduction target, achieving a 37% cut versus its 2019 baseline.

[1] IMF World Economic Outlook, April 2025
[2] World Economic Forum
[3] International Labour Organisation
[4] UN Trade and Development (UNCTAD)
[5] World Bank
[6] International Renewable Energy Agency
[7] Institutional Investors Group on Climate Change
[8] World Resources Institute
[9] Reserve Bank of India
[10] United Nations Framework Convention on Climate Change

2. Industry Overview

Clean Energy and Environment Sectoral Review

India's environmental technology sector is experiencing robust growth, driven by government initiatives, corporate investments, and a focus on sustainable development. According to the ITA (International Trade Administration), the market was valued at approximately $23 billion in 2023 and will likely grow at a compound annual growth rate (CAGR) of 7.5% from 2023 to 2028. Key subsectors contributing to this growth include water and wastewater management, air pollution control, and solid waste management. India ranks as the second-largest market globally in the air pollution control segment, with the market projected to reach $6 billion by 2029. In 2024, the Indian government allocated $1 billion towards environmental initiatives.

India has emerged as the world's third-largest generator of electricity from wind and solar energy in 2024, surpassing Germany. Wind and solar power together accounted for 10% of India's total electricity output. In the 2024 Global Energy Transition Index, India improved its position to 63rd out of 120 countries, up from 67th in 2023, reflecting advancements in energy equity, security, and sustainability. India ranks first among emerging markets in the Climate Scope 2024 power ranking, with a power score of 2.73, highlighting its leadership in clean energy investments and policy frameworks.

$1 Billion

Allocated by Government Towards Environmental Initiatives

3. Company Overview

The Thermax Group, a Rs. 10,389 crore engineering conglomerate continues to play a pivotal role in the global energy transition and environmental sustainability journey. With a strong portfolio of solutions in clean energy, clean air, clean water, and chemicals, the Company delivers innovative and integrated utility solutions to a wide spectrum of industries worldwide.

In line with the growing global momentum towards decarbonisation and resource conservation, Thermax has intensified its focus on green and clean technologies, reinforcing its long-standing commitment to conserving resources and preserving the future.

As a comprehensive energy and environment solutions provider, Thermax also offers end-to-end support, including operations and maintenance services across all business verticals. This is complemented by specialised offerings such as retrofitting, revamping, upgrades, and audits. Further enhancing its capabilities, the Company has expanded its digital portfolio to deliver AI/ML-driven asset lifecycle management solutions, aligning seamlessly with its strategic vision for long-term sustainable growth and technological advancement.

3.1 Thermax Order Booking by Industry

During the year, sectors such as metals, steel, food and beverages, power, and mining were among the key contributors to Thermax's order book across its energy, environment and chemicals portfolio.

Industries	FY 2024-25	FY 2023-24
Metals/Steel	12%	18%
Power	10%	6%
Mining	10%	-
Food and Beverages	9%	11%
Chemical	9%	6%
Sugar/Distillery	8%	8%
Engineering	6%	7%
Fertiliser and Agro	6%	5%
Paper and Pulp	5%	1%
Refinery and Petrochemicals	4%	8%
Cement	4%	7%
Drugs and Pharmaceuticals	4%	3%
Textiles	2%	-
Bio-CNG	1%	7%
Others	10%	13%

4. Business Segments

Industrial Products

Industrial Infra

Green Solutions

Chemicals

The Management Discussion and Analysis (MDA) includes key subsidiaries that have a material impact on segmental performance. For detailed information on each subsidiary, please refer to AOC-1 on page 320.

4.1 Industrial Products

Industries today are grappling with three critical challenges: addressing climate change, ensuring access to clean energy, and overcoming water scarcity. At Thermax, our innovative solutions for clean air, clean energy, and clean water, combined with our digital platform, Thermax EDGE Live®, empower industries to embrace environmentally responsible practices and move decisively towards a more sustainable and cleaner future.

Clean Air Solutions

Overview

Thermax provides advanced air pollution control (APC) systems for particulate and gaseous emissions. We offer broad-based, single-source expertise and flange-to-flange solutions in all areas of environmental protection – from products and systems for air pollution control to retrofit and rebuild services. We undertake turnkey environmental projects from concept to commissioning through tie-ups with technology majors and diverse industry sectors.

Highlights

- This year marked a significant milestone with the launch of the hydrogen purification system under Thermax Ne0, a specialised initiative for gas enrichment technologies. Acknowledging the critical role of hydrogen purity in enhancing green hydrogen efficiency, Thermax developed systems capable of removing residual impurities such as oxygen (O_2) and water (H_2O) following electrolysis. Using high-performance catalysts and adsorbents, the system delivers hydrogen purity above 99.999% with outstanding recovery rates.

Growth Drivers

- **Policy Push:** Strong government support for energy transition technologies such as solar, waste-to-energy, and bio-CNG is accelerating market opportunities.
- **Infrastructure Boom:** The ongoing infrastructure development is driving increased demand for cement and steel, boosting domestic (India) project volumes.
- **International Demand:** Rising waste-to-energy investments in companies are creating new avenues for growth. Additionally, growing demand for ESPs from biomass and sugar industries in Brazil, Central America, and Thailand is expanding international traction.

Focus Areas

- **Service Business:** Strengthening lifecycle support and driving growth through aftermarket services and customer-centric solutions.
- **International Business:** Expanding global footprint with targeted growth in Southeast Asia, Latin America and other emerging markets.
- **Gaseous Scrubbing Solutions:** Scaling offerings for solar, semiconductor, and waste-to-energy applications to address evolving environmental compliance needs.
- **Thermax Ne0 – Gas Enrichment Solutions:** Advancing clean air offerings through innovative gas purification and upgradation technologies under the Thermax Ne0 portfolio.

Risks

- **Cost Volatility:** Business is highly sensitive to fluctuations in commodity prices (e.g. steel), freight costs, and currency exchange rates.
- **Market Competitiveness:** Low product differentiation and minimal entry barriers may lead to increased competition and pricing pressure

Mitigation plan: To mitigate cost volatility, the business closely monitors commodity and freight markets, leverages strategic procurement, and adopts dynamic pricing mechanisms to safeguard margins. In response to rising competition, efforts are focused on enhancing product value through quality, service reliability, and brand strength, while driving operational efficiencies and expanding the value-added product portfolio to differentiate offerings and sustain market share.

Case study

Demonstrating the Viability of VSA Technology at One of India's Largest Biogas Facilities

Vacuum Swing Adsorption (VSA) technology has long faced scepticism in India due to concerns around adsorbent degradation, methane loss, and scalability. Challenging these perceptions, Thermax Ne0 (the gas enrichment solutions business of Thermax) successfully implemented an in-house developed VSA-based biogas upgradation unit at one of the country's largest biogas projects. The 2 TPD unit processes feedstock including cow dung, press mud, and paddy straw through a biodigester to generate raw biogas, which is then purified and upgraded. The result has been remarkable. The system consistently delivers enriched methane with over 96% purity, keeps methane slippage below 3%, and produces biomethane suitable for automotive fuel, which is compressed and supplied to CNG stations. This milestone not only validates the scalability and efficiency of VSA technology but also reinforces Thermax's leadership in sustainable gas enrichment solutions.

Clean Energy Solutions

Overview

This vertical delivers a wide range of heating solutions, including packaged boilers, fired heaters, and turnkey process heating solutions that are designed for a variety of heating media such as steam, thermic fluid, hot water, and hot air. Our solutions extend to biomass-fired equipment and heat recovery solutions for clean energy production. We also offer energy-efficient chillers, heat pumps and process cooling equipment for environment-friendly cooling and heating solutions in industrial and commercial settings. Furthermore, we offer comprehensive operation and maintenance services to ensure the continued optimal performance of our solutions.

Highlights

Heating: The Heating business at Thermax has expanded its portfolio with a range of innovative and sustainable solutions designed to meet the evolving needs of customers across industries.

- Effitron is a compact, plug-and-play electric boiler, while GreenPac and GreenBloc offer low-density biomass-fired options for boilers and thermic fluid heaters. Thermeon-A is an upgraded solid fuel-fired steam boiler tailored for MSMEs. InstaHeat 2.0 delivers instant hot water using steam energy, ideal for quick-heating applications.
- To strengthen its customer engagement and bring greater focus to service delivery, Thermax introduced 'Thermax Serve'. It offers customer-centric solutions to improve the performance, reliability, and lifecycle of process heating systems.
- Thermax has launched the Biomass Centre of Excellence to deliver cutting-edge biomass-based heating solutions. Backed by deep fuel expertise, advanced combustion technologies, and continuous innovation, the centre is designed to accelerate our customers' energy transition journey with efficient and sustainable alternatives.
- Thermax's oldest manufacturing facility in Chinchwad, Pune, India, serving as the backbone for shell-type heating products since 1966, underwent an upgrade. The transformation introduces faster manufacturing cycles, increased automation, and improved safety standards.

Cooling:

- Thermax's Cooling business, under its dedicated growth unit SustainX, has expanded its portfolio with industrial heat pumps and industrial refrigeration packages, promoting them alongside its existing absorption cooling solutions. The launch of the hybrid CLCT (closed loop cooling tower) further strengthens its focus on energy and water efficient technologies for sustainable thermal applications.

MANAGEMENT DISCUSSION AND ANALYSIS

Growth Drivers

- **Energy Transition and Fuel Shift:** Rising adoption of biomass and agro-based fuels, driven by global energy security concerns and decarbonisation goals.
- **Policy Support and Localisation:** Government incentives and initiatives under Make in India are boosting demand in key process industries.
- **Digital and AI Integration:** The growing adoption of AI and digital tools are creating opportunities for smarter, more efficient utility solutions.
- **Sectoral Manufacturing Growth:** Expansion in pharmaceuticals, F&B, chemicals, and textiles is fuelling demand for tailored process solutions.
- **Innovation and Service-Led Differentiation:** Continuous product innovation and strong after-sales support position the business as a long-term value partner.

Focus Areas

- **Geographic Expansion:** Enter new markets to diversify the portfolio and drive growth beyond existing geographies.
- **Segment-Specific Offerings:** Customised solutions for high-growth sectors like food, pharma, and chemicals to enhance relevance and impact.
- **Sustainability Leadership:** Strengthen leadership in biomass and electric heating, promote adoption through the Biomass Centre of Excellence, and focus on energy and water efficient solutions via SustainX.
- **Ecosystem Collaboration:** Build brand credibility and business pipeline through strategic partnerships with industry influencers, OEMs, consultants, and industry bodies.

Risks

- **Global and Local Competition:** Competitive pressure from well-established international players with advanced capabilities, as well as from emerging local manufacturers competing aggressively on price in cost-sensitive markets.
- **Fuel Price Fluctuations:** Impacting customer investment decisions in heating and energy solutions

Mitigation Plan: Our flexible, multi-fuel and renewable solutions help customers manage fuel costs, while constant innovation, digital capabilities, and strong service support help us address competitive pressures.

Case study

Optimising Heating Systems for Particle Board Production with Thermax's High-Efficiency Energy Plant

A leading player in the particle board manufacturing industry faced a complex challenge: the need for multiple heating media—thermic fluid, hot air/gas, and steam—across various stages of production, typically requiring separate boiler and thermic fluid systems. This conventional approach resulted in increased cost, higher energy consumption, and operational complexity.

To address this, Thermax implemented a 36 MW energy plant, a unique and integrated solution capable of delivering steam, thermal oil, hot water, and hot air from a single system with thermal efficiency exceeding 94%.

The solution streamlined operations by consolidating multiple heating systems, reducing equipment footprint, simplifying maintenance, and significantly improving cost-efficiency. The plant also lowered fuel consumption and operational redundancies, enhanced process reliability, and contributed to a more sustainable setup through reduced emissions and optimised heat recovery.

This project demonstrates Thermax's capability to deliver high-performance, energy-efficient heating solutions tailored for complex industrial needs.

94%

Thermal Efficiency Achieved

Clean Water Solutions

Overview

The Company's Water and Waste Solutions (WWS) business assists industrial, commercial and residential establishments with products and services to purify, reuse and recycle water and treat sewage and effluents. We also provide seawater desalination solutions that reduce freshwater consumption and play a significant role in overcoming water scarcity. Additionally, we provide operation and maintenance services, ensuring the sustained efficiency of our solutions throughout their lifecycle. Our acquisition of TSA Process Equipments Pvt. Ltd. strengthened our portfolio in high-purity water systems, enabling us to deliver total water solutions.

Highlights

- The Water and Waste Solutions (WWS) division launched Biofilter Pro, a next-generation wastewater treatment system designed to address the growing challenges of sewage management in urban and industrial environments. With sewage treatment being critical to reducing pollution and conserving water, Biofilter Pro offers a sustainable, high-performance solution.

Growth Drivers

- **Modular Solutions:** Rising demand for plug-and-play water and wastewater treatment systems.
- **Water Reuse Mandates:** Government push for industrial water recycling and reuse.
- **Regulatory Pressure:** Stricter norms driving adoption of efficient wastewater treatment technologies.
- **Niche Growth Segments:** Increased demand in ethanol and high-purity water applications.

Focus Areas

- **Modular & Plug-and-Play Solutions:** Promoting compact, ready-to-deploy systems for pre and post water treatment needs.
- **Complex Effluent Treatment:** Delivering specialised solutions for challenging effluents, particularly from pharma and chemical sectors
- **Plant Upgrades:** Focusing on modernisation and retrofit projects to enhance plant efficiency and performance.
- **Digital Enablement:** Expanding digitalisation and remote monitoring capabilities for improved system control and service.
- **End-to-End Water Solutions:** Broadening the portfolio with new technologies to position as a comprehensive water management solutions provider.

Risks

- **Innovation & Competitive Dynamics:** Rapid technological innovation combined with increasing local competition may threaten market share.

Mitigation Plan: Continuous investment in R&D to innovate and upgrade our products, while strategically monitoring local market dynamics to adapt pricing and strengthen differentiation.

Case study

Delivering an Integrated Desalination & Demineralisation Solution for a Pharmaceutical Manufacturer.

A leading pharmaceutical company required a reliable water treatment solution to support its core processes, including drug manufacturing, boiler feed water, and utility applications.

To address this, a large-scale desalination plant with a capacity of 3 x 6.5 MLD (million litres per day) was commissioned to remove suspended solids, dissolved solids, and facilitate demineralisation. The treatment scheme comprised a stilling chamber, tube settler, gravity filter, ASCF, SWRO, BWRO and MB — all integrated into a PLC-based automated system. The phased installation and commissioning were completed seamlessly, ensuring the timely supply of desalinated and demineralised water essential for boiler commissioning. The plant also achieved lower power consumption through gravity filtration.

A successful performance guarantee test validated the system's efficiency, and the plant is currently operated by the Thermax's WWS O&M team, ensuring consistent performance and operational reliability.

Industrial Products Overseas Subsidiaries

Danstoker Group, Herning, Denmark

Business Performance

In FY 2024-25, the subsidiary registered a revenue growth of 5%, following a robust 38.9% growth in FY 2023-24. The order booking declined by 7%, compared to a modest increase of 2.1% in the previous year. Market dynamics have shifted notably over the past two years, largely due to the Ukraine conflict. With energy and gas prices stabilising, demand for biomass-fired plants has moderated. Additionally, a mild recession across Europe has led to restrained investment activity. Despite this, a strong order backlog at the beginning of the year has enabled revenue recognition and profit before tax (PBT) to remain at record highs.

Key Solutions Provided

- Solid fuel-fired (biomass and waste) boilers
- Electric boilers
- Waste heat recovery boilers
- Oil/gas-fired boilers

Sustainable Growth Plan

- Continued growth is likely in the electric boiler segment as wind energy becomes more integrated into the European grid.
- Ongoing emphasis on CO_2 emission reduction is driving demand.
- The biomass and waste biomass markets are also expected to see a resurgence despite stabilised gas prices.
- To capitalise on Europe's increasing demand for biomass and electric boilers.

Geographical Footprint

- Poland
- Nordic countries (Denmark, Norway, Sweden, Finland)
- Baltic countries
- Western Europe (France, Germany, the Netherlands, Belgium)

Key Industries

- Automotive
- Breweries
- Crematoriums
- Dairies
- District Heating
- Food and Beverages
- Pharmaceuticals
- Wood

Order Highlights

- Supplied three horizontal 1-pass exhaust gas steam boilers for a project in Yemen.
- Delivered 15 electric boilers across Finland, including three units of 5 MW each.
- Supplied a straw-fired plant for a project in Ukraine with a capacity of 20 TPH, 31 bar gauge pressure (barg), producing saturated steam.

PT Thermax International, Indonesia (PT TII), Jakarta, Indonesia

Business Performance

In FY 2024-25, the subsidiary recorded a revenue increase of 21.6%, a strong recovery following a 29.3% decline in FY 2023-24. Order booking also grew by 14.8%, reversing the 41.7% drop in the previous year. This resurgence is attributed to a strategic emphasis on the services business, targeted market penetration across key sectors, and enhanced operational efficiencies.

Key Solutions Provided

- Process heating solutions including steam boilers, hot water and hot air generators, thermic fluid heaters, and steam accessories.
- Value-added services such as steam audits, retrofitting, and revamping of customer-owned equipment to enhance performance and extend asset life.

Sustainable Growth Plan

- Optimising local manufacturing operations to enhance capacity utilisation.
- Expanding market reach through competitively priced offerings and aggressive sales & marketing strategies.
- Strengthening the services portfolio by expanding offerings in retrofitting and revamping of boilers, heaters, and air pollution control systems.
- Maintaining a strong focus on customer service and retention.
- Building a robust network of channel partners and dealers to improve market visibility and accessibility.
- Establishing a chemical blending unit as part of expansion efforts.
- Reducing overall operational costs through strategic initiatives.
- Enhancing alignment and coordination with operations in India.

Geographical Footprint

- Indonesia
- Southeast Asia

Key Industries

- Agriculture and Allied
- Chemicals
- Food and Beverages
- Palm Oil
- Paper and Packaging
- Petrochemicals
- Pharmaceuticals
- Rubber
- Textiles
- Tobacco

Order Highlights

- Successfully executed a major order for a Korean edible oil company in Indonesia, which included the delivery of a 22 TPH biomass boiler and a first-of-its-kind 22 TPH oil & gas boiler with a floating furnace design, marking a significant technological milestone for PT Thermax.

MANAGEMENT DISCUSSION AND ANALYSIS

Thermax Europe, Bletchley, United Kingdom

Business Performance

The subsidiary's revenue declined by 31.7% in FY 2024-25, following a marginal growth of 1% in FY 2023-24. In contrast, order booking rose 14.1% during the year, reversing the previous year's 9% decline. The revenue dip was primarily due to ongoing disruptions in gas supply stemming from the Ukraine-Russia conflict, which severely affected the availability of natural gas for key projects. Furthermore, global LNG prices surged, driven by heightened exports from the USA and Qatar to meet European demand. Against this backdrop, absorption chillers utilising waste heat from on-site power generation have emerged as a viable and energy-efficient cooling solution.

Key Solutions Provided

- Absorption chillers and heat pumps

Sustainable Growth Plan

- In response to market volatility and rising energy costs in Europe, the strategic focus has shifted towards heat pumps and absorption refrigeration systems.
- Emphasis is being placed on harnessing waste heat recovery through hot water chillers.

Geographical Footprint

- Eastern and Western Europe

Key Industries

- District Heating
- Commercial Establishments

Order Highlights

- Won a contract of significant value for a landmark infrastructure project in Belgrade. The project includes three turbines coupled with three high-capacity chillers of 8.5 MW each. These systems will provide chilled water for air conditioning across major facilities, including the airport, exhibition halls, office spaces, and data centres.

Thermax Inc., Houston, USA

Business Performance

In FY 2024-25, the subsidiary registered a revenue decline of 16.5%, compared to a sharper downturn of 31.6% in FY 2023-24. However, order booking improved, rising by 30.6%, a strong reversal from the 14.4% decline recorded in the previous year.

Key Solutions Provided

- Sale and service of cooling and heating systems based on absorption technology.

Sustainable Growth Plan

- Focused on advancing decarbonisation initiatives across the Americas (North, South, Central, and the Caribbean).
- Leveraging cutting-edge absorption technology integrated with on-site power generation, solar energy solutions, district heating and cooling networks.
- Emphasis on delivering energy-efficient solutions for both process-integrated and discrete industrial heating and cooling applications.

Geographical Footprint

- Americas (North, South, Central, and the Caribbean)

Key Industries

- Chemicals
- Commercial Establishments
- Data Centres and Information Technology
- Food and Beverages
- Hotels, Resorts and Hospitals
- Oil & Gas
- Pharmaceuticals
- Universities, Schools and Colleges

Order Highlights

- Installed a steam-driven two-stage absorption chiller at a prominent aerospace and defence establishment.
- Delivered a specialised chiller providing 1.5°C cooling using steam from an HRSG (heat recovery steam generator) connected to a gas turbine, without antifreeze for a global dairy processing company.
- Commissioned a first-of-its-kind hot water-driven chiller in Puerto Rico that delivers 0°C glycol-water cooling for the production of critical medical products.

Domestic (Indian) Subsidiaries

TSA Process Equipments, Mumbai, India

Business Performance

In FY 2024-25, the focus was on integrating the newly acquired TSA Process Equipments into the Thermax ecosystem. Business momentum in the first half was relatively subdued due to capacity enhancement activities at TSA's manufacturing facility. Order inflow picked up in the second half of the year.

Key Solutions Provided

- Pure water generation systems
- Pure steam generation systems
- Water for injection plants
- Multi column distillation units
- Custom process vessels
- Steam sterilisers
- Utility water storage and distribution systems

Sustainable Growth Plan

- Explore opportunities in autoclave based sterilisation systems.
- Expand the channel network via Thermax Channel Associates (TCAs).
- Enhance global reach leveraging the Thermax International Business Group (IBG).
- Deepen collaboration with Industrial Products business of Thermax for integrated offerings.

Geographical Footprint

- Global

Key Industries

- Biotechnology
- FMCG
- Food & Beverages
- Semiconductors
- Pharmaceuticals

Order Highlights

- Commissioned 25 international and 34 domestic (India) sites.

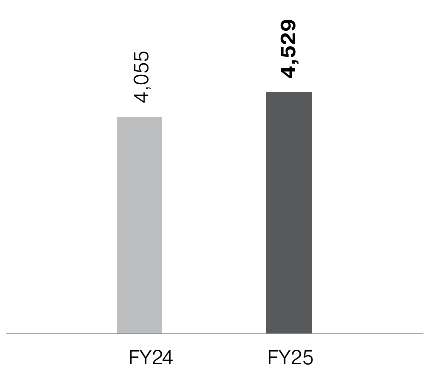
Performance of the Industrial Products Segment in FY 2024-25

In FY 2024-25, the Industrial Products segment accounted for 42.3% of the Group's gross operating revenue, compared to 41.9% in FY 2023-24. The net operating revenue for FY 2024-25 stood at Rs. 4,529 crore, as against Rs. 4,055 crore in the previous year. The segment profit for the period was Rs. 529 crore, up from Rs. 397 crore in FY 2023-24. Order booking for FY 2024-25 stood at Rs. 5,077 crore, reflecting an increase from Rs. 4,329 crore recorded in the previous year. Revenue growth was driven by high-performing business portfolios such as water solutions, air pollution control, and heating solutions, further supported by cooling products and international subsidiaries like Danstoker.

Industrial Products

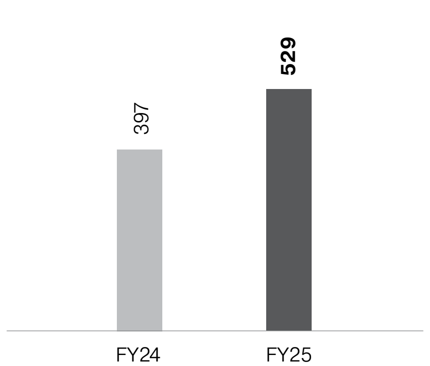
Revenue

(in Rs. crore)



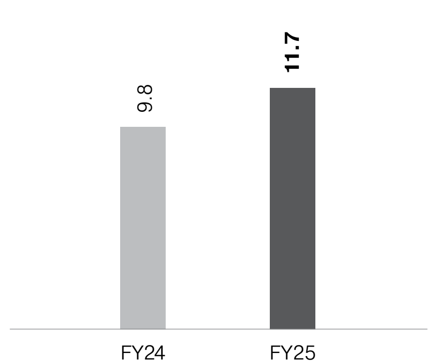
Profit*

(in Rs. crore)



Profit Margin*

(%)



* Segment PBIT before exceptional and unallocated overheads

4.2 Industrial Infra

Our Industrial Infra segment supports industries in meeting their energy needs and encompasses our Projects and Energy Solutions (P&ES), Thermax Bioenergy Solutions Private Limited (TBSPL), and Thermax Babcock & Wilcox Energy Solutions (TBWES) businesses.

Clean Energy Solutions

Projects and Energy Solutions (P&ES)

Overview

P&ES provides turnkey power solutions, including captive power plants, cogeneration systems, waste heat recovery plants, and independent power plants under EPC (engineering, procurement, and construction) model. These plants utilise a wide range of renewable fuels and energy sources. P&ES' offerings also include sulphur recovery block installation and flue gas desulphurisation (FGD) systems to capture SOx emissions from fossil fuel based power plants. Additionally, it provides solutions based on conventional fuels to cater to diverse energy needs and preferences.

The O&M (operations and maintenance) arm of P&ES provides services for power plants, process plants, utility equipment and FGD (flue gas desulphurisation) plants while delivering efficiency and reliability in a safe and compliant environment.

Highlights

- P&ES' small power plant business diversified into the waste-to-energy segment, providing turnkey EPC solutions.
- P&ES' O&M business forayed into the emerging distillery sector, expanding our footprint in managing complex energy systems for process industries.
- The medium power plant business debuted in the 1G ethanol production space, supporting India's energy transition and biofuel mission.

Growth Drivers

- **Expansion in Core Industries:** Capacity additions in refineries and steel are unlocking new project opportunities and infrastructure demand.
- **Policy Push for Sustainability:** Strong government focus on biofuels and net zero goals is accelerating the shift towards clean energy and green technologies.
- **Outsourcing Momentum:** Increasing reliance on outsourced expertise is creating demand for integrated, end-to-end solutions and service partnerships.
- **Digital Acceleration:** The rise of digitalisation is fuelling the need for smart, connected, and data-driven operations across industries.

Focus Areas

- **Global Expansion & Green Energy:** Expanding EPC offerings to international markets while exploring opportunities in unconventional fuels and renewable energy.
- **Investment in Digital Services:** Strengthening value-added service offerings through investments in IIoT solutions, remote assistance technologies, and automation to enhance customer experience and operational efficiency.
- **Project Management and Execution Excellence:** Driving execution excellence through robust project management, digital enablement, and seamless cross-functional coordination to ensure on-time delivery, superior customer experience, and successful execution of large-scale, complex projects.

Risks

- **Large Project Risk:** Execution complexity and risks increase with the scale and scope of large projects, impacting timelines and outcomes.

Mitigation Plan: Please refer to the Risk Management section on page 30.

Industrial Infra Domestic (Indian) Subsidiaries

Thermax Babcock & Wilcox Energy Solutions Limited (TBWES), Pune, India

Overview

TBWES offers a comprehensive range of equipment and solutions for steam generation to meet both process and power needs. These solutions are powered by a wide variety of fuels, including solid, liquid, gaseous, agro-based waste, and municipal solid waste. TBWES also leverages waste heat recovery from industrial processes and turbine/engine exhaust to maximise energy efficiency.

In addition to boilers, TBWES provides specialised heaters for critical applications across the chemical, petrochemical, and refinery sectors.

The Services division of TBWES supports customers regardless of make or capacity with end-to-end solutions for plant performance improvement including capacity enhancement, fuel conversions, reliability upgrades and idle asset re-energising. It also offers spares, plant services, testing & reliability assessments including asset integrity, and digital tools such as Thermax EDGE Live® for real-time insights and performance optimisation of industrial assets.

Highlights

- Secured key clean energy orders across cement, steel, paper, waste management, sugar, distillery, and textile sectors, supporting carbon reduction goals.
- Expanded presence in Southeast Asia, Africa, Europe, and Latin America through high-impact project execution.
- Enhanced digital deployment to boost asset performance and improve efficiency and reliability.

Growth Drivers

Leveraging Energy Transition: The ongoing shift toward cleaner energy presents an opportunity for TBWES to apply its technology, capabilities, and expertise to create impactful solutions for customers.

- **Internationalisation:** Expanding global footprint by leveraging engineering strengths, forging strategic partnerships, and tapping into emerging markets with high industrial energy demand.
- **Sector-Led Domestic Growth:** India's strong growth in steel, cement, and utilities, including waste-to-energy, is driving demand for advanced energy offerings.
- **Focus on Sustainability:** An increasing emphasis on energy efficiency, conservation, and carbon reduction is creating space for high-impact, value-accretive solutions.

Focus Areas

- **Technology and Service Innovation:** Drive new developments across the technology group. and value-added services, with a strong focus on digital offerings.
- **Execution Excellence:** Prioritise superior execution and improve cost competitiveness to enhance overall delivery and customer satisfaction.

Risks

- **Large Project Risk:** Execution complexity and risks increase with the scale and scope of large projects, impacting timelines and outcomes.

Mitigation Plan: Please refer to the Risk Management section on page 30.

Business Performance

In FY 2024-25, TBWES recorded a modest revenue growth of 0.6%, following a 6.4% increase in FY 2023-24. Notably, order bookings surged by 55%, marking a strong recovery from the 10.6% decline in the previous year. This growth was driven by major export orders and robust performance across product groups, particularly in waste heat recovery and waste-to-energy solutions.

Sustainable Growth Plan

- Strengthening international presence by tapping into new markets and geographies.
- Advancing sustainable technologies in the waste-to-energy space, with a focus on biomass combustion solutions.
- Enriching the service portfolio with value-added offerings to support customers in their energy transition journey.
- Driving initiatives to improve cost competitiveness and operational efficiency.
- Scaling the deployment of Thermax EDGE Live® to enhance the performance of industrial assets through smart analytics and AI.

Geographical Footprint

- Asia
- Southeast Asia
- Middle East
- Africa
- Latin America
- Europe

Key Industries

- Cement
- Chemicals
- Distillery
- Fertilisers
- Non-Ferrous Metals
- Paper
- Petrochemicals
- Power
- Refinery
- Steel
- Sugar
- Textiles

Order Highlights

- Secured a landmark order for 3 x 80 TPH reciprocating grate boilers designed to fire 100% biomass (paddy straw), a first-of-its-kind installation for a textile major in the northern part of India.
- Won a breakthrough order for a 1 x 47 TPH sinter cooler waste heat recovery (WHR) boiler from a steel manufacturer in West India.
- Received an order for 2 x 60 TPH refuse-derived fuel (RDF) fired boilers from a leading waste-to-energy developer in North India.

Case study

Waste-to-Energy Boiler for a Paper Products Manufacturer

TBWES successfully commissioned a 15 TPH multi-fuel fired reciprocating grate waste-to-energy (WTE) boiler for a leading paper products manufacturer. The boiler is designed to fire non-recyclable solid waste (NRSW), biomass, and sludge to generate steam for the customer's process requirements.

The scope encompassed design, engineering, procurement, manufacturing, testing, transportation, and erection & commissioning.

To meet the customer's requirement of incinerating solid waste with varying characteristics, TBWES engineered a customised saturated Flexisource™ WTE boiler capable of handling fuels with gross calorific values ranging from 1,000 to 3,700 kcal/kg.

This first-of-its-kind solution in the paper industry featured an innovative enhancement—an additional tumbling action zone after the drying section of the grate. This modification improved fuel mixing, aeration, and combustion uniformity, while significantly reducing clinker formation on the grate and refractory walls, thus enhancing overall combustion efficiency.

The project execution strategy was optimised early on to anticipate and accommodate potential delays from both TBWES and the customer. This proactive approach enabled timely delivery and strong execution support, resulting in high customer satisfaction.

TBWES' WTE solutions are gaining increasing traction as sustainable and cost-effective alternatives in the paper industry, both in India and international markets.

Thermax Bioenergy Solutions Private Limited (TBSPL), Pune, India

Overview

TBSPL specialises in setting up and operating bio-CNG plants under the EPC model in partnership with global technology providers. It offers end-to-end solutions for producing bio-CNG from diverse waste sources, including biomass, agricultural waste, municipal solid waste, and food processing waste. With a vision to become a preferred partner in the industry, it is committed to making clean and sustainable energy more accessible while promoting a circular economy.

Highlights

- TBSPL's bio-CNG plants collectively produced approximately 6,200 tonnes per day of compressed biogas during FY 2024-25.
- Secured business confirmation for an operations and maintenance (O&M) contract from a leading Indian conglomerate, strengthening service revenue streams.
- Achieved market leadership in its segment, based on per day bio-CNG production, for large capacity plants (>10 TPD).
- Produced approximately 1,500 tonnes of fermented organic manure (FOM) in Q4 FY 2025, contributing to sustainable agricultural practices.
- Built extensive operational experience with diverse feedstocks, including rice straw, press mud, cow dung, municipal solid waste, napier grass, and soya stalk.

Growth Drivers

- **Mandatory Bio-CNG Blending Targets:** Regulatory mandates requiring oil marketing companies to blend 1% bio-CNG starting FY 2025-26, increasing to 5% by FY 2028-29, are expected to drive significant demand.
- **State-Level Policy Support:** Several states are promoting bio-CNG initiatives; for example, Andhra Pradesh (India) has introduced an Integrated Clean Energy Policy offering incentives and subsidies for setting up bio-CNG plants.

Focus Areas

- **Strengthen O&M Capabilities:** Build expertise to ensure reliable and efficient plant operations.
- **Enable Remote Monitoring:** Use of digital tools for real-time performance tracking and optimisation.
- **Maximise Efficiency:** Enhance plant output by operating at peak capacity.

Risks

- **Operational and Technology Challenges:** Bio-CNG production technology encountered reliability and performance issues during scale-up and continuous operations. Uncertainties around technology standardisation, system integration, and ecosystem readiness also delayed adoption and impacted project viability

Mitigation Plan: To address operational and technology challenges, we are enhancing plant design, investing in advanced technologies, and leveraging operational insights to improve reliability and performance.

Business Performance

TBSPL recorded a revenue growth of 115% in FY 2024-25, following a high growth base of 451% in the previous year. However, order bookings saw a significant decline of 89%, largely due to delays in order finalisation by key customers. The Company remains cautiously optimistic about a recovery in Q1 of FY 2025-26, with a healthy pipeline currently under evaluation.

Sustainable Growth Plan

- Strengthen presence across key Indian markets by expanding manufacturing and operational footprint.
- Forge alliances to offer integrated bio-CNG solutions and promote sustainability and circularity.
- Create employment opportunities for local communities through on-ground projects.
- Invest in technology development and research to improve plant efficiency and scalability.
- Build O&M capabilities, including asset and lifecycle management services to ensure long-term reliability and performance of bio-CNG facilities.

Geographical Footprint

- India (Punjab, Uttar Pradesh, Gujarat, Delhi-NCR, Madhya Pradesh and Maharashtra).

Key Industries

- Oil & Gas
- Transportation (bio-CNG as a mobility fuel)

Order Highlights

- Secured a bio-CNG project order in Prayagraj, Uttar Pradesh, India, based on municipal solid waste (MSW) feedstock. The project will contribute to sustainable energy generation and effective waste management.

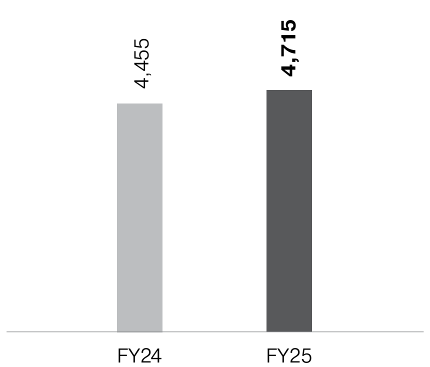
Performance of the Industrial Infra Segment in FY 2024-25

In FY 2024-25, the Industrial Infra segment contributed 44.1% to the Group's gross operating revenue, compared to 46% in FY 2023-24. The segment reported a net operating revenue of Rs. 4,715 crore, up from Rs. 4,455 crore in the previous year, while the segment profit stood at Rs. 110 crore, down from Rs. 209 crore. The revenue growth was driven by carry-forward orders in the project businesses of TBSPL and P&ES. Order bookings for the year were Rs. 4,247 crore, an increase from Rs. 4,100 crore in FY 2023-24. Profitability was impacted due to the recognition of higher technology intervention costs in bio-CNG projects.

Industrial Infra

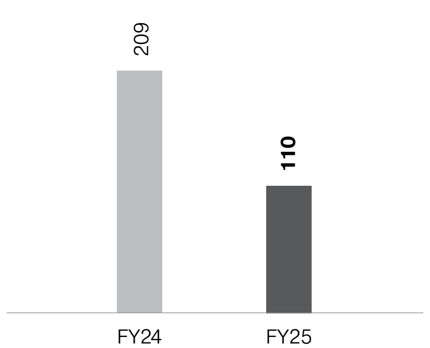
Revenue

(in Rs. crore)



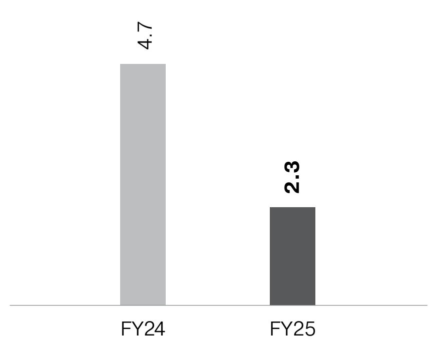
Profit*

(in Rs. crore)



Profit Margin*

(%)



* Segment PBIT before exceptional and unallocated overheads

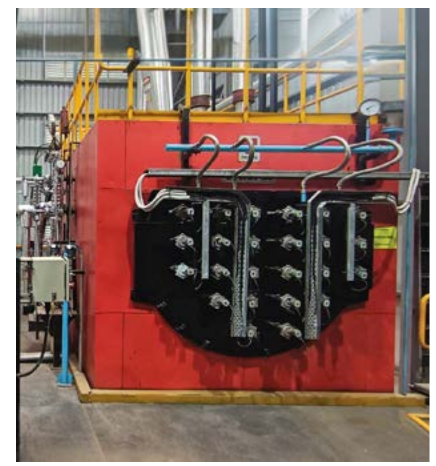
4.3 Green Solutions

The Green Solutions segment comprises subsidiaries, including Thermax Onsite Energy Solutions Limited (TOESL) and First Energy Private Limited (FEPL), which deliver opex-based green utilities and renewable energy solutions through a build-own-operate model. While capital-intensive at the outset for Thermax, these long-term (10-25 years) industrial engagements offer stable cash flows over time.

Thermax sets up projects for customers under long-term, fixed-price contracts. However, interest rate fluctuations affect funding costs, which can impact profitability. In FEPL's case, customer default risk is mitigated by tapping alternate off-takers at competitive prices. For TOESL, customer default could result in stranded assets. Therefore, careful customer selection is critical to de-risking operations for both these entities.

Green Solutions Domestic (Indian) Subsidiaries

Thermax Onsite Energy Solutions Limited (TOESL), Pune, India



Overview

Thermax Onsite Energy Solutions Limited (TOESL), a wholly-owned subsidiary of Thermax Limited, provides outsourced utility solutions, including steam, heat, chilled water, treated water, power, and solar energy through the build-own-operate (BOO) business model.

Highlights

- In FY 2024-25, TOESL sourced 4.59 lakh metric tonnes (MT) of biomass across 43 operational sites in India and Sri Lanka—equivalent to 1,354 MT per day. This biomass was purchased from an estimated 6.74 lakh acres of agricultural land, positively impacting the livelihoods of over 11 lakh farmers.

Growth Drivers

- **Sustainability Push:** EU's proposed carbon tax on exports and pressure from global buyers are driving demand for green energy.
- **Innovation:** Developing new technologies, applications and markets organically.
- **Global Foray:** Strategic international expansion.
- **Fuel Security:** Backward integration by developing alternative fuels, farm-level linkages, and dedicated fuel infrastructure.

Focus Areas

- **Sustaining Domestic Growth:** Continue building momentum in biomass-based steam and heat segments to strengthen domestic market presence.
- **Expanding the Green Solutions Portfolio:** Diversify into emerging sustainable avenues such as treated water, biomass gasification, bio-CNG, and RDF-based solutions.

Risks

- **Macroeconomic Uncertainty:** Economic slowdowns may impact industrial capital expenditure and delay investments in sustainability initiatives.
- **Commodity Price Volatility:** Fluctuations in commodity prices can affect capital equipment costs, impacting project viability and margins.
- **Biomass Dependency:** High reliance on biomass poses risks related to feedstock availability, quality, and price fluctuations.
- **Competitive Fossil Fuel Pricing:** Lower prices of fossil fuels like coal and natural gas can reduce the cost advantage of renewable energy solutions.

Mitigation Plan: We stay agile to macroeconomic shifts by aligning with customer investment cycles. Strategic sourcing and flexible pricing help manage commodity volatility. To reduce biomass dependency risks, we diversify feedstock, strengthen supplier partnerships and establish dedicated briquetting facility.

Business Performance

In FY 2024-25, TOESL recorded a 23% revenue growth, lower than the 31% achieved in FY 2023-24. Order bookings rose by 26%, marking a strong recovery from the 50% decline in the previous year. The commissioning of eight new sites significantly contributed to topline growth, reflecting robust operational execution and rising demand for green utilities.

Key Solutions Provided

- Supplies green utilities such as steam, heat, treated water, and cogeneration power via a build-own-operate (BOO) model.
- Invests in infrastructure, commissions, and manages utility plants throughout their lifecycle at the customer's premises.
- Offers end-to-end O&M services, along with fuel and consumables supply chain management.
- Enables customers to focus on core manufacturing by outsourcing utility management.

Sustainable Growth Plan

- To help customers achieve ESG targets by reducing fossil fuel dependency and freshwater usage, having already enabled a reduction of over 1.6 million tonnes of CO_2e.
- To strengthen its portfolio through backward integration, digitalisation, and strategic partnerships.
- Explore selective international expansion, building on core capabilities.
- Diversify offerings to include bio-CNG, biomass gasification, and water and wastewater solutions under the BOO model.

Geographical Footprint

- South Asia (India, Sri Lanka, Bangladesh).
- Southeast Asia (Indonesia, Philippines, Thailand, Malaysia).

Key Industries

- Automotive
- Chemicals
- Food & Beverages
- Pharmaceuticals
- Textiles

Order Highlights

- Executed its first green steam project in Sri Lanka: 20 TPH biomass boiler for a global food major.
- Commissioned two major 22 TPH biomass boiler projects, one each in Karnataka and Punjab, for a global food major.
- Delivered green steam projects for a repeat confectionery customer in Uttarakhand.
- Commissioned a biomass boiler for a pharmaceutical major in Gujarat.

Case study

Green Steam Supply to a Global Food MNC with Five Projects under Build-Own-Operate by TOESL

A global food major partnered with TOESL to transition from natural gas to 100% agro-waste biomass-fired boilers at its plant in Gujarat — the customer's first global facility on the build-own-operate (BOO) model.

Commissioned in September 2021 with two biomass boilers, the facility added a third in November 2024. Impressed by the model's performance, the customer extended the partnership to four more sites, totalling to eight boilers.

The Gujarat plant features high-efficiency, multi-fuel reciprocating grate boilers with advanced systems like Danblast for uptime and regulatory-compliant pollution controls. For the plant in Karnataka commissioned in July 2024, in addition to biomass boilers, TOESL also offered integrated steam based heat pump for boiler feed water heating by using cooling water waste heat. The Punjab project, commissioned in October 2024, replaced coal with rice stubble briquettes, aiding renewable energy goals and air pollution reduction. TOESL also set up a paddy straw pelleting unit sourcing from over 18,000 acres.

In Sri Lanka, despite regulatory and labour hurdles, TOESL successfully commissioned the plant in October 2024 with Sri Lanka Standards Institution (SLSI) certified vendors and a customised wood chipping unit.

Across the four sites, this BOO model enables annual savings of Rs. 45+ crore and over 1.37 lakh tonnes of CO_2e emissions reduction, while ensuring long-term biomass fuel security.

First Energy Private Limited (FEPL), Pune, India

Overview

First Energy Private Limited (FEPL), a Thermax Group company, is at the forefront of enabling customers' transition to renewable energy. FEPL provides sustainable power solutions across solar, wind, wind-solar hybrid, and battery storage technologies for the commercial and industrial (C&I) sectors. Backed by an extensive EPC experience, it offers multiple engagement models for power delivery, including capex and inter and intra-state open access on an opex basis, alongside operations and maintenance services across Asia, Southeast Asia, and Africa.

Highlights

- Cumulative C&I acquisition of 292 MWp equivalent as on March 31, 2025.
- Secured ISTS (inter-state transmission system) connectivity for 300 MW across Andhra Pradesh, Tamil Nadu, and Rajasthan, comprising 200 MW of solar and 100 MW of wind capacity, facilitating the development of central transmission utility (CTU) connected ISTS projects.
- Orders from diverse sectors, including chemicals and toys, indicating a broadening customer base.
- Orders span across key industrial clusters in Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh, and Rajasthan, reflecting the company's expanding geographical footprint.

Growth Drivers

- **Integrated Offerings:** End-to-end energy solutions with long-term engagements.
- **Renewable Mix:** A balanced portfolio of solar, wind, hybrid, and storage solutions caters to diverse energy needs across sectors.
- **Strategic Footprint:** Presence in key states like Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh, and Rajasthan ensures proximity to major industrial clusters.
- **Robust Backing:** Strong financial and technical support enables efficient execution of large-scale, capital-intensive projects.

Focus Areas

- **Renewable Energy Projects:** Continued development of renewable captive power plants, including solar, wind, hybrid, high capacity utilisation factor (CUF) wind-hybrid and round-the-clock storage solutions, to meet the growing energy demands of industries.
- **CTU Connectivity:** Exploring opportunities to connect large power projects with the CTU to enhance grid integration and energy distribution.
- **Project Execution:** Driving timely and cost-efficient project execution with a focus on quality, safety, and customer satisfaction.
- **Sustainable Practices:** Commitment to reducing India's carbon footprint through the implementation of sustainable energy solutions.

Risks

- **Project Execution Delays:** Delays in project commissioning due to site constraints, approvals, or supply chain disruptions can impact revenue timelines and customer confidence.
- **Force Majeure:** Natural disasters, extreme weather conditions, or unforeseen events can disrupt operations and impact asset performance and real-time monitoring.
- **High Competition:** Intense market competition and limited differentiation can pressure pricing and margins.

Mitigation Plan: We focus on early project development, enforce credit checks for EPC partners, and strengthen project, procurement, and contract management. Force majeure impacts are minimised through resilient infrastructure design and continuous site monitoring.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance

In FY 2024-25, FEPL recorded a revenue growth of 64%, following a significant 2,609% surge in FY 2023-24. However, order booking declined by 21% this year, in contrast to a strong 193% growth in the previous year.

Key Solutions Provided

FEPL delivers tailored renewable energy solutions that align with diverse industry requirements, applications, and energy goals. The company manages the entire energy value chain—from behind-the-meter generation to beyond-the-meter distribution—ensuring customers receive reliable and uninterrupted green power 24/7 throughout the year.

Sustainable Growth Plan

FEPL aims to expand its footprint by establishing captive renewable energy plants, including solar, wind, hybrid, and battery storage systems, to meet industrial energy demands while contributing to national decarbonisation goals. Future plans include exploring central transmission utility (CTU) connectivity for larger projects, partnering with credible entities, tapping into carbon markets, and adopting new technologies to drive process automation and efficiency.

Geographical Footprint

FEPL operates across key industrial states in India, including Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh, and Rajasthan.

Key Industries

The Company serves a wide range of industrial clusters.

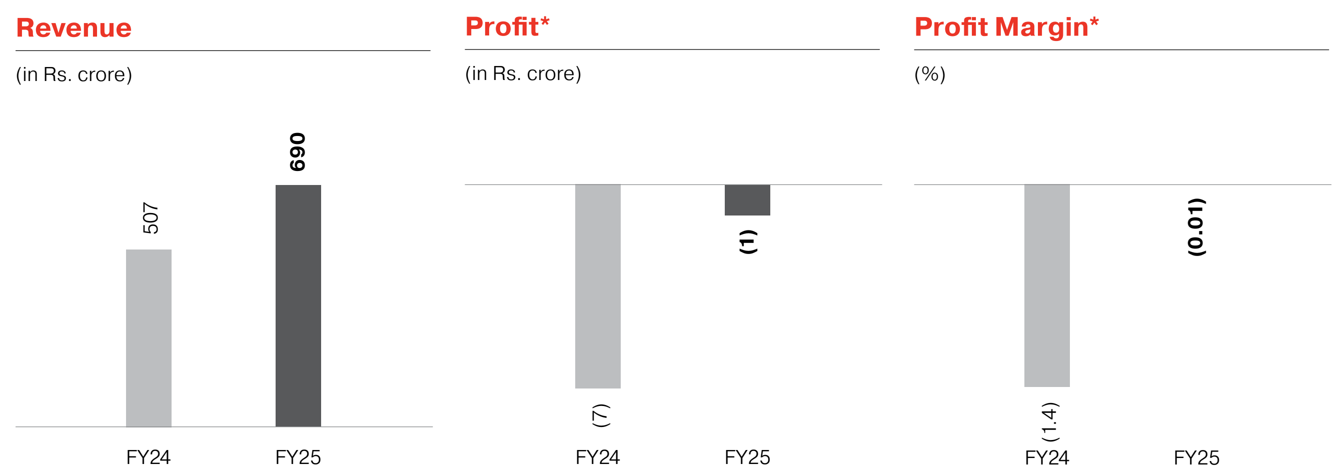
Order Highlights

- Commissioned a total of 213.5 MWp under open access projects till date. In FY 2024-25, the capacity stands at:
  - 24 MW of wind
  - 19.5 MWp of solar
- 2.8 MWp of solar capacity commissioned under capex EPC during FY 2024-25.

Performance of the Green Solutions Segment in FY 2024-25

In FY 2024-25, the Green Solutions segment contributed 6.4% to the Group's gross operating revenue, up from 5.2% in FY 2023-24. The segment's net operating revenue rose to Rs. 690 crore, compared to Rs. 507 crore in the previous year. The segment's loss reduced to Rs. 1 crore from Rs. 7 crore in the previous year. Order bookings declined to Rs. 225 crore from Rs. 241 crore. This performance was primarily driven by revenue from newly commissioned operational sites under TOESL and FEPL.

Green Solutions



Profit* and Profit Margin* – Segment PBIT before exceptional and unallocated overheads

4.4 Chemicals

Thermax's Chemicals business delivers performance-engineered solutions that enhance industrial processes and optimise product performance across a wide range of sectors. Recognised as a leading manufacturer and exporter of Tulsion® ion exchange resins, the business also provides advanced solutions in fuel and water treatment, oilfield chemicals, and a comprehensive range of construction chemicals, including concrete admixtures, industrial flooring, sealants, and adhesives. With over five decades of expertise, a strong dealer network, and state-of-the-art manufacturing facilities, the Chemicals business serves customers across India, the USA, Europe, and Southeast Asia. Backed by robust R&D and a deep commitment to innovation, Thermax's chemical solutions empower customers to achieve greater efficiency, reliability, and environmental performance, building a better tomorrow.

Highlights

- **New Subsidiary:** Incorporated Thermax Chemical Solutions Private Limited (TCSPL) to accelerate focused growth in the chemicals sector.
- **Strategic Partnership with Vebro Polymers:** Established Thermax Vebro Polymers India Pvt. Ltd. to tap into the industrial and commercial flooring market (TCSPL: 50.1%, Vebro: 49.9%).
- **Overseas Expansion:** Initiated construction of a new manufacturing facility in Cilegon, Indonesia, for water treatment chemicals.
- **Buildtech Acquisition:** Signed an agreement to acquire Buildtech Products India Pvt. Ltd. (~ Rs. 72 crore), expanding the construction chemicals portfolio.
- **Global Partnership with OCQ:** Partnered with Oswaldo Cruz Química (OCQ) from Brazil (Thermax: 51%, OCQ: 49%) to produce advanced resins and polymers.
- **European Market Entry:** Formed Thermax Chemical Europe A/S to strengthen presence in the European region.

Growth Drivers

- **Make in India Push:** Government initiatives promoting domestic manufacturing of specialty chemicals.
- **Infrastructure Boom:** Urbanisation and mega infrastructure projects are increasing the demand for construction chemicals such as admixtures, grouts, and flooring solutions.
- **Rising Investments:** Public and private sector investment in roads, railways, ports, and industrial projects is fuelling demand for performance chemicals across sectors.

Focus Areas

- **Strengthening the Core Portfolio:** Boost capabilities and reach in water treatment, specialty chemicals, and construction solutions.
- **Expansion into New Segments:** Grow via adjacent markets, partnerships, and green chemistry innovation.
- **Go Global:** Enter new geographies to diversify and scale growth beyond existing geographies.

Risks

- **Market Disruptions:** Geopolitical uncertainty and raw material volatility may disrupt supply chains, increase input costs, and affect production schedules and margins.

Mitigation Plan: Risks are be mitigated by diversifying suppliers, managing inventory strategically, and using long-term contracts to stabilise costs and ensure supply continuity.

Case study

Enhancing OT Safety and Hygiene with ESD Resin Flooring

Thermax Vebro Polymers partnered with Perfect Engitech & Healthcare Solutions Pvt. Ltd. to pilot the installation of Vebrostatic ESD SL resin flooring in a leading Indian hospital's operating theatres. Replacing traditional Kota stone, the new system features a 2.0 mm epoxy primer topped with a 1.0 mm conductive Vebro EP ESD SL finish, creating a seamless, joint-free surface 3.0 mm thick. This flooring rapidly dissipates electrostatic charges to safeguard sensitive medical equipment while providing a hygienic, easy-to-disinfect surface ideal for surgical environments. The successful pilot exceeded performance and cleanliness benchmarks, earning the local health authority's approval for a full hospital-wide rollout.

Chemicals Overseas Subsidiary

Thermax Inc., Houston, USA

Business Performance

In FY 2024-25, Thermax Inc.'s revenue grew by 0.3%, compared to a 16.8% decline in FY 2023-24. The order booking increased by 1.8%, following a 1.1% drop in the previous year. While there was an uptick in the numbers, the performance was not as per expectation, primarily due to delays in municipal projects during the U.S. election year, further compounded by recessionary pressures in the American market. Additionally, the Red Sea crisis has disrupted global logistics, significantly extending shipping times from India to U.S. ports since November 2024.

Key Solutions Provided

- Sales and distribution of ion exchange resins, supporting water and process treatment applications.

Sustainable Growth Plan

- Expand market presence in Brazil and Mexico through distributor networks, with a focus on mixed bed applications.
- Form strategic alliances to broaden the product portfolio.
- Target specialty and industrial deionisation opportunities in North America, especially in the pulp & paper sector, including UPS and mixed bed-resin applications.

Geographical Footprint

- North, South, and Central America

Key Industries

- Chemicals
- Commercial
- Electronics
- Food & Beverages
- Oil & Gas
- Paper & Pulp
- Petrochemicals
- Sugar
- Urban/Municipal

Order Highlights

Thermax Inc. successfully supplied adsorbent resins for two key customers in the food and beverage sector. The resins proved highly effective in fruit juice de-bittering, paving the way for significant opportunities in the South American market.

Chemicals Domestic (India) Subsidiaries

Buildtech Products India Private Limited, Delhi, India

Business Performance

Following the acquisition on December 17, 2024, Buildtech Products has smoothly transitioned into Thermax's fold. Within four months, the team successfully took over business operations, secured source approvals for four new projects, and initiated the approval process at the sleepers' plant, aiming to expand market share.

Key Solutions Provided

- Admixtures
- Waterproofing Solutions
- Resin Capsules
- Grouts and Sealants
- Synthetic Fibres
- Powder Accelerators
- Curing Compounds

Sustainable Growth Plan

Encouraged by the strong market response and successful execution of multiple projects in both highway and metro rail segments, we have set an ambitious growth target of over 50% in sales compared to the base year FY 2025-26.

Geographical Footprint

- India

Order Highlights

- Source approvals obtained for Srinagar-Baramulla-Uri road project and Pathankot-Mandi road project.

Key Industries

- Underground Infrastructure
- Railway Sleeper Manufacturing

Thermax Vebro Polymers India Private Limited, Chennai, India

Business Performance

The shareholders' agreement with UK-based Vebro Polymers was officially announced in the Indian market in July 2024, marking its entry with promising traction across key sectors.

Key Solutions Provided

The collaboration delivers customised resinous polymer flooring solutions engineered to meet industrial and commercial floor performance requirements and lifecycle costs.

Sustainable Growth Plan

Encouraged by the positive market response, the company has set an ambitious growth target of 3x growth in Q1 FY 2025-26 compared to Q4 FY 2024-25.

Geographical Footprint

- India (Andhra Pradesh, Karnataka, Gujarat, and Meghalaya)

Key Industries

- Food & Beverages
- Pharmaceuticals
- Textiles
- Automotive
- General Manufacturing
- Stadia & Airports
- Commercial Complexes (Malls, Institutions)
- Healthcare and Education (Hospitals, Clinics, Schools, College Labs)

Order Highlights

- Secured an order from a leading beverage manufacturer in Meghalaya for the supply and installation of a polyurethane flooring system.

Performance of the Chemicals Segment in FY 2024-25

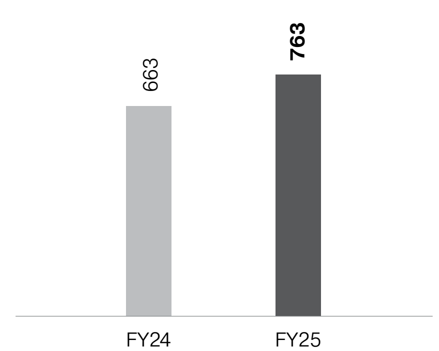


The Chemicals segment contributed 7.1% to the Group's gross operating revenue in FY 2024-25, up from 6.9% in FY 2023-24. The operating revenue stood at Rs. 763 crore, compared to Rs. 663 crore in FY 2023-24, while the segment reported a profit of Rs. 122 crore, down from Rs. 124 crore in the previous year. The decline in profit and overall profitability was due to higher input costs and product mix impact.

Chemical segment

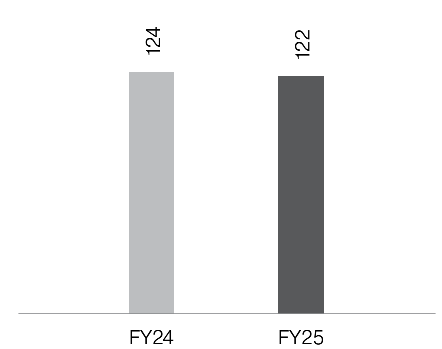
Revenue

(in Rs. crore)



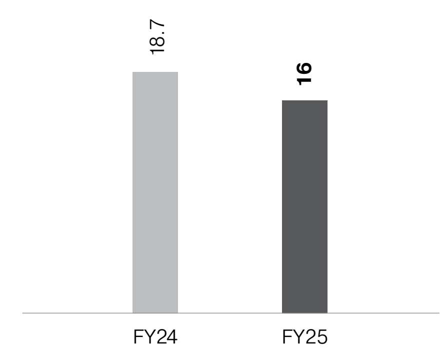
Profit*

(in Rs. crore)



Profit Margin*

(%)



Profit* and Profit Margin* – Segment PBIT before exceptional and unallocated overheads

MANAGEMENT DISCUSSION AND ANALYSIS

5. Performance on Strategy

SO1

Innovate for Energy Transition

Definition

Introduce products and technologies to help industries bridge the gap between energy availability and energy sustainability

Focus Areas	Highlights
Develop Cutting-Edge Energy Transition Products	• Introduced a range of innovative products designed to support decarbonisation and promote clean energy adoption: • **Effitron™** – a zero-emission, high-efficiency electric boiler ideal for small scale applications. • **GreenPac™** and **GreenBloc™** – low density biomass-fired systems that convert agricultural waste such as rice straw into clean energy, advancing circular economy goals and reducing air pollution. • **Compact Pressurised Condensate Recovery System (CPCRS)** – a compact, high-temperature condensate recovery system that saves energy and floor space. • **Instaheat 2.0** – a high-efficiency hot water generator offering precise temperature control using steam. • **A2Zflo-S** – a high-accuracy steam flow meter suitable for both saturated and superheated steam.
Foster Technology Partnerships	• **Partnership for Green Hydrogen:** Thermax and Ceres have signed a non-exclusive global licensing agreement for Thermax to manufacture, sell, and service stack array modules (SAM) based on Ceres' advanced SOEC technology. Thermax will also develop and commercialise SAM balance of modules (SBM) and multi-megawatt SOEC electrolyser systems. This partnership aims to accelerate the global adoption of cost-effective green hydrogen solutions, with a strong focus on deployment in India. • **Thermax–BTRA India Collaboration:** Thermax has partnered with BTRA India, marking a significant step in strengthening its capabilities in textile technology. This collaboration with one of India's leading textile research institutions aims to deliver innovative, efficient, and sustainable solutions aligned with the evolving needs of the textile industry.
Invest in R&D	• The Research, Technology and Innovation Centre (RTIC) has initiated three new verticals to lead the energy transition: • **Carbon Capture and Upcycling Solutions:** India urgently requires cost-effective indigenous solutions for carbon capture. RTIC has successfully executed projects to transform coal into liquid low-carbon fuels. RTIC will now focus on novel carbon capture and utilization technologies through upcycling carbon dioxide and derivatives. • **Green Hydrogen and Electrochemical Technologies:** Building complete value chains for green hydrogen—production, storage, compression, and delivery—leveraging renewable power and waste heat. • **Biofuels and Bioprocessing Technologies:** Advancing the conversion of biomass and urban/rural waste into biofuels. Also developing microbial solutions and biological foundries for next-gen sustainable processes.

SO2

Strengthen Solutions Businesses

Definition

Enhance our capabilities to provide long-term utility services

Focus Areas	Highlights
Implement Build-Own-Operate (BOO) Model for Utility Delivery Services	• TOESL commissioned eight BOO projects in FY 2024-25, adding 146 TPH of biomass-fired boiler capacity and a 750 KLD ZLD (zero liquid discharge) plant, enhancing sustainable utility infrastructure. • Read more on page 81
Provide Renewable Energy Solutions	• **Green Steam Projects** Read more on page 82 • **Bio-CNG Production:** TBSPL utilised a diverse range of feedstocks—rice straw, press mud, cow dung, municipal solid waste (MSW), napier grass, and soya stalk to generate nearly 6,200 tonnes per day of bio-CNG. The projects demonstrated both scalability and flexibility in renewable gas production. • **Wind-Solar Hybrid Projects** Read more on page 83
Offer End-to-End Energy Management for Utilities	• Thermax commissioned two energy-saving projects—one involving motor replacements and another installing a closed loop cooling tower (CLCT) in series with a 300 TR chiller, reducing chiller runtime by over 50% and delivering substantial savings. Both projects were executed on an ESCO (Energy Service Company) basis, with shared savings for the customers. • Additionally, two more projects were executed. One was related to the modification of in-bed tubes in two 20 TPH boilers, improving operational reliability for a competitor's boilers, and the second one was the installation of an advanced air preheater (APH) designed to serve two 20 TPH boilers. A high-temperature heat pump (110°C) was also supplied to boost feed water temperature, enhancing overall efficiency.

SO3

THERMAX urthh®

Scale Up Businesses Relating to Sustainability and Urbanisation

Definition

Grow our air pollution control, water, cooling and chemicals businesses to offer comprehensive solutions beyond energy transition

Focus Areas	Highlights
Form Strategic Partnerships and Diversify Product Portfolio	• Strategic alliances were made to diversify our portfolio and to ensure that we stay at the forefront of innovation. For more details on the collaboration, refer to the Industrial Products and Chemicals business segments. Read more on page 66, 86
Establish New Growth Units	• The Zero Liquid Discharge (ZLD) growth unit, established last year, secured orders for 11 new ZLD plants across diverse industries and locations in FY 2024-25. • Under Cooling, the newly formed growth unit - SustainX booked orders for 15 heat pump units across key sectors such as pharmaceuticals, textiles, petrochemicals, and automobiles. A notable international breakthrough was achieved with a heat pump order from Vietnam, marking progress in our export strategy. • In FY 2024-25, Thermax has launched 'Urthh', a brand under Thermax Water and Waste Solutions business that addresses urban water management challenges with advanced, digitally-enabled operations and maintenance solutions. It offers end-to-end services, including technical audits, plant upgrades, IoT-enabled monitoring, and water recycling systems.
Expand Manufacturing Capabilities and Capacities	• Undertook a major expansion and modernisation programme at one of the oldest manufacturing factories in Pune anchored on five core pillars — enhancing operational efficiency, scaling up capacity, reinforcing safety standards, promoting sustainability, and advancing automation. • Established a new manufacturing unit for water treatment chemicals at the existing Cilegon facility in Indonesia to meet the growing regional demand.

SO4

Drive Digital Transformation

Definition

Leverage digitalisation to improve efficiency both internally and externally

Focus Areas	Highlights
Increase Digital Interventions Across Processes	• In 2024-25, Thermax accelerated its digital transformation to enhance operational efficiency, improve data visibility, and enable smarter decision-making. Key processes digitised this year include: e-auction, vendor onboarding, sustainability accounting & reporting, lead generation, payroll, project management, and document control. • Additionally, a statutory audit trail for financial applications and digitised processes for new M&A entities was enabled. A total of 66 out of 147 digital projects across various value streams went live, leveraging the project management office (PMO) framework.
Proliferate Customer-Centric Digital Platforms	• Thermax's digital portal, EDGE, enhanced customer experience with new features like access to asset drawings and order status tracking through backend integrations. • The AI/ML-powered IIoT platform - Thermax EDGE Live® gained momentum, winning the Gold Award at CII IQ and the AI Gamechanger Award by NASSCOM in the Energy and Utilities sector. It now powers 4,800+ assets across 195+ customers, improving efficiency, reducing downtime, and supporting decarbonisation. • Key solutions launched include Water Balance, Maintenance Manager, Chemical Manager, Urban Water Integration and Digital Logbook. A scalable AI framework has been set up, enabling the deployment of 3,000 predictive models across customer sites.
Strengthen Cybersecurity Measures	• The EDGE Live product ecosystem is now ISO 27001 certified. • A 24x7 Global Cyber Defense Centre has been launched to monitor and respond to cyberattacks, with enhanced incident response capabilities. • New capabilities such as dark web monitoring, rogue app takedown, threat intelligence, and digital forensics have been set up. • Preventive security measures, including Web Application Firewall (WAF), Endpoint Detection and Response (EDR), API security, and PKI certificates with TLS 1.2 encryption are in place. • A secure by design approach has been adopted for digital products, covering Vulnerability Assessment and Penetration Testing (VAPT), Software Bill of Materials (SBOM), vulnerability scans, secure code reviews, and secure architecture standards for OT/IT convergence.

MANAGEMENT DISCUSSION AND ANALYSIS

SO5

Build an Agile, Market Responsive Organisation Structure

Definition

Assess evolving market demands and align the organisation with them to optimise business performance and resource management

Focus Areas	Highlights
Solution-Selling Approach	• Piloted an enterprise sales function to manage large accounts with a sharper cross-selling focus • Prioritised key account management and implemented account-based marketing strategies to deepen customer relationships. • Strengthened our portfolio through strategic partnerships and acquisitions, including collaborations with TSA Equipments, Oswaldo Cruz Química (OCQ), Vebro Polymers to name a few.
Accelerate Market Penetration with Unified, Cross-Business Energy Transition Offerings	• Organised Roadshows and Intouch events across India and also in Indonesia to showcase a wide portfolio of energy transition offerings and enhance customer engagement.
Drive Internal Changes to Mobilise, Manage, and Retain Talent	• Initiated resource mobilisation based on employee skill sets to boost performance. • Rolled out structured talent management programmes across employee levels o nurture future-ready leaders. Read more on page 40
Foster a Performance-Driven Culture	• Sharpened appraisal discussions with a focus on meaningful, actionable feedback. • Continued capability-building through year-round training programmes for managerial and technical excellence. • Recognised high-performing individuals and teams through structured rewards and recognition aligned with Thermax's core behaviours. Read more on page 40

SO6

Energise the Core

Definition

Continue to build on our existing strategic priorities

Focus Areas	Highlights
Increase the Share of Green Offerings	Key orders in FY 2024-25 advancing clean air, clean energy, and clean water: **Industrial Products** • **Heating** – Installed a 26 TPH straw-fired boiler (distillery) – Commissioned a 22 TPH biomass boiler (dairy) – Supplied a 600 kg/hr electric boiler (power) – Delivered a 5 million kcal/hr hot water generator (laminate plant) • **Cooling** – The business maintained strong momentum with another 75+ units booked, including closed loop cooling towers, adiabatic cooling towers, air-cooled heat exchangers and evaporative condensers. • **Air Pollution Control** – Commissioned the largest stock house dust extraction system (<5 mg/Nm³). – Secured a significant MSW-based biogas purification order. – Installed the first bag house on a Sinter WHRB (<10 mg/Nm³, 11m bag height). – Supplied a cartridge filter system (solar wafer segment). • **Water and Waste Solutions** – Secured the first green ammonia desalination order. – a strategic entry in this segment. **Industrial Infra** • **Projects and Energy Solutions (P&ES)** Read more on page 75 • **Thermax Babcock & Wilcox Energy Solutions Limited (TBWES)** Read more on page 76 • **Thermax Bioenergy Solutions Private Limited (TBSPL)** Read more on page 78 **Green Solutions** • **Thermax Onsite Energy Solutions Limited (TOESL)** Read more on page 81 • **First Energy Private Limited (FEPL)** Read more on page 83

Focus Areas	Highlights
Grow Services Portfolio	Thermax expanded its O&M, upgrades, and plant modernisation offerings across segments: **Industrial Products** • **Heating** – Launch of brand Thermax Serve – a comprehensive set of service and spares solutions for process heating equipment. – Order received for comprehensive services and retrofitting for a polyester major in the western region of India. – Thermax's Steam System Service Programme helps customers cut energy loss and boost steam efficiency to meet sustainability goals. • **Cooling** – EDGE Live gained strong momentum in FY 2024-25, with 250+ AI/ML models and 90+ fault analysis templates deployed. Prediction accuracy improved from 40% to 70% with auto-training models. Root cause-based incident reviews boosted transparency and drove a 100% contract renewal rate. – New value-added tiers–Expert Shield and Expert Shield Plus-bundled EDGE Live with AMC for smarter service delivery. • **Air Pollution Control** – Biggest utility ESP spares and service order – First bag filter order from Myanmar – Spares order for 250 MW boiler ESP – First order from Turkmenistan for competitor ESP spares • **Water and Waste Solutions** – Water business manages approximately 337 operations and maintenance sites, with a renewal rate of 95% for the fiscal year 2024-25. – Highest ever order booking in FY 2024-25 for O&M. – 94 safety appreciation letters received from customers. **Industrial Infra** • **Projects and Energy Solutions (P&ES)** Read more on page 75 • **Thermax Babcock & Wilcox Energy Solutions Limited (TBWES)** – Secured an order from a leading petrochemical company for the revival of 2 x 120 TPH oil and gas-fired boilers and fuel conversion of a 1 x 100 TPH CFBC boiler from solid fuel to oil and gas firing.
Internationalisation	Major FY 2024-25 export orders and global subsidiary wins: **Industrial Products** • **Air Pollution Control** – Dry FGD & NO_x system (Thailand – carbon black) – First filter bag order (Myanmar – cement) – Air pollution solutions (Thailand – sugar) – Dedusting system (Southeast Asia) – ESP spares (Turkmenistan – cement) • **Heating** – FOAK 40 MW multi-utility plant (Thailand – medical gloves) – 25 TPH biomass boiler (Thailand – food) – 1 TPH electric boiler (Southeast Asia – FMCG) • **Cooling** – 7,251 TR exhaust fired absorption chillers (Europe – power) – 1,600 TR hot water driven absorption chillers (Southeast Asia – oil & gas) – 5.2 MW air cooled heat exchanger (Southeast Asia – beverages) – 137 KW electrical heat pump (Southeast Asia – textiles) • **Water and Waste Solutions** – Large order from global energy leader (Turkey – power) **Industrial Infra** • **Projects and Energy Solutions (P&ES)** – 4.9 MW cogeneration (Thailand – healthcare) • **Thermax Babcock & Wilcox Energy Solutions Limited (TBWES)** – 4 x 550 TPH CFBC boilers (Botswana - mining) – 2 x 250 TPH modular gas-fired boilers (Abu Dhabi – refinery & petrochemical) – 2 x 68 TPH HRSGs (Western Africa – power) **Green Solutions** • **Thermax Onsite Energy Solutions Limited (TOESL)** Read more on page 81 • **First Energy Private Limited (FEPL)** Read more on page 83 **Chemicals** • **Thermax Inc.** Read more on page 87

6. Financial Performance

During FY 2024-25, the Group recorded an operating revenue of Rs. 10,389 crore, compared to Rs. 9,323 crore in the previous year. The basic earnings per share for the year were at Rs. 56.33 per share (previous year: Rs. 57.30 per share) and diluted earnings per share was Rs. 56.31 (previous year: Rs. 57.28). The analysis of major items of the financial statements is given below.

A. Revenue from Operations

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Revenue from projects and products	9,204	8,175	13%
Revenue from services	1,052	1,062	(1%)
Other operating revenue	133	86	54%
Total operating revenue	**10,389**	**9,323**	**11%**

The increase is primarily due to the execution of orders received in the prior period. Industrial Products, Industrial Infra, Green Solutions and Chemicals segments have grown by 12%, 6%, 36% and 15%, respectively. Other operating revenue increased due to a government grant of Rs. 65.63 crore as set off against an exchange loss of Rs. 17.79 crore against last year's gain of Rs. 9.40 crore.

B. Cost of Material Consumed

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Cost of material consumed	5,814	5,220	11%
% of total revenue	56%	56%	

Commodity costs remained stable during the period.

C. Employee Benefit Expenses

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Employee benefit expenses	1,269	1,148	11%

The rise in employee benefit expenses was primarily driven by the annual increment cycle, increased headcount in services for project execution, and performance-based incentives.

D. Other Expenses

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Consumption of stores and spare parts	116	113	3%
Power and fuel	57	57	0%
Freight and forwarding charges (net)	215	187	15%
Site expenses and contract labour charges	1,211	1,090	11%
Drawing, design and technical service charges	58	59	(2%)
Sales commission	36	29	24%
Advertisement and sales promotion	31	24	29%
Rent	30	26	15%
Rates and taxes	16	17	(6%)
Insurance	21	19	11%
Repairs and maintenance	121	103	17%
Travelling and conveyance	114	110	4%
Legal and professional fees (including payment to auditors)	163	155	5%

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Provision for advance (net)	7	(2)	(450%)
Provision for impairment allowance of financial assets (net)	81	59	37%
Warranty expenses (net)	45	50	(10%)
Loss on sale/discard of assets (net)	3	1	200%
Expenditure on Corporate Social Responsibility	11	8	38%
Miscellaneous expenses (includes printing, communication, security expenses, etc.)	69	55	25%
Total	**2,405**	**2,160**	**11%**
Less: Capitalised during the year	(7)	(2)	321%
Net total	**2,398**	**2,158**	**11%**

Other expenses were higher than the previous financial year, primarily due to increased direct costs such as site expenses, contract labour charges, insurance, and consumption of stores and spare parts, driven by higher operational activity and revenue. Additionally, sales commission expenses increased in line with sales. There was also an increase in legal and professional fees and travel expenses, attributable to business growth and various new initiatives undertaken during the year. Furthermore, the bad debts/advance written off increased due to expected credit loss provisioning.

E. Exceptional Item

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Exceptional item	-	75	(100%)

The decrease was due to an exceptional gain of Rs. 126 crore, which resulted from the sale of a vacant plot of land, and a loss of Rs. 51 crore on a provision related to litigation last year, resulting in a net gain of Rs. 75 crore.

F. Property, Plant and Equipment

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Property, plant and equipment	2,442	1,701	43%
Capital work-in-progress	561	519	8%
Right-of-use assets	174	173	0%
Goodwill	80	3	2,547%
Other intangible assets	111	29	286%
Intangible assets under development	2	5	(68%)
Total	**3,370**	**2,430**	**39%**

The movement in the property plan, equipment and capital work-in-progress is mainly due to the Jhagadia resin plant expansion in the Chemicals business and solar/wind assets under construction at First Energy Private Limited. Intangible assets under development are software implementation under new initiatives and recognition on account of new business acquisition.

G. Investment

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Non-current investment	121	383	(68%)
Current investment	1,568	1,363	15%
Total	**1,689**	**1,746**	**(3%)**

Investments predominantly represent investments in debt mutual funds and bank fixed deposits. The decrease in investments is mainly due to the redemption of corporate fixed deposits.

H. Trade Receivables

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Non-current trade receivables	148	151	(2%)
Current trade receivables	2,418	2,116	14%
Total	**2,566**	**2,267**	**13%**

The increase in trade receivables was consistent with the growth in business volumes.

I. Cash Flow

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Cash flows from operating activities	1,043	247	322%
Cash flows from/(used in) investing activities	(1,241)	(509)	144%
Cash flows (used in) financing activities	124	285	(57%)
Net increase in cash and cash equivalents	**(74)**	**23**	**(422%)**

The increase in operating cash flow was driven by improved customer collections and advances received during the year. The rise in investing activities was primarily due to higher capital expenditure for expansion projects and new acquisitions.

J. Cash and Cash Equivalent and Bank Balances

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Cash and cash equivalents	418	487	-14%
Bank balance	737	489	51%
Total cash and cash equivalents and bank balances	**1,155**	**976**	**18%**

The increase was mainly due to the rise in fixed deposit investments.

K. Non-Current Other Liabilities

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Other liabilities	37	28	32%

The rise was due to unearned revenues, primarily resulting from provisions made for project execution.

L. Borrowings

(in Rs. crore)

	FY 2024-25	FY 2023-24	Change (%)
Non-current borrowings	1,162	789	47%
Current trade borrowings	532	466	14%
Total borrowings	**1,694**	**1,255**	**35%**

The increase in borrowing was primarily used to fund capex for solar and wind projects.

MANAGEMENT DISCUSSION AND ANALYSIS

Thermax Financials at a Glance (10-Year Data)

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

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16#
Domestic Sales (Excluding Excise Duty)	7,932	7,189	5,992	4,443	3,037	3,685	3,249	2,668	2,813	3,210
International Sales/Business	2,324	2,048	2,042	1,621	1,673	1,970	2,637	1,703	1,573	1,859
% to Total Sales	23%	22%	25%	27%	36%	35%	45%	39%	36%	37%
Total Sales	10,256	9,237	8,034	6,064	4,710	5,655	5,886	4,371	4,386	5,069
Growth	11%	15%	32%	29%	(17%)	(4%)	35%	0%	(13%)	(3%)
Other Operating Income	133	86	56	64	81	76	87	94	97	76
Revenue from Operation	10,389	9,323	8,090	6,128	4,791	5,731	5,973	4,465	4,483	5,145
Other Income	252	233	160	127	108	100	150	116	114	122
Total Income	10,641	9,556	8,250	6,255	4,899	5,831	6,123	4,581	4,597	5,267
Total Expenses	9,480	8,526	7,492	5,707	4,435	5,324	5,516	4,064	4,049	4,716
Profit before Depreciation, Interest, Extraordinary Items and Tax	1,161	1,030	758	548	464	507	607	517	548	551
(% to Total Income)	11%	11%	9%	9%	9%	9%	10%	11%	12%	10%
Depreciation	159	148	117	113	115	117	92	82	82	72
Interest	117	88	38	25	21	15	14	13	10	12
Exceptional Items of Expenses / (Income)	-	(75)	-	-	53	-	90	-	18	-
Profit Before Tax	885	869	603	410	275	375	411	422	438	467
(% to Total Income)	8%	9%	7%	7%	6%	6%	7%	9%	10%	9%
Tax	258	226	152	98	69	162	85	166	156	144
Profit After Tax Before Non Controlling Interest and Share in Loss of Associate and Joint Venture	627	643	451	312	206	213	326	256	282	323
Share in Joint Venture/Associates Loss	-	(1)	-	-	-	-	(1)	(25)	(66)	(41)
Minority Interest	(8)	-	-	-	NA	NA	NA	NA	NA	NA
Profit After Tax After Minority and Share in an Associate's Loss	635	642	451	312	206	213	325	231	216	282
Other Comprehensive Income	(2)	(9)	-	8.00	17	(9)	(22)	27	(19)	22
Total Comprehensive Income Attributable to:	625	633	451	320	223	204	303	258	197	304
Equity Holders of the Parent	635	645	450	312	223	204	304	259	204	304
Non Controlling Interest	(8)	(2)	-	-	-	-	-	(1)	(7)	-
Gross Block	4,831	3,753	2,903	2,396	2,352	2,255	2,236	1,741	1,515	1,438
Net Block	3,368	2,431	1,682	1,239	1,266	1,339	1,352	1,076	952	887
Investments	1,689	1,746	1,610	1,470	234	875	829	1,472	1,083	1,050
Current Assets	7,313	6,448	6,072	4,738	4,466	3,977	4,737	4,102	3,297	3,610
Current Liabilities	5,635	4,725	4,409	3,758	3,071	2,787	3,654	3,079	2,365	2,615
Net Current Assets	1,678	1,723	1,663	980	1,395	1,190	1,083	1,023	932	995
Capital Employed	6,099	5,229	4,292	3,553	3,273	3,061	3,050	2,768	2,585	2,450
Equity Share Capital	23	23	23	23	23	23	23	23	23	23
Reserves and Surplus	4,914	4,417	3,846	3,469	3,228	3,005	2,992	2,692	2,515	2,393
Networth	4,937	4,440	3,869	3,492	3,251	3,028	3,015	2,715	2,538	2,416
Minority Interest	6	-	2	-	-	-	-	-	1	-
Loan Funds (Long-Term)	1,162	789	423	61	22	33	35	53	46	34
Fixed Asset Turnover Ratio	3.05	3.80	4.78	4.89	3.72	4.22	4.35	4.06	4.61	5.71
Working Capital Turnover Ratio	6.11	5.36	4.83	6.19	3.38	4.75	5.43	4.27	4.71	5.09
Current Ratio	1.30	1.36	1.38	1.26	1.45	1.43	1.30	1.33	1.39	1.38
Return on Capital Employed	16%	17%	15%	12%	11%	13%	14%	15%	15%	18%
Return on Net Worth	13%	14%	12%	9%	6%	7%	11%	9%	9%	12%
Cash Earnings Per Share (Rs.)	71.20	70.45	50.36	37.74	28.50	29.30	37.06	27.93	27.08	31.48
Earnings Per Share (Rs.)	56.33	57.30	39.98	27.73	18.34	18.87	28.90	20.61	19.80	25.07
Dividend	700%	600%	500%	450%	350%	350%*	350%	300%	300%	300%
Book Value Per Share (Rs.)	438	394	343	310	289	269	268	241	225	215

Figures have been reclassified as per Indian Accounting Standards("IND AS") as prescribed by the Ministry of Corporate Affairs
* It is interim dividend paid to shareholders

7. Key Opportunities and Threats

Amidst evolving market dynamics, Thermax strategically harnesses opportunities while mitigating risks, driving innovation and operational excellence. This balanced approach fosters sustainable growth and strengthens the Company's competitive edge, benefitting all stakeholders.

Key Opportunities

Accelerated Energy Transition: With increased government emphasis on renewable energy and sustainable practices, Thermax can capitalise on new incentives and expand market demand for clean, energy-efficient solutions.

Digital Transformation and Smart Manufacturing: Investment in digital technologies and Industry 4.0 will enhance operational efficiency, cost savings, and improved product quality, strengthening its competitive edge.

Robust Infrastructure Development: As India's focus on infrastructural expansion continues, opportunities will arise to supply integrated solutions for sustainable energy security, water management, and environmental compliance.

Global Expansion Prospects: Emerging international markets with a growing focus on sustainability present avenues for expanding the Company's footprint and driving revenue growth beyond domestic boundaries.

R&D and Technological Innovation: Continued emphasis on research and development can lead to breakthrough products and sustainable technologies, upholding Thermax's leadership position in the energy and environment sectors.

Key Threats

Intensifying Competition: Domestic and international players are vying for market share in the energy and environment sectors, potentially leading to pricing pressures and margin compression.

Regulatory and Policy Risks: Changes in environmental and energy policies or stricter regulatory norms could increase compliance costs or operational disruptions.

Economic and Market Uncertainty: Global economic volatility and domestic market fluctuations may impact capital expenditure and reduce the demand for large-scale industrial projects.

Supply Chain Vulnerabilities: Disruptions caused by geopolitical tensions, raw material price volatility, or logistical challenges can affect production schedules and cost structures.

Technological Obsolescence: Rapid technological advancements may render current processes or solutions less competitive if Thermax does not continuously innovate and adapt to emerging trends.

8. Others

8.1 Risk Management

The Company's enterprise risk management (ERM) framework regularly assesses key risks and business processes to ensure system resilience across all its locations. It identifies potential exposures and recommends appropriate mitigation measures to safeguard operations.

Read more on page 30

8.2 Internal Controls

The Company maintains a robust system of internal controls, supported by its Internal Audit function, to assess the effectiveness and compliance of financial and operational processes. Both management and the internal audit team routinely evaluate these controls to ensure alignment with regulatory standards and business objectives.

Operating managers are regularly informed about relevant legal and regulatory changes that impact their areas of responsibility. Monthly compliance checks are conducted to uphold adherence to these requirements.

To mitigate the risk of unethical conduct, the Company has fostered a strong ethical culture supported by a clear Code of Conduct and a well-defined Whistleblower Policy. In addition, using the enterprise resource planning (ERP) software across operations ensures built-in controls and enables detailed analysis of variances between actual performance and planned targets.

This integrated approach to internal controls and organisational ethics significantly reduces the likelihood of misconduct and strengthens governance.

8.3 Health, Safety and Environment (HSE)

At Thermax, the health, safety, and well-being of our employees, stakeholders, and the environment are at the heart of our values. We have embedded comprehensive HSE programmes across all operations and manufacturing facilities to ensure a safe and secure workplace.

Our leadership team actively champions HSE initiatives with strategic direction from the Board. Performance reviews are regularly conducted across all business units and locations, with business heads driving continuous improvement. These reviews also foster stakeholder participation by offering guidance and necessary resources.

We strongly emphasise collaboration with contractors, partners, and supply chain stakeholders through capacity-building initiatives and site-level engagement to strengthen holistic HSE practices.

Our commitment is captured in our Occupational Health, Safety and Environment Policy and brought to life through a series of focused initiatives.

Thermax Life: Building a Culture of Safety

a) Culture Building

Behaviour-Based Safety (BBS):

Implemented organisation-wide, BBS encourages all employees, workers and contractors to practise and promote safe behaviour. Observations, feedback, and behavioural trend analysis are used to guide tailored training and continuous improvement.

'One Day Safety Officer' Initiative:

Line managers step into the role of a safety officer for a day, conducting toolbox talks, safety inspections, and incident investigations. This fosters accountability and ownership. In FY 2024-25, over 3,433 line managers participated across project sites.

Life-Saving Rules & 'Stop Work' Authority:

All individuals working for or on behalf of Thermax must adhere to our Life-Saving Rules. We enforce a zero-tolerance policy for violations. Additionally, every stakeholder is empowered to stop work in case of any potential risk.

E-Learning Programme:

An interactive course on Life-Saving Rules covers PPE use, safe practices, emergency response, and hazard identification. The course empowers individuals to prioritise safety and make informed decisions in emergencies.

3,433+

Line Managers Worked as 'One Day Safety Officers' at Project Sites

b) Standardisation of HSE Processes

To unify and improve safety practices, we continue to drive standardisation efforts across the organisation. Reviewed and implemented procedures include:

- Use of personal protective equipment (PPE)
- Monitoring, measurement, analysis and evaluation
- Contractor management
- Communication, consultation and participation
- Occupational health and hygiene

This 'One HSE Process' approach streamlines operations and supports our digitisation goals.

c) Digitalisation with 'Thermax LIFE' Application

Our integrated HSE application—Thermax LIFE, has been deployed across all businesses, engaging employees, workers, and contractors.

- Enables active participation in safety observations and reporting of unsafe conditions
- Supports incident, inspection, and audit management
- Provides real-time analytics for leadership to make timely and informed decisions
- Tracks closure of HSE issues via automated workflows

Training sessions were conducted for users, superusers, admins, and senior leaders to maximise the platform's benefits.

Note: Despite taking utmost care, an unfortunate incident at a customer site led to the loss of three of our workers, even after timely medical intervention. We have extended full support to their families, and following a thorough investigation, are implementing key corrective measures to enhance safety—focusing on improved risk assessment in brownfield projects, upgraded protective equipment, and strengthened emergency response protocols.

Campaigns and Celebrations

Quarterly Safety Campaigns

Focused campaigns conducted on:

- Machine guarding
- Work at height
- Monsoon and electrical safety
- Fire prevention and emergency preparedness
- Material handling and road safety

Special Day Observances

National Safety Week (March 4-10, 2025):

Under the theme 'Safety and Well-Being Crucial for Viksit Bharat', over 15,000 participants—including employees, workmen, third-party staff, and contractual workforce engaged in various activities. The senior leadership led the flag-hoisting ceremonies across locations.

Road Safety Month (January 2025):

Activities included online quizzes, drawing contests, mobile vehicle safety training, awareness rallies, PUC checks, and transport inspections across offices and customer sites.

15,000+

Participants in Activities During National Safety Week

Emergency Preparedness

All Thermax locations have emergency preparedness plans in place. Training on fire prevention and mock evacuation drills have been conducted across manufacturing, project, and office locations in India.

Recognitions and Achievements

QCFI Golden Award:

Thermax's Chinchwad Factory won the Gold Award at the 2025 Kaizen Competition for its continuous HSE improvement initiatives.

BBS Excellence Award:

Thermax received a national Behaviour-Based Safety (BBS) Award from BESAFE at the 9th Annual BBS Conference co-hosted by IIM-Mumbai.

Customer Appreciation:

Received 219 appreciation letters from customers for exemplary safety performance this year.

Training and Capacity Building

Regular HSE training is conducted for employees, contractors, vendors, and suppliers. All new hires are introduced to HSE practices, and contract workers undergo mandatory training before starting work.

Key programmes in FY 2024-25 include

Institution of Occupational Safety and Health (IOSH) Awareness Sessions:

Training programmes were conducted for site and service engineers/ managers from the Industrial Products busines (39 participants).

ISO 45001:2018 Lead Auditor Training:

Focused on strengthening internal audit capabilities (10 participants).

MANAGEMENT DISCUSSION AND ANALYSIS

Update on Certifications and Audits of Manufacturing Plants and Projects (Sites in India)

Cooling Manufacturing Plant (Sri City):

1st surveillance audit for ISO 14001:2015 & ISO 45001:2018 conducted by LRQA

TBWES Project Sites & Manufacturing Plants (Savli, Mundra, Chinchwad, Shirwal):

Recertification audit for ISO 14001:2015 & ISO 45001:2018 conducted by Bureau Veritas

Heating Manufacturing Plants (Chinchwad, Savli):

1st surveillance audit for ISO 14001:2015 & ISO 45001:2018 conducted by TÜV SÜD

TOESL Project Sites:

2nd surveillance audit for ISO 14001:2015 & ISO 45001:2018 conducted by DNV

Chemical Manufacturing Plants (Paudh, Jhagadia, Dahej):

3rd surveillance audit for ISO 14001:2015 & ISO 45001:2018 conducted by Bureau Veritas

P&ES and Heating Project Sites:

2nd surveillance audit for ISO 45001:2018 conducted by TÜV SÜD and DNV

WWS Manufacturing Plant and Project Sites:

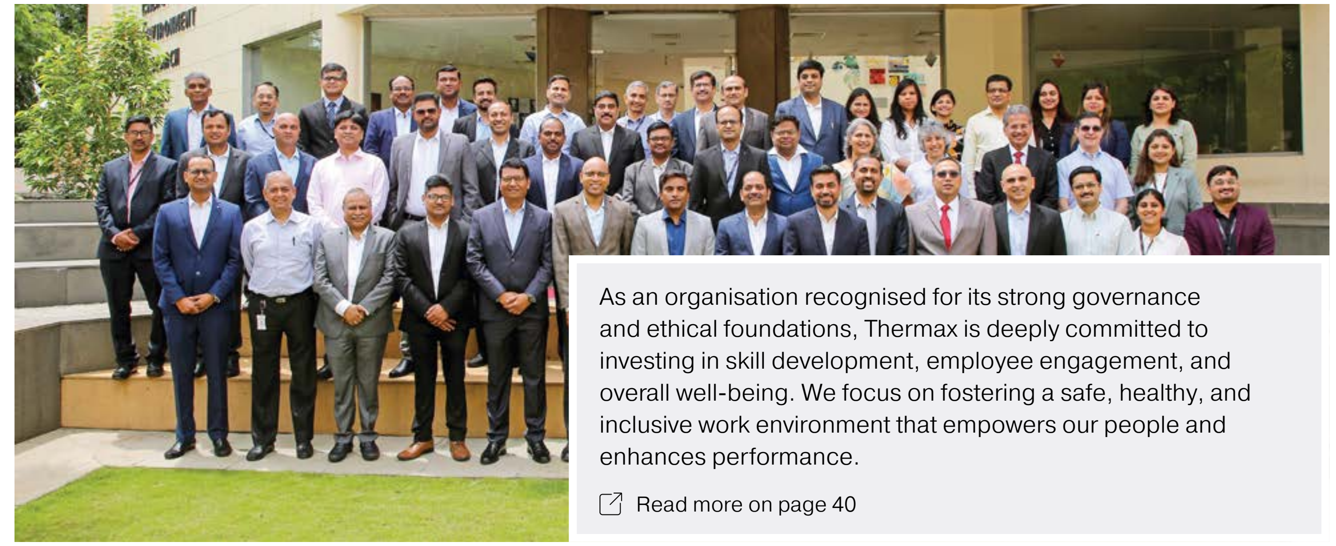
Recertification IMS audit for ISO 9001 & ISO 45001 conducted by TÜV NORD

Air Pollution Control (Enviro) Manufacturing Plant and Project Sites:

2nd surveillance audit for ISO 14001:2015 & ISO 45001:2018 conducted by TÜV SÜD

At Thermax, our collective efforts help build a safer, healthier, and more sustainable future year after year.

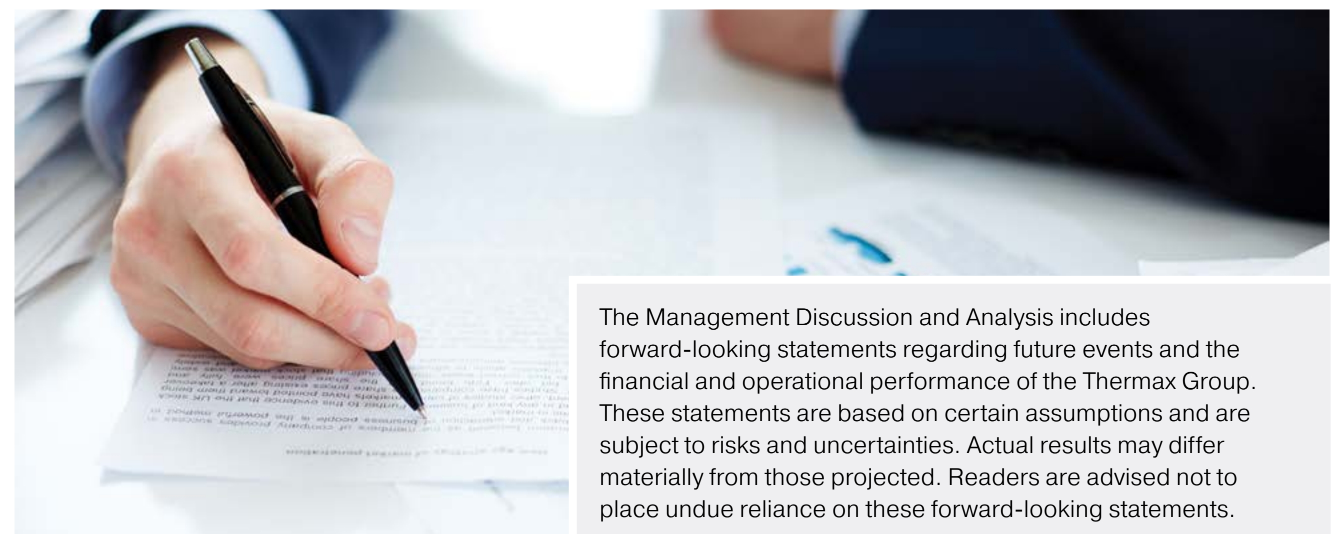
9. Human Resources



As an organisation recognised for its strong governance and ethical foundations, Thermax is deeply committed to investing in skill development, employee engagement, and overall well-being. We focus on fostering a safe, healthy, and inclusive work environment that empowers our people and enhances performance.

Read more on page 40

10. Cautionary Statement



The Management Discussion and Analysis includes forward-looking statements regarding future events and the financial and operational performance of the Thermax Group. These statements are based on certain assumptions and are subject to risks and uncertainties. Actual results may differ materially from those projected. Readers are advised not to place undue reliance on these forward-looking statements.

DIRECTORS' REPORT

Dear Shareholder,

Your Directors have pleasure in presenting the 44th Annual Report on the business and operations of the Company, together with the audited financial statements of your Company for the year ended March 31, 2025.

Financial Results

(Rs. in crore)

Particulars	Consolidated		Standalone	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Total revenue	10,388.69	9,323.46	6,254.07	5,821.93
Profit before finance cost, depreciation and tax	1,160.00	1,029.96	729.20	674.56
Finance cost and depreciation	275.29	235.67	109.79	96.58
Profit before tax and exceptional items	884.47	793.47	619.41	577.98
Exceptional items	-	75.49	93.73	2.08
Profit before tax but after exceptional items	884.47	868.96	713.14	580.06
Provision for taxation (incl. deferred tax)	257.77	225.77	141.00	142.62
Profit after tax	626.70	643.19	572.14	437.44
Other comprehensive income	(2.33)	(8.87)	(3.52)	(4.21)
Total comprehensive income	624.37	634.32	568.62	433.23
Total equity	4,942.58	4,439.80	3,967.76	3,536.70
Earnings Per Share (EPS) (Rs.) face value per share Rs. 2/- from continuing operations	56.33	57.30	48.02	36.71
Earnings Per Share (EPS) (Rs.) face value per share Rs. 2/- from continuing and discontinuing operations	56.33	57.30	48.02	36.71

Result of Operations and the State of Affairs

Consolidated

On a consolidated level, the group revenue was at Rs.10,389 crore (Rs.9,323 crore). The Group's international business was higher by 13.5% at Rs. 2,324 crore (Rs. 2,048 crore). Consolidated order booking for FY 2024-25 increased by 10.5 % to Rs. 10,337 crore (Rs. 9,355 crore). Order booking in international markets at Rs. 3,597 crore was higher by 72.3%.

Standalone

Your Company, on a standalone basis, posted a revenue of Rs. 6,254 crore for the FY 2024-25, against last year's revenue of Rs. 5,822 crore. Revenue from exports was up 9.7% at Rs.1,181 (Rs. 1,077 crore). Order booking from continuing operations stood at Rs. 6,270 crore, higher by 9.0 % as compared to Rs. 5,751 crore in the previous year.

Material Changes and Commitments

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

Change in Nature of Business

There is no change in the nature of business of the Company.

Credit rating

Your Company has been rated 'AA+/ Stable (Reaffirmed) for Long Term Rating and A1+ (Reaffirmed) for Short Term Rating' by Credit Rating Information Services of India Limited (CRISIL) for its banking facilities. The rating reflects your Company's continued good parentage, credit profile, liquidity position, strong corporate governance practices, financial flexibility and conservative financial policies.

Your Company has also been assigned ESG rating of CareEdge-ESG 1 i.e. rating scale "Leadership" by CARE ESG Ratings Limited, a registered ESG ratings service provider.

Dividend

The Board of Directors have recommended a dividend of Rs.14/- (700%) per equity share of face value of Rs. 2/- each for the year ended March 31, 2025. The dividend is subject to the approval of members at the ensuing Annual General Meeting (AGM).

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has adopted the Dividend Distribution Policy, which is made available on the Company's website and can be accessed using the link: https://www.thermaxglobal.com/wp-content/uploads/2025/01/Dividend-Distribution-Policy_New.pdf

Transfer to Reserve

The closing balance of the retained earnings of the Company for FY 2024-25, after all appropriation and adjustments, was Rs. 3,387.54 crore on standalone basis and Rs. 4,144.60 crore on a consolidated basis. During the year, the Company has not transferred any amount to the General Reserve.

Share Capital

The paid-up equity share capital of the Company was Rs. 23.83 crore as on March 31, 2025. There were no public or preferential rights or bonus issued during the year. The Company has not issued any shares with differential voting rights, sweat equity shares.

Statement of Deviation(s) or Variation(s) in share capital

During the year under review, there was no instance to report Statement of Deviation(s) or Variation(s) in share capital as per Regulation 32 of the Listing Regulations.

Subsidiaries

In accordance with Section 136 of the Companies Act, 2013 ("the Act") the Annual Report of your Company containing inter alia, financial statements and consolidated financial statements, has been placed on our website: https://www.thermaxglobal.com/annual-reports/ which can be accessed using the above link. Further, the financial statements of the subsidiaries have also been placed on our website: https://www.thermaxglobal.com/subsidiary-annual-report/

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

Changes in Subsidiaries / Associates during the year

Through its wholly owned subsidiary, First Energy Private Limited (FEPL), the Company has incorporated First Energy 11 Private Limited on July 29, 2024 and First Energy 12 Private Limited on May 5, 2025 as step-down subsidiaries for undertaking renewable energy projects in different states of India.

FEPL entered into a Share Purchase Agreement on September 6, 2024, to acquire 100% stake in Onix Two Enersol Private Limited (OTEPL). As the sellers failed to fulfill certain closing conditions within the agreed and extended timelines, the acquisition has not been completed. FEPL has intimated the sellers about non-fulfilment of the conditions. Consequently, OTEPL has not been consolidated in the Group's accounts. The Company will update the Stock Exchanges on any material developments.

TSA Process Equipments Private Limited (TSA)

The Company entered into a Share Purchase and Share Subscription Agreement (SHA) for the acquisition of 100% of the equity share capital of TSA in one or more tranches. In accordance with the terms of the agreement, the Company acquired 51% of the equity share capital of TSA on April 19, 2024. Accordingly, TSA became a subsidiary of the Company with effect from the said date.

Thermax Chemical Solutions Private Limited (TCSPL)

Thermax Chemical Solutions Private Limited (TCSPL) was incorporated as a wholly owned subsidiary on May 28, 2024.

Thermax Vebro Polymers India Private Limited (TVPIPL)

TCSPL entered into a Shareholders Agreement with Vebro Polymers Holdings Limited, Manchester, England ("Vebro"). Pursuant to the said agreement, TVPIPL was incorporated as a wholly owned subsidiary of TCSPL on July 18, 2024. Thereafter, upon allotment of shares to Vebro on March 3, 2025, TVPIPL ceased to be a wholly owned subsidiary of TCSPL.

Buildtech Products India Private Limited (Buildtech)

The Company entered into a Share Purchase and Share Subscription Agreement with Buildtech and its shareholders, Mr. Sunder Lal Kothari, Mr. Sanjiv Kapoor, and Mrs. Prapti Kothari. Pursuant to the agreement, the Company completed the acquisition of 100% of the equity share capital of Buildtech on December 17, 2024. Accordingly, Buildtech became a wholly owned subsidiary of the Company with effect from the said date.

Thermax Chemical Europe A/s

Thermax Chemical Europe A/s was incorporated as a wholly owned step down subsidiary of the Company on December 06, 2024.

Covacsis Technologies Private Limited (Covacsis)

The Company has entered into Share Purchase Agreement with Infinite Uptime Inc., USA for sale of stake in Covacsis. Accordingly, Covacsis has ceased to be an Associate Company.

Management Discussion and Analysis

The Management Discussion and Analysis section highlighting the performance of the Company's Industrial Products, Industrial Infra, Green Solutions and Chemicals, including details of select subsidiaries, information on the Company's health, safety and environment measures, human resources, risk management and internal controls, is given on page no. 62.

Corporate Governance Report

A detailed report on Corporate Governance as per Listing Regulations and disclosures required as per section 134 and 177 of the Companies Act, 2013, is attached as Annexure 1 on page no. 115.

A certificate from M/s. SVD & Associates, Practising Company Secretaries, Pune, regarding compliance with the conditions of corporate governance as required under Schedule V of the Listing Regulations forms part of this Report.

Secretarial Standards

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) as amended from time to time.

Business Responsibility and Sustainability Reporting (BRSR)

In terms of the Listing Regulations, Business Responsibility and Sustainability Report including BRSR core indicators describing the initiatives undertaken by the Company from environmental, social and governance perspectives is enclosed as Annexure 2 on page no.142. M/s. Price Waterhouse Chartered Accountants LLP has provided a reasonable assurance report on core BRSR indicators which forms part of the BRSR report.

Vigil Mechanism/Whistle Blower Policy

The Company has a 'Whistleblower Policy' as a part of the vigil mechanism to deal with instances of fraud and mismanagement, if any. The details of the policy are provided in the Corporate Governance Report and also available on the website of the Company: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Whistler-Blower-Policy.pdf

Industrial Relations

The overall Industrial Relations at all the manufacturing locations were peaceful during the year 2024-25.

Human Resource Management

1. Particulars of Employees

The details of employees are given below:

Category	Employee type	2024-25	2023-24
Thermax Limited	Permanent Employees	3,093	2,843
	Contractual	2,655	2,723
	Total	**5,748**	**5,566**
Group Level	Permanent Employees (Staff and Workers)	5,601	5,225
	Contractual (Staff on fixed term contract)	3,253	3,328
	Total	**8,854**	**8,553**

The information required pursuant to section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, duly amended, in respect of employees of the Company, forms part of Annexure A to this Board's report and information required pursuant to Rule 5(2) will be provided upon request.

In terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members and others entitled to receive it. Any shareholder interested in obtaining such particulars may write to the Company Secretary.

2. Anti-Sexual Harassment Policy/Internal Committee

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

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

Two complaints were received and resolved during the year 2024-25.

Disclosure pursuant to Section 197(14) of the Companies Act, 2013, and Rules made thereunder

The Managing Director and CEO of the Company is not in receipt of any remuneration and/or commission from any Holding / Subsidiary Company, as the case may be.

Details of Trusts for the Benefit of Employees

a) ESOP Trust

The Company has a Thermax Employees ESOP & Welfare Trust which holds 28,81,164 equity shares of Rs. 2/- each of the Company.

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

Thermax Employee Stock Option Scheme 2021

With a view to motivate the key workforce, seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents and to retain them for ensuring sustained growth, your Company has implemented an employee stock option plan namely 'Thermax Limited Employee Stock Option Plan 2021' ("ESOP 2021"/ "Plan") covering the employees of the Company and its Group Companies including subsidiary and its associate companies.

The scheme was approved by the shareholders through postal ballot on January 13, 2022 with requisite majority.

During the year under review, the Nomination and Remuneration Committee (NRC) and the Board of Directors of your Company, have approved grant of stock options to employees under ESOP 2021.

There were no material changes made in the ESOP 2021 during the year. The above-mentioned Scheme is in compliance with the SEBI (Share-Based Employee Benefits & Sweat Equity) Regulations, 2021 (SBEB Regulations, 2021). No employee was issued stock options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant. Your Company's Secretarial Auditor, M/s. SVD & Associates, Practising Company Secretaries, Pune, has certified that the Company's above-mentioned Scheme has been implemented in accordance with the SBEB Regulations, 2021.

In line with regulation 14 of the SBEB Regulations, 2021, a statement giving complete details, as at March 31, 2025, is available on the website of the Company: https://www.thermaxglobal.com/thermax-disclosures-under-sebi-sbeb-regulations/

b) Employee Welfare Trusts

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

In line with regulation 14 of the SBEB Regulations, 2021, a statement giving complete details, as at March 31, 2025, is available on the website of the Company: https://www.thermaxglobal.com/thermax-disclosures-under-sebi-sbeb-regulations/

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on the conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided as Annexure 3 on page no.187.

Corporate Social Responsibility Initiatives

As a part of its initiative under Corporate Social Responsibility (CSR), the Company has undertaken projects in the area of education. The project is in accordance with Schedule VII of the Companies Act, 2013. Since 2007, CSR initiatives have been undertaken through Thermax Foundation, the details of CSR activities are provided under CSR Activities and CSR Policy on page no. 48.

The Annual Report on CSR Activities is provided as Annexure 4 on page no. 190.

The details of the CSR Committee and CSR Policy are available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2024/11/CSR-Policy.pdf

Directors and Key Managerial Personnel

The Board of Directors of your Company comprises of 9 directors, viz., two non-executive directors, one executive director and six independent directors, including one independent and one non-independent woman director as on March 31, 2025. As per the articles of association of the Company, one-third of the directors, other than independent directors and Chairperson, are liable to retire by rotation at the AGM of the Company every year.

Pursuant to Regulation 17(1D) of the Listing Regulations, the members have approved continuation of directorship of Mrs. Meher Pudumjee (DIN: 00019581), Non-Executive Director and Chairperson of the Company for a period of 5 (five) consecutive years commencing from April 01, 2024 to March 31, 2029 (both days inclusive).

Basis the recommendation of Nomination and Remuneration Committee, the Board vide its circular resolution dated December 12, 2024 approved the appointment of Mr. Parag Shah (DIN: 00374944) as Additional, Non-Executive Independent Director of the Company for a period of 5 (five) consecutive years with effect from December 12, 2024 to December 11, 2029 (both days inclusive). The justification of the Board on Mr. Shah's appointment forms part of the Postal Ballot Notice dated December 12, 2024. The members approved the appointment of Mr. Shah by passing a special resolution vide postal ballot on February 16, 2025.

Further, in accordance with the provisions of the Companies Act, 2013, and the Company's Articles of Association, Mr. Pheroz N. Pudumjee (DIN: 00019602), Non-Executive, Non-Independent Director, retires by rotation and being eligible offers himself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends his re-appointment.

Mr. Nawshir Mirza and Dr. Jairam Varadaraj completed their tenure as Non-Executive, Independent Directors of the Company on July 21, 2024.

The Board of Directors of the Company at their meeting held on June 18, 2020, appointed Mr. Ashish Bhandari (DIN: 05291138) as Additional Director & MD&CEO of the Company for a period of five years effective from September 01, 2020 valid till August 31, 2025. The same was approved by shareholders of the Company at the AGM held on August 12, 2020. It is now proposed to re-appoint Mr. Bhandari as MD&CEO of the Company for a further period of five years effective from September 1, 2025 till August 31, 2030 (both days inclusive).

Based on the recommendation(s) of Nomination and Remuneration Committee, the Board at its meeting held on May 09, 2025 has approved the re-appointment of Mr. Bhandari as MD&CEO of the Company for a period of five years effective from September 1, 2025 till August 31, 2030 (both days inclusive), subject to approval of the shareholders at the ensuring AGM of the Company.

The above proposals forms part of the Notice convening 44th AGM of the Company.

The Company has received consent and necessary disclosures / declarations from the above directors as required under the Companies Act, 2013 and the Listing Regulations.

Board and Independent Directors' Meeting

A calendar of meetings is prepared and circulated in advance to the directors. During the year, eight Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

For the FY 2024-25, one meeting of the independent directors was held on February 5, 2025.

Familiarisation Programme

The Company has formulated a policy on 'Familiarisation Programme for Independent Directors', which is available on the Company's website: https://www.thermaxglobal.com/corporate-governance-policies-and-disclosures/

Committees of the Board

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

Key Managerial Personnel

During the year, Ms. Janhavi Khele (Membership No. A20601) resigned from her position as the Company Secretary, Compliance Officer and Key Managerial Personnel of the Company vide her resignation letter dated January 21, 2025 effective April 18, 2025. Except this, there were no other changes in Key Managerial Personnel during the year.

Remuneration Policy

The Remuneration Policy details for selection, appointment and remuneration of directors and senior management are given in the Corporate Governance Report, and the said policy is available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2024/08/Selection-and-appointment-of-Directors.pdf

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, and Listing Regulations, annual evaluation of performance of the Board, its Committees and individual directors were carried out through an external agency. Recommendations arising from this entire process were deliberated upon by the Board to be used constructively in order to enhance its overall effectiveness.

Board Diversity

The Company recognises and embraces the importance of a diverse Board for its success. Your Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender that will help in retaining its competitive advantage. The Board Diversity Policy adopted by the Board outlines its approach to diversity. The policy is available on the website: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Board-Diversity-Policy.pdf

Directors' Responsibility Statement

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

a) In the preparation of the annual financial statements for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) Appropriate accounting policies have been selected, applied consistently and judgement and estimates have been made that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on March 31, 2025, and of the profit of the Company for the year ended on that date;

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

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

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

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

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

Related Party Transactions

All related party transactions entered into during the financial year were at arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons, which may have a potential conflict with the interest of the Company at large. Hence disclosure of particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 Act in the prescribed form AOC-2 is not required.

All related party transactions are placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained annually for transactions that are foreseeable and repetitive. The transactions entered pursuant to the omnibus approval so granted along with the statement giving details of all related-party transactions are placed before the Audit Committee for their approval on a quarterly basis.

Company has adopted policy on Related Party Transactions which is available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Related-Party-Transactions-Policy.pdf

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

Standalone and Consolidated Financial Statements

The financial statements for the year ended March 31, 2025, have been prepared as per Schedule III to the Companies Act, 2013, as amended from time to time. The consolidated financial statements of the Group are prepared in compliance with the Accounting Standards and Listing Regulations. The cash flow for the year is attached to the balance sheet. A separate statement containing the salient features of subsidiaries and joint ventures in the prescribed Form (AOC-1) is available on page no. 320.

Public Deposits

During the year, your Company has not accepted deposits from the public, and as such no principal or interest was outstanding as on March 31, 2025, as per the provisions of the Companies Act, 2013 and the Rules framed thereunder.

Particulars of Loans, Guarantees or Investments

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

Pursuant to the provisions of section 67(3)(c) of the Companies Act, 2013, and rules made thereunder, the Company has not given any loan to any person in the employment of the Company including its directors or key managerial personnel, in order to purchase or subscribe shares of the Company.

Significant and Material Orders Passed by the Regulators or Courts

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

The Insolvency and Bankruptcy Code, 2016

Your Board confirms that there are no proceeding(s) pending under the Insolvency and Bankruptcy Code, 2016.

There was no instance of one-time settlement with any bank or financial institution during the year under review.

Internal Audit

The internal audit at Thermax Group is carried out by the in-house Internal Audit Department with support of co-sourcing audit firms. For scope determination, planning the audit and conducting reviews, the Internal Audit Department has been consistently following an audit cycle of July to June every year, which ensures review of transactions included in financial year April to March. The internal audit is risk based with a focus on controls for management of risks. The directors consider this approach to meet the desired purpose of Internal Audit.

Internal Financial Control Systems and their Adequacy

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

Risk Management

The Board of Directors of the Company have formed a Risk Management Committee to assess the risks facing the business and the mitigation measures taken thereof. For more information on the Risk Management Committee, please refer the Corporate Governance section of this report. The committee is responsible for assisting the Board in understanding existing risks and reviewing the mitigation and elimination plans for those. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically bifurcated between the committees of the Board and addressed through mitigating actions on a continued basis. For more information refer page no. 102 of the Management Discussion and Analysis section of this report.

Auditors

Statutory Auditors

M/s. SRBC & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of five years commencing from the 39th AGM until the conclusion of the 44th AGM.

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors are set out in the Corporate Governance Report.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

Based on the recommendations of the Audit Committee and subject to approval of members, the Board of Directors of the Company at their Meeting held on March 20, 2025 approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP, Firm Registration No. 012754N/N500016 as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the 44th AGM of the Company till the conclusion of the 49th AGM of the Company. The proposal for their appointment forms part of the Notice convening the 44th AGM of the Company and is subject to the approval of the shareholders.

Cost Auditors

In terms of section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, have been appointed as the cost auditors of the Company for FY 2024-25.

The maintenance of cost records as specified under section 148 of the Companies Act, 2013 is applicable to the Company, and accordingly, all the cost records are made and maintained by the Company and audited by the cost auditors.

The Cost Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

Secretarial Auditor

In accordance with the provisions of section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. SVD & Associates, Practising Company Secretaries, Pune, to undertake the secretarial audit of the Company for FY 2024-25. The Secretarial Audit Report for FY 2024-25 is attached as Annexure 5 on page no. 192.

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

As per Regulation 24(1)(a) of the Listing Regulations, the appointment of Secretarial Auditors is subject to the approval of the shareholders. Based on the recommendations of the Audit Committee, the Board at its meeting held on May 9, 2025, approved the appointment of M/s. Makarand M. Joshi & Co., Peer Reviewed Firm of Company Secretaries in Practice (Firm Registration Number: P2009MH007000) as the Secretarial Auditors of the Company for a term of five years commencing from FY 2025-26 to FY 2029-30. M/s. Makarand M. Joshi & Co. have confirmed that they meet the eligibility criteria as prescribed under the Listing Regulations. The proposal for their appointment forms part of the Notice convening the 44th AGM of the Company and is subject to the approval of the shareholders.

Internal Auditor

The internal audit at Thermax Group is carried out by the in-house Internal Audit Department with co-sourcing support. Mr. Satish Jayaram, Chief Internal Auditor, was assigned new roles and responsibilities within the organisation and accordingly ceased to be Chief Internal Auditor of the Company effective May 9, 2025.

Based on the recommendations of the Audit Committee, the Board at its meeting held on May 9, 2025, appointed Mr. Tushar Dahale as the Chief Internal Auditor of the Company effective May 10, 2025.

Details regarding Frauds reported by Auditors

During the year ended March 31, 2024, the Company received certain whistleblower complaints. The Company conducted detailed investigations into these matters in line with its Vigil Mechanism and Code of Conduct. Certain findings were identified in one instance. Appropriate actions have been taken with respect to the concerned employees and vendors in connection with the matter. The amount involved in the instance is below the threshold prescribed under Rule 13(1) of the Companies (Audit and Auditors) Rules, 2014.

During the year under audit, none of the Auditors have reported any matter under section 143(12) of the Act. Therefore, no details are required to be disclosed in this regard.

Annual Return

The Annual Return of the Company for the FY 2024-25 to be filed with the Registrar of Companies is available on website of the Company at https://www.thermaxglobal.com/annual-returns/

Since the Annual General Meeting is proposed to be held on July 31, 2025, the Company shall upload final copy of the Annual Return for FY 2024-25, once the same is filed with the Registrar of Companies.

Disclosures as required under clause 5A of Para A of Part A of Schedule III of the Listing Regulations are given in the Corporate Governance Report attached as Annexure 1 to this Report.

Awards and Recognition

Your Company is proud to have received various awards during the year. Details of the awards received during the year are given on page no. 20.

Acknowledgements

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

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

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

Meher Pudumjee
Chairperson
DIN: 00019581
Pune, May 9, 2025

ANNEXURE A TO THE BOARD'S REPORT

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of remuneration and details of percentage increase in the remuneration of each Director and KMPs in the financial year 2024-25 are as follows:

Name	DIN	Designation	Increase/ decrease (%)	Ratio of remuneration of Director to the Median remuneration for 2024-25 (MRE)
Meher Pudumjee	00019581	Chairperson and Non-Executive Director	14.08	6.02
Pheroz Pudumjee	00019602	Non-Executive Director	27.10	3.70
Dr. Jairam Varadaraj	00003361	Independent Director	(1.72)	2.69
Nawshir Mirza	00044816	Independent Director	(1.40)	4.63
Harsh Mariwala	00210342	Independent Director	32.18	3.59
Dr. S.B. (Ravi) Pandit	00075861	Independent Director	34.32	3.42
Rajani Kesari	02384170	Independent Director	28.03	3.48
Dr. Ravi Gopinath	00803847	Independent Director	29.49	3.80
Shyamak R Tata (Appointed w.e.f October 17, 2023)	07297729	Independent Director	NA*	NA*
Parag Shah (Appointed w.e.f. December 12, 2024)	00374944	Independent Director	NA*	NA*
Ashish Bhandari#	05291138	Managing Director and CEO	47.86	162.53
Rajendran Arunchalam#	NA	Group CFO	36.62	29.50
Janhavi Khele	NA	Company Secretary	16.90	5.33

Note -

**The % increase of remuneration is provided only for those directors and KMP who have drawn remuneration from the Company for full fiscal 2024 and full fiscal 2025. The ratio of remuneration to MRE is provided only for those directors and KMP who have drawn remuneration from the Company for the full fiscal 2025.*

The remuneration of all Non-Executive Directors includes sitting fees paid.

The median remuneration of the Company for all its employees is 10,63,689 for the financial year 2024-25. For calculation of median remuneration, the employee count taken is 4187 for FY 2024-25.

#The increase in remuneration is mainly due to ESOP perquisites i.e. exercise of stock options.

B. Percentage increase in the Median Remuneration of all employees in the financial year 2024-25

	FY24-25	FY23-24	% Change
Percentage increase in the Median Remuneration of all employees	1,063,689	1,000,012	6.37

C. Average percentile increase in the salaries of employees other than the Managerial Personnel is 10.90%. The Managerial Remuneration is considered on an actual basis. The increase in Managerial Remuneration is mainly due to ESOP perquisites i.e. exercise of stock options by the MD & CEO.

D. Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Company's Policy on Nomination, Remuneration & Evaluation.

Annexure-1 to the Directors' Report

CORPORATE GOVERNANCE REPORT

1. Thermax's Philosophy on Corporate Governance

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

In the fiscal year 2024-25, the Company was proud to receive several prestigious accolades in recognition of its outstanding commitment to transparency, communication, and governance. The Annual Report for the year 2023-24 was bestowed with the 2023/24 Vision Awards by the League of American Communications Professionals (LACP). These included the Gold Award for excellence within our industry in annual report development, and the Technical Achievement Award – recognised for overall excellence in the art and method of annual report communications. We were ranked among the Top 100 Reports Worldwide, securing the 80th position out of all reports reviewed globally. This achievement stands as a testament to our dedication to accountability and presenting key information, ensuring our stakeholders receive the highest quality of reporting.

Furthermore, Thermax was honoured with the Best Governance Award in the GIGA category at the third edition of the Indian Family Business Awards 2023, presented by Moneycontrol. This recognition underscores our unwavering commitment to excellence, visionary leadership, and governance practices that uphold the core values and enduring legacy of the family business.

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

Empowered by the Board, your Company's key management officials implement policies and guidelines related to corporate governance. Our corporate governance framework is guided by our core values and is based on the three elements of ESG (Environmental, Social and Governance) which are at the heart of what Thermax stands for. It has been practised for many years, and the Company will continue to strengthen itself as it becomes greener, embodies Social Compact and upholds our standards of governance in all that it does.

Corporate Governance at Thermax

Product and Service Quality	Transparency and Disclosure	Supervision and Internal Controls	Risk Management
Internal and External Communication	High Standards of Safety	Environment, Social, Governance	Accounting Fidelity

2. Board of Directors

A. Composition of the Board

The Company believes that its Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. The Board of your Company comprises of 9 Directors – one non-executive and non-independent woman chairperson, one non-executive and non-independent director, one executive director and six non-executive independent directors (including one woman independent director). This is in conformity with the requirement of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board periodically evaluates the need for change in its size and composition.

Based on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on May 9, 2025 have nominated Mr. Harsh Mariwala as the Lead – Independent Director and accordingly defined the Roles and Responsibilities of Lead – Independent Director which are made available on the website of the Company at https://www.thermaxglobal.com/wp-content/uploads/2025/06/Roles-and-Responsibilities-of-Lead-ID.pdf

None of the Directors on the Board holds directorships in more than 10 public companies or serves as a Director or as independent director (ID) in more than seven listed entities. No executive director serves as an ID in more than three listed entities. Directors have disclosed Directorship and Committee positions held in other public companies as on March 31, 2025.

The table below gives the composition of the Board and the directorships held by each of the Directors of the Company at the end of financial year 2024-25.

Name of the Director	Pecuniary or Business Relationship with the Company	Number of Directorships @	Committee Position#		Number of Shares held in the Company
			Chairperson	Member	
NON-EXECUTIVE DIRECTOR					
Meher Pudumjee (Chairperson related to Promoter)	None except**	2	0	1	-
Pheroz Pudumjee (related to Promoter)	None	2	1	3	6,000
INDEPENDENT					
Harsh Mariwala	None	4	0	1	-
Dr. S. B. (Ravi) Pandit	None	2	0	1	-
Rajani Kesari	None	2	1	2	-
Dr. Ravi Gopinath	None	1	0	0	-
Shyamak R. Tata	None	6	5	6	-
Parag Shah*	None	6	0	4	-
EXECUTIVE					
Ashish Bhandari	N.A.	4	0	1	4,169

@ Includes only listed companies (including Thermax Limited) and unlisted public companies.

 # Includes only Audit Committee and Stakeholders' Relationship Committee.

**Parag Shah was appointed as Non-Executive Independent Director of the Company w.e.f. December 12, 2024.*

***The Company has paid Rs. 62,00,000/-(excl of GST) as rent for premises taken on lease and given security deposit of Rs. 53,00,000/- to Anu Aga (Promoter and relative of Meher Pudumjee, Chairperson of the Company).*

B) Attendance and Remuneration of each Director during the Financial Year 2024-25

(Amount in Rs.)

Name of the Director	Whether attended last AGM held on August 1, 2024	Total Attendance at Board Meetings	Sitting Fees*	Salary and Perquisites	Commission †	Total Remuneration
Meher Pudumjee	Yes	8	11,00,000	NA	53,00,000	64,00,000
Pheroz Pudumjee	Yes	8	14,40,000	NA	25,00,000	39,40,000
Dr. Jairam Varadaraj[@]	NA	2	3,60,000	NA	25,00,000	28,60,000
Nawshir Mirza[@]	NA	2	4,30,000	NA	45,00,000	49,30,000
Harsh Mariwala	Yes	7	8,20,000	NA	30,00,000	38,20,000
Dr. S.B. (Ravi) Pandit	Yes	8	11,40,000	NA	25,00,000	36,40,000
Rajani Kesari	Yes	8	12,00,000	NA	25,00,000	37,00,000
Shyamak R. Tata	Yes	8	13,40,000	NA	11,45,833	24,85,833
Dr. Ravi Gopinath	Yes	8	10,40,000	NA	30,00,000	40,40,000
Parag Shah[#]	NA	3	3,50,000	NA	-	3,50,000
Ashish Bhandari[^]	Yes	8	NA	12,08,83,580	5,20,00,000	17,28,83,580

NA = Not applicable.

[*] Sitting fees also include payments for Board-appointed committee meetings.

[†] Amount paid at actual basis is considered for commission.

[@]Dr. Jairam Varadaraj and Nawshir Mirza ceased to be Non-Executive, Independent Director of the Company effective July 21, 2024.

[#]Parag Shah was appointed as Non-Executive Independent Director w.e.f. December 12, 2024.

[^]Salary of the MD&CEO includes ESOP perquisites of Rs. 4,44,52,050.

The non-executive directors are entitled to reimbursement of expenses incurred in the performance of duties as directors.

As per the Employee Stock Option Scheme, 2021, the MD & CEO has been granted 26,109 stock options against which 10,171 options have been vested and exercised as on March 31, 2025. Each option is equal to one equity share of the Company and the options are to be exercised within a period of five years from the date of vesting. The exercise price is Rs. 15.25/-.

Further, details as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are made available on website of the Company at https://www.thermaxglobal.com/thermax-disclosures-under-sebi-sbeb-regulations/

C) Number of Meetings of the Board held during the Year and the Dates of Meetings

The Board met eight times during the financial year 2024-25 on the following dates:

Members	Board Meetings							
	May 10, 2024	July 03, 2024	August 1, 2024	October 25, 2024	November 13, 2024	February 4, 2025	February 5, 2025	March 20, 2025
Meher Pudumjee	P	P	P	P	P	P	P	P
Pheroz Pudumjee	P	P	P	P	P	P	P	P
Dr. Jairam Varadaraj[@]	P	P	NA	NA	NA	NA	NA	NA
Nawshir Mirza[@]	P	P	NA	NA	NA	NA	NA	NA
Harsh Mariwala	P	P	P	P	P	P	P	A
Dr. S. B. (Ravi) Pandit	P	P	P	P	P	P	P	P
Rajani Kesari	P	P	P	P	P	P	P	P
Shyamak R. Tata	P	P	P	P	P	P	P	P
Dr. Ravi Gopinath	P	P	P	P	P	P	P	P
Parag Shah[#]	NA	NA	NA	NA	NA	P	P	P
Ashish Bhandari	P	P	P	P	P	P	P	P

[@]Dr. Jairam Varadaraj and Nawshir Mirza ceased to be Non-Executive, Independent Director of the Company effective July 21, 2024.

[#]Parag Shah was appointed as Non-Executive Independent Director w.e.f. December 12, 2024.

The maximum time gap between any two sequential meetings was not more than 120 days. All the Directors were present at the Annual General Meeting hed on August 1, 2024.

D) Confirmation and Certification from Practising Company Secretary

On an annual basis, the Company obtains from each director, details of the Board and Board Committee positions in other companies, and changes, if any, regarding their directorships. The Company has obtained a certificate from M/s. SVD & Associates, Practising Company Secretaries, Pune, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report. Please refer to page no. 139 of this Report for the certificate.

The Company has also obtained certificate from M/s. SVD & Associates, Practising Company Secretaries, Pune, confirming compliance of conditions of Corporte Governance. Please refer to page no. 141 of this Report for the certificate.

E) Details of Directorships held in Listed Entities as on March 31, 2025

Sr. No.	Name of Director	Name of Listed Entity	Category
1.	Meher Pudumjee	Thermax Limited	Chairperson & Non-Executive Director
2.	Pheroz Pudumjee	Thermax Limited	Non-Executive Director
		Voltas Limited	Independent Director
3.	Ashish Bhandari	Thermax Limited	Managing Director & CEO
4.	Harsh Mariwala	Marico Limited	Chairman & Non-Executive Director
		Kaya Limited	Chairman & Managing Director
		Zensar Technologies Limited	Independent Director
		Thermax Limited	Independent Director
5.	Dr. S.B. (Ravi) Pandit	KPIT Technologies Limited	Chairperson & Non-Executive Director
		Thermax Limited	Independent Director
6.	Rajani Kesari	Thermax Limited	Independent Director
7.	Dr. Ravi Gopinath	Thermax Limited	Independent Director
8.	Shyamak R. Tata	Thermax Limited	Independent Director
		Siemens Limited	Independent Director
		Hawkins Cookers Limited	Independent Director
9.	Parag Shah	Thermax Limited	Independent Director
		HDFC Asset Management Company Limited	Independent Director
		Lumax Auto Technologies Limited	Independent Director

F) Disclosure of the Relationship between Directors inter se

None of the Directors other than Meher Pudumjee and Pheroz Pudumjee are related to each other.

G) Disclosure of Interest by Senior Management

In terms of regulation 26(5) of the Listing Regulations, the senior management of the Company have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

H) Resignation of Independent Director(s)

During the year under review, none of the Independent Directors of the Company have resigned before the expiry of their respective term(s). Dr. Jairam Varadaraj and Nawshir Mirza ceased to be Non-Executive, Independent Director(s) of the Company effective July 21, 2024 upon completion of their tenure.

I) Familiarisation Programme Imparted to Independent Directors

Through the familiarisation programme, the Company intends to achieve the following objectives:

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

The independent directors are provided with necessary documents, business model, annual budgets, investment and exposure limits, compliance report(s) of all laws applicable to your Company, significant developments, reports and internal policies to enable them to familiarise themselves with the Company's businesses, procedures and practices.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments are made at the Board retreat. The details of such familiarisation programme for independent directors are available on the Company's website and can be accessed at: https://www.thermaxglobal.com/wp-content/uploads/2025/05/TL_Familiarisation-Programme_2024-25_Final.pdf

J) Board Independence

Our definition of 'independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Directors and on evaluation of the relationships disclosed, the Board confirms that the independent directors fulfil the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.

All independent directors have confirmed that they have obtained registration certificate pursuant to provisions of Section 150(3) of the Companies Act, 2013, read with Rule 6 of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2020 from the Indian Institute of Corporate Affairs.

K) Independent Directors' Meeting

In compliance with regulation 25(3) of Listing Regulations, during the year under review, the Independent Directors met on February 5, 2025, inter alia to review the performance of the Board, the Chairperson and Non-Independent Directors of the Company. They also reviewed the quality, quantity, timelines and flow of information between the management and the Board.

L) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, annual evaluation of performance of the Board, its Committees and individual Directors was carried out through an external agency. Recommendations arising from this entire process were deliberated upon by the Board to be used constructively in order to enhance its overall effectiveness.

M) Board Support/ Assistance

The Board is regularly provided information with respect to strategic, operational, finance and environmental, social and governance (ESG) related matters. With a view to leverage technology and reduce paper consumption, the Company has adopted a web-based application for circulating Board/ Committee agenda and pre-reads to its directors.The Directors of the Company receive the agenda and pre-reads in electronic form through this application, which can be accessed through browsers or other electronic devices. The application meets high standards of security and integrity that are required for storage and transmission of Board/ Committee agenda and pre-reads in electronic form.

N) Core Skills/Expertise/Competencies Available with the Board

The Board ensures that the expertise, knowledge, experience and competencies needed to effectively steer the Company are represented on the Board. The approach for selection and appointment of Directors on the Board ensures that their specific skills, knowledge and experience fulfill a particular skill – set requirement of the Board. It is acknowledged that not all Directors will have every necessary skill, but the Board as a whole must have them, as also that the expertise, knowledge and experience required for the Board will change as the organisation evolves and grows. The Company's aim has always been for an all-inclusive and sustainable growth while addressing the environmental, social, and governance (ESG) aspects.

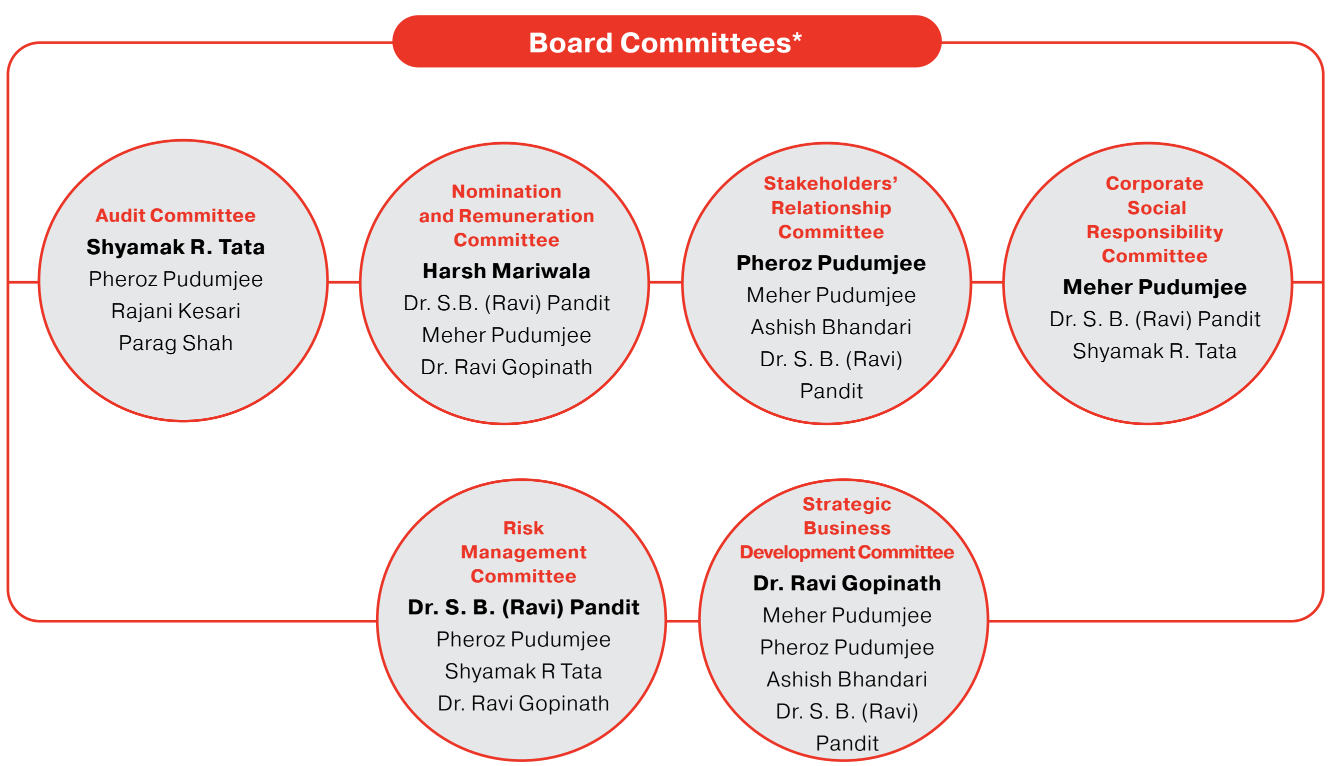
In terms of requirement of Listing Regulations, the Board has identified the following core skills/ expertise/ competencies of the Directors in the context of the Company's business for effective functioning as given below:

Key Board Qualifications / Skills / Expertise									
Director	Industry Knowledge	Leadership	Expertise & Experience in Finance	Strategy & Planning	Board Governance	Mergers & Acquisitions	Exposure in Policy Shaping and Industry Advocacy	Sales & Marketing	Technology
Meher Pudumjee	✓	✓	-	✓	✓	-	-	-	-
Pheroz Pudumjee	✓	✓	✓	✓	✓	-	-	✓	✓
Ashish Bhandari	✓	✓	✓	✓	✓	✓	✓	✓	✓
Harsh Mariwala	-	✓	✓	✓	✓	✓	-	✓	-
Nawshir Mirza	✓	✓	✓	✓	✓	✓	✓	✓	-
Dr. S.B. (Ravi) Pandit	-	✓	✓	✓	✓	✓	-	-	✓
Dr. Jairam Varadaraj	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rajani Kesari	✓	✓	✓	✓	✓	✓	-	-	✓
Shyamak R. Tata	-	✓	✓	✓	✓	✓	✓	-	✓
Dr. Ravi Gopinath	✓	✓	-	✓	✓	✓	✓	✓	✓
Parag Shah	✓	✓	✓	✓	✓	✓	-	-	✓

3. Board Committees

In compliance with the Companies Act, 2013, and Listing Regulations, the Board has constituted five mandatory and one non-mandatory committee. The members of the committees are co-opted by the Board. The Board formulates the terms of reference and charter of the Committees as per the relevant statutory provisions for effective functioning of these Committees. The minutes of the meetings of all Committees are placed before the Board for noting.

The composition of the Board Committees as on March 31, 2025 is as under:



**Text in bold indicates chairman/chairperson.*

A. Audit Committee

The Audit Committee ("the Committee") comprises of Three Independent Directors and one Non-Executive Director as on March 31, 2025:

1. Shyamak R. Tata - Chairman
2. Pheroz Pudumjee
3. Rajani Kesari
4. Parag Shah (w.e.f. February 4, 2025)

The Committee was reconstituted on May 10, 2024 wherein Shyamak R. Tata, Non-Executive Indpendent Director of the Company was appointed as Chairman of the Committee effective July 22, 2024 and on February 4, 2025, Parag Shah was inducted as member of the Committee.

The Committee met nine times during the financial year 2024-25 and the gap between any two meetings did not exceed 120 days. Attendance details of the Committee are as follows:

Name of the Member	Audit Committee Meetings											
	Committee Meeting Dates									Held during year	Attended	% of attendance
	April 12, 2024	May 9, 2024	July 1, 2024	July 18, 2024	July 31, 2024	August 22, 2024	November 12, 2024	February 3, 2025	March 20, 2025			
Nawshir Mirza	P	P	P	P	NA	NA	NA	NA	NA	9	4	100
Pheroz Pudumjee	P	P	P	P	P	P	P	P	P	9	9	100
Dr. Jairam Varadaraj	A	P	P	A	NA	NA	NA	NA	NA	9	2	50
Rajani Kesari	A	P	P	P	P	P	P	P	P	9	8	89
Shyamak R. Tata	P	P	P	P	P	P	P	P	P	9	9	100
Parag Shah	NA	NA	NA	NA	NA	NA	NA	NA	P	9	1	100

The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. All Members of the Committee are financially literate and have financial management expertise.

The Chairman of the Committee was present at the Annual 43rd General Meeting of the Company held on August 1, 2024. The Committee reviews various aspects of internal controls, internal auditors' reports on a regular basis. The Committee also reviews information as per Regulation 18 of the Listing Regulations.

The Internal Auditor presents to the Committee, observations and recommendations arising out of internal audits and also on issues having an impact on the control system and compliance.

The Chief Financial Officer, Chief Internal Auditor and the representatives of the Statutory Auditors are permanent invitees and attend all the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

The Board has approved the charter of the Audit Committee defining its role, responsibilities, powers and processes as amended pursuant to the Listing Regulations. The Charter of the Audit Committee was last amended by the Board at its meeting held on August 1, 2023.

The terms of reference of the committee are available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2025/02/Updated_BoardCommitteesComposition.pdf

The charter of the Committee is available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Audit-Committee-Charter.pdf

The broad Terms of Reference of the committee include:

- Overseeing the processes that ensure the integrity of financial statements
- Overseeing the processes for compliance with laws and regulations to ensure their effectiveness
- Approving transactions with related parties
- Enquiring into reasons for any default by the Company in honouring its obligations to its creditors and members

- Overseeing the quality of internal accounting and other controls
- Overseeing the quality of financial reporting process, including the selection of accounting policies
- Recommending to the Board the appointment, remuneration of auditors of the Company and monitoring their independence, performance and effectiveness of audit process
- Scrutinising inter-corporate loans and investments
- Monitoring the end use of funds raised through public offers, if any, or by way of any other issue
- Conducting the valuation of any undertaking or asset of the Company
- Structure the internal audit function, approve the appointment of the Chief Internal Auditor
- Bringing to the notice of the Board any lacunae in the code of conduct
- Reviewing with the CEO and the CFO of the Company the underlying process followed by them in their annual certification to the Board
- Approving the appointment of the CFO
- Recommending to the Board the appointment and remuneration of the secretarial and cost auditors
- Reviewing the utilisation of loans and/or advances from/investment by the holding Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances/investments
- Reviewing compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 including any amendments thereof.
- Verifying that the internal control system to prevent insider trading is adequate and operating effectively
- Review various risks identified as part of the risk register of the Company, which are within the scope of the Committee
- Review and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- Carrying out any other role or function as mentioned in the Charter of the Audit Committee and as prescribed under the Companies Act, 2013, the SEBI (Listing Obligation and Disclosure Requirements), 2015 including any amendments thereof.

In addition, the powers and role of the Audit Committee are as laid down under Section 177 of the Act and Regulation 18 read with Schedule II Part C of the Listing Regulations.

B. Nomination & Remuneration Committee

The Nomination and Remuneration Committee ("the Committee") comprises of three Independent Directors and one Non-Executive Director as on March 31, 2025:

1. Harsh Mariwala - Chairman
2. Dr. S. B. (Ravi) Pandit
3. Meher Pudumjee
4. Dr. Ravi Gopinath (w.e.f. July 22, 2024)

The Committee was reconstituted on May 10, 2024 and Dr. Ravi Gopinath, Non-Executive Independent Director was inducted as a member of the committee effective July 22, 2024.

The Committee met four times during the Financial Year 2024-25. Attendance details of the Committee are as follows:

Name of the Member	Nomination & Remuneration Committee Meetings — Committee Meeting Dates: May 9, 2024	August 23, 2024*	December 12, 2024	February 6, 2025	Held during the year	Attended	% of Attendance
Harsh Mariwala	P	P	P	P	4	4	100
Dr. Jairam Varadaraj	P	NA	NA	NA	4	1	100
Dr. S. B. (Ravi) Pandit	P	P	P	P	4	4	100
Meher Pudumjee	P	P	P	P	4	4	100
Dr. Ravi Gopinath	NA	P	P	P	4	3	100

Date of original meeting is entered in case of adjourned meeting.

The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Chairman of the Committee was present at the 43rd Annual General Meeting held on August 1, 2024.

The Committee oversees key processes through which the Company recruits new members to its Board and the processes through which the Company recruits, motivates and retains outstanding senior management as well as the Company's overall approach to human resources management.

The terms of reference of the Committee were last amended by the Board at it's meeting held on May 17, 2023.

The terms of reference are available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2025/02/Updated_BoardCommitteesComposition.pdf

The broad Terms of Reference of the Committee are:

- Evaluate the performance, including the extension of contracts of Executive Directors (EDs)
- The NRC would set the performance measures of EDs and evaluate their performance annually
- Recommend the remuneration for the EDs based on evaluation
- Evaluate the performance of senior management (one level below the EDs), including their employment extensions
- Recommend the remuneration of the senior management based on the evaluation
- Evaluate the need for EDs and recommend their appointment
- Identify all critical positions in the Company among the EDs and senior management and review progress of succession plans
- Recommend to the Board, the policy relating to the remuneration of directors and key management personnel
- Lay down criteria for selecting new Non-Executive Directors (NEDs) based on the requirements of the organisation
- Carry out evaluation of the performance of NEDs and define the system for linking it to their remuneration
- Review the succession plan for those NED positions that are likely to be vacant during the year
- Recommend to the Board, the appointment and removal of directors
- Review and approve the annual compensation of the organisation, including a benchmarking with other companies
- Ensure periodic meetings of the senior management with the directors
- Initiate and review employee engagement surveys
- Review and approve the code of conduct for the Company
- Review and approve the disclosures of the Committee in the Annual Report
- Formulate policies and framework related to human resources, including diversity and Environment Social Governance (ESG)
- Responsible for all human resources – white and blue collar
- Review various risks identified as part of the risk register of Company, which are within the scope of the Committee
- Administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes under the plans and applicable laws
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.
- **Non-Executive Directors**

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

  The Committee of the Board has framed a policy on selection and appointment of directors and their remuneration. Based on the recommendation of the NRC, the Board has approved the policy, which forms the basis for the remuneration of directors for the financial year 2024-25. The policy broadly consists of:

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

As per the policy, the Non-Executive Directors, apart from receiving sitting fees for attending Board/ Committee meetings, will be entitled to receive a commission on the net profits of the Company. The Board at its meeting held on May 10, 2024 amended the Policy on Selection and Appointment of Directors and their Remuneration which is available on the Company's website at: https://www.thermaxglobal.com/wp-content/uploads/2024/08/Selection-and-appointment-of-Directors.pdf

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

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

Based on the above and the recommendation of the Committee, the Board has approved the payment of remuneration to the Directors.

- **Managing Director & CEO**

The Company's Board at present comprises one Executive Director, Ashish Bhandari, who was appointed as Managing Director & CEO effective September 1, 2020, for a period of five years. His remuneration is governed by the agreement with the Company dated February 4, 2020 and amended during the financial year 2022-23. The shareholders of the Company had provided approval to revise the overall managerial remuneration of Ashish Bhandari effective from July 1, 2022 upto his remaining tenure i.e. August 31, 2025. The remuneration broadly comprises fixed and variable components, i.e. salary, allowances, perquisites and other benefits. The variable component comprises a performance bonus. As per the terms of Agreement, notice period is of three months and there is no compensation for loss of office. The remuneration of MD & CEO is disclosed in point no. 2(b) of this report. The Committee has recommended a remuneration policy for appointment of directors and their remuneration which has been approved by the Board. As per the policy, while determining remuneration payable to the MD & CEO, the following factors are considered:

a) The clarity of the relationship between remuneration and performance

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

c) Responsibilities required to be shouldered by the MD & CEO as per industry benchmarks and current trends

d) Performance of the Company vis-à-vis the annual budget and individual performance vis-à-vis the KRAs/KPIs

The Committee at its meeting held on May 8, 2025 approved and recommended to the Board re-appointment of Ashish Bhandari as the Managing Director and CEO for a further period of five years. His re-appointment proposal, along with terms and conditions of appointment including remuneration is subject to the shareholders approval and forms part of the 44th AGM Notice of the Members of the Company.

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ("the Committee") comprises one Independent Director and two Non-Executive Directors and an Executive Director as members as on March 31, 2025:

1. Pheroz Pudumjee - Chairman
2. Meher Pudumjee
3. Ashish Bhandari
4. Dr. S. B. (Ravi) Pandit

The Committee met four times during the financial year 2024-25. Attendance details of the Committee are as follows:

Name of the Member	Stakeholders' Relationship Committee Meetings						
	Committee Meeting Dates				Held during the year	Attended	% of Attendance
	April 25, 2024	July 25, 2024	October 25, 2024	January 27, 2025			
Pheroz Pudumjee	P	P	P	P	4	4	100
Meher Pudumjee	P	P	P	A	4	3	75
Ashish Bhandari	A	P	P	P	4	3	75
Dr. S. B. (Ravi) Pandit	P	P	P	P	4	4	100

The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The Chairman of the Committee was present at the 43rd Annual General Meeting held on August 1, 2024.

The terms of reference of the Committee are available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2025/02/Updated_BoardCommitteesComposition.pdf

The broad terms of reference of the Committee are:

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

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

Purpose of the Committeee

The Board has empowered the Stakeholder Relationship Committee to assist the Board and the Company to oversee various aspects of interests of Stakeholders. The Committee oversees various activities related to share transmission, transposition, dematerialisation, dividend payments and all other investor-related activities.

Further, the Stakeholder Relationship Committee has delegated powers to the director(s)/officials of the Company to deal with the Investor Service Requests received by the Company or its RTA.

Summary of Complaints during FY 2024-25

Nature	Opening Balance	Received	Resolved	Closing Balance
Non-receipt of dividend	Nil	Nil	Nil	Nil
Non-receipt of share certificate after transfer/ consolidation/transmission exchange/split/merger	Nil	2	2	Nil
Letters from statutory authorities	Nil	Nil	Nil	Nil
Total	**Nil**	**2**	**2**	**Nil**

Shares Transferred to IEPF

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

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

In accordance with the IEPF rules and its amendments, the Company has sent notices to all the shareholders whose shares were due to be transferred to IEPF authority. Simultaneously, an advertisement was also published in the newspapers.

In terms of the provisions of IEPF Rules a total of 8,953 shares of 29 shareholders of the Company were transferred on October 1, 2024 to the IEPF.

Compliance Officer / Contact Details:

To,
The Company Secretary and Compliance Officer
Thermax Limited, Thermax House,
14 Mumbai-Pune Road Wakdewadi, Pune 411003
Email: Cservice@thermaxglobal.com
Phone No: (020) 66051200

D. Corporate Social Responsibility (CSR) Committee

The CSR Committee ("the Committee") comprises of two Independent Directors and a Non-Executive Director as members as on March 31, 2025:

1. Meher Pudumjee - Chairperson
2. Dr. S. B. (Ravi) Pandit
3. Shyamak R. Tata (w.e.f. July 22, 2024)

The Committee was reconstituted on May 10, 2024 and Shyamak R. Tata, Non-Executive Independent Director was inducted as a member of the committee effective July 22, 2024.

The Committee met twice during the financial year 2024-25. Attendance details of the Committee are as follows:

Name of the Member	Corporate Social Responsibility Committee Meetings				
	Committee Meeting Dates		Held during the year	Attended	% of Attendance
	April 12, 2024	October 17, 2024			
Meher Pudumjee	P	P	2	2	100
Dr. S. B. (Ravi) Pandit	A	P	2	1	50
Nawshir Mirza	P	NA	2	1	100
Shyamak R. Tata	NA	P	2	1	100

The Chairperson of the Committee was present at the 43rd Annual General Meeting held on 1st August, 2024.

The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013.

The terms of referernce and CSR Policy were last amended by the Board of the Company at it's Meeting held on May 17, 2023.

The terms of reference are available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2025/02/Updated_BoardCommitteesComposition.pdf

The CSR Policy is available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2024/11/CSR-Policy.pdf

The broad terms of reference of this Committee are:

- Formulate and recommend a CSR policy to the Board
- Recommend the amount of expenditure to be incurred on different CSR activities
- Institute a transparent monitoring mechanism for the implementation of CSR projects or programmes or activities undertaken by the Company
- Review the CSR policy of the Company every year

E. Risk Management Committee

The Risk Management Committee ("the Committee") comprises of three Independent Directors and a Non-Executive director as on March 31, 2025:

1. Dr. S. B. (Ravi) Pandit – Chairman (w.e.f. July 22, 2024)
2. Pheroz Pudumjee
3. Shyamak R. Tata
4. Dr. Ravi Gopinath

The Committee was reconstituted on May 10, 2024 wherein Dr. Ravi Gopinath, Non-Executive Independent Director was inducted as a member of the committee and Dr. S. B. (Ravi) Pandit was appointed as Chairman effective July 22, 2024.

The Committee met two times during the Financial Year 2024-25. The gap between two meetings did not exceed 210 days.

Attendance details of the Committee are as follows:

Name of the Member	Risk Management Committee Meetings				
	Committee Meeting Dates		Held during the year	Attended	% of Attendance
	August 22, 2024	February 13, 2025			
Dr. S. B. (Ravi) Pandit	P	P	2	2	100
Pheroz Pudumjee	P	P	2	2	100
Dr. Ravi Gopinath	P	P	2	2	100
Shyamak R. Tata	P	P	2	2	100

The constitution of the Committee meets the requirements of Regulation 21 of the Listing Regulations.

The Chairman of the Committee was present at the 43rd Annual General Meeting held on August 1, 2024.

The purpose of the risk management committee is to assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks. The risk management committee has the overall responsibility of monitoring and approving the risk policies and associated practices of the Company.

The risk management policy was last amended by the Board at it's meeting held on November 3, 2023 and is available on website of the Company at https://www.thermaxglobal.com/wp-content/uploads/2025/03/Risk-Management-Policy-1.pdf

Additionally, the Board has also approved Charter for Risk Management Committee which is available on website of the Company at: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Risk-Management-Committee-Charter.pdf

The terms of reference are available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2025/02/Updated_BoardCommitteesComposition.pdf

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

- To assess the risks facing the business and the mitigation measures taken thereof
- To identify developments in the environment or in internal operating processes that could materially affect the profile of risks
- To assist the Board in identifying existential risks and reviewing the mitigation and elimination plans for those
- To assess and examine the status of cyber security of the Company
- To report annually to the Board on its working
- Recommend to the Board policy for hedging commodity risk

F. Strategic Business Development Committee

The primary objective of the Strategic Business Development Committee ("the Committee") of the Board is to review and guide the strategic initiatives of the Company.

The Committee comprises of two Independent Directors, two Non-Executive Directors and an Executive Director as on March 31, 2025:

1. Dr. Ravi Gopinath- Chairman
2. Pheroz Pudumjee
3. Meher Pudumjee
4. Ashish Bhandari
5. Dr. S. B. (Ravi) Pandit

The Committee met three times during the year FY 2024-25. Attendance details of the Committee are as follows:

Strategic Business Development Committee Meetings						
Name of the Member	Committee Meeting Dates			Held during the year	Attended	% of Attendance
	May 9, 2024	July 31, 2024	November 12, 2024			
Dr. Ravi Gopinath	P	P	P	3	3	100
Pheroz Pudumjee	P	P	P	3	3	100
Meher Pudumjee	P	P	P	3	3	100
Dr. Jairam Varadaraj	P	NA	NA	3	1	100
Ashish Bhandari	P	P	P	3	3	100
Dr. S. B. (Ravi) Pandit	P	P	P	3	3	100

The terms of reference are available on the Company's website: https://www.thermaxglobal.com/wp-content/uploads/2025/02/Updated_BoardCommitteesComposition.pdf

The broad terms of reference of the Committee are:

- Review and recommend corporate strategy, including corporate brand and M&A
- Selectively review and direct SBU, subsidiary and JV level strategies as well as selective SBU plans and business initiatives
- Initiate and impart guidance on best practices across the Board e.g. manufacturing, new markets, branding, etc.
- Review the key strategic performance indicators and milestones established by the Company
- Review various risks identified as part of risk register of Company, which are within the scope of the Committee

4. Annual General Meeting

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

Financial Year	Date	Time	Venue
2021-22 (41st AGM)	August 2, 2022	4:00 p.m.	Registered office of the Company through video conferencing / other audio visual means
2022-23 (42nd AGM)	August 1, 2023	4.00 p.m.	
2023-24 (43rd AGM)	August 1, 2024	4.00 p.m.	

B. Postal Ballot

The Company carries out Postal Ballot as per the provisions of Section 110 of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, and other applicable rules read with relevant Circulars issued by the Ministry of Corporate Affairs and Circulars issued by the SEBI and applicable provisions of Listing Regulations.

During the financial year 2024-25, the Company had sought the approval of the shareholders by way of a special resolution through notice of postal ballot dated December 12, 2024 for:

1. Appointment of Mr. Parag Shah (DIN: 00374944) as a Non-Executive Independent Director of the Company

The results were announced on February 18, 2025. Sridhar Mudalair (Membership No. F6156, COP: 2664), Partner of M/s. SVD & Associates, Company Secretaries, Pune were appointed as the Scrutiniser for conducting the postal ballot and e-voting process held by voting through electronic means (remote e-voting) in a fair and transparent manner.

Description of the Resolution		Appointment of Mr. Parag Shah (DIN: 00374944) as a Non-Executive Independent Director of the Company
Votes in favour of the resolution	Number of members voted	659
	Number of valid votes cast (shares)	10,39,62,202
	Percentage of total number of valid votes cast	99.99%
Votes against the resolution	Number of members voted	15
	Number of valid votes cast (shares)	11,800
	Percentage of total number of valid votes cast	0.01%
Invalid votes	Total number of members whose votes were declared invalid	29
	Total number of invalid votes cast	2,75,701
	Percentage of total number of invalid votes cast	0.27%

No resolution is proposed to be conducted through postal ballot as on the date of this report.

C. Special Resolution(s) Passed

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

Date of Annual General Meeting	Details of Special Resolution
August 2, 2022	a. Appointment of Dr. Ravi Shankar Gopinath (DIN: 00803847) as an Independent Director b. Re-appointment of Dr. Shashishekhar Balkrishna Pandit (DIN: 00075861) as an Independent Director c. To make amendments to the trust deeds of all the Employee welfare trusts
August 1, 2023	Re-appointment of Rajani Kesari (DIN: 02384170), as Non-Executive Independent Director
August 1, 2024	Alteration of the Object Clause of Memorandum of Association of the Company

5. Means of Communication

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

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

c) Transcripts and audio/video recordings of analyst meets are available on the Company's website: https://www.thermaxglobal.com/analyst-conference-calls/

d) The official news releases are published in one english newspaper (usually Financial Express) and in one vernacular newspaper (usually Loksatta in Marathi) as per the relevant statutory requirements. Press releases are submitted to the Stock Exchanges and hosted on the Company's website: https://www.thermaxglobal.com/stock-exchange-notifications/

e) Presentations made to the institutional investors/ analysts after the declaration of the financial results are submitted to the Stock Exchanges where Company's securities are listed, and the same are also available on the Company's website: https://www.thermaxglobal.com/investor-presentations/

6. Shareholder Information

A. 44th Annual General Meeting for FY 2024-25

Date and time	Thursday, July 31, 2025 at 4:30 p.m.
Venue / Mode	Through Video Conferencing

B. Financial Year of the Company

The financial year covers the period from April 1 to March 31.

C. Financial Calendar

The financial results for FY 2024-25 were announced on:

Financial Results	As Indicated	Actual Date
Quarter ended June 2024	August 1, 2024	August 1, 2024
Quarter ended September 2024	November 13, 2024	November 13, 2024
Quarter ended December 2024	February 5 - 7, 2025	February 4, 2025
Year ended March 2025	May 9, 2025	May 9, 2025

For FY 2025-26, the indicative announcement dates are:

Results for the quarter ended June 2025	July 31, 2025
Results for the quarter ended September 2025	November 11, 2025
Results for the quarter ended December 2025	February 3-4, 2026
Results for the year ended March 2026	May 8, 2026
Record date for payment of dividend subject to approval of shareholders	July 4, 2025
Dividend payment date	August 5, 2025
Dividend Announcement	The Board has recommended a dividend of Rs. 14/- (700%) per share on the equity shares of the face value of Rs. 2/- for the year ended March 31, 2025, subject to approval of Members at the ensuing 44th Annual General Meeting.

Listing on Stock Exchanges	Stock Code
National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	THERMAX
BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	500411
International Security Identification No. for Equity Shares (ISIN) in NSDL and CDSL	INE152A01029
Corporate Identity No. (CIN)	L29299PN1980PLC022787

The Company has paid listing fees to BSE and NSE and custodial fees to Central Depositories Services (India) Limited and National Securities Depository Limited for financial year 2025-26 on the basis of number of beneficial accounts maintained by them, as on March 31, 2025.

D. Registrar and Share Transfer Agent

KFin Technologies Limited
Selenium Tower B,
Plot No. 31 & 32, Gachibowli, Financial District,
Nanakramguda,
Serilingampally, Hyderabad - 500 032.
Tel: 040-67162222 / 79611000
WhatsApp Number: (91) 9100094099
Fax: 040-23001153
Toll free: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

E. Share Transfer System

The SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialise their shares. Shareholders holding shares in dematerialised mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish their email address, bank account details and mobile number with the Company's RTA, at einward.ris@kfintech.com. Updating all the relevant information will enable shareholders to receive dividends and communications on time.

Further, the SEBI has now made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities.

F. Mandatory Furnishing of PAN, KYC Details and Nomination by Holders of Physical Securities

SEBI vide its Master Circular dated May 7, 2024 (as amended), has made mandatory for all holders of physical shares to furnish / update the PAN, nomination, contact details, bank account details and specimen signature with the Company's RTA i.e. M/s KFin Technologies Limited.

The SEBI, vide the aforesaid circular, also specified the formats for physical shareholders for raising the requests, with regard to registration or changes / updation of PAN, KYC, nomination and for banker's attestation in the event of a major mismatch in the signature of the shareholder. All the formats are available on the Company's website i.e. https://www.thermaxglobal.com/download-forms/

The shareholders are requested to please note that:

a) Any service request will be entertained by the Company's RTA only upon registration/ updation of PAN, KYC, and nomination details.

b) Company has sent reminders to those shareholders whose KYC details were not available.

c) SEBI has also vide its circular dated July 23, 2021 has mandated submission of choice of nomination i.e. either furnishing of nomination or declaration for opting out of nomination for all existing trading and demat account holders and for all new accounts at the time of opening from October 1, 2021.

Hence, all the physical shareholders are requested to update PAN, KYC details, and nomination with the Company's RTA. Shareholders holding shares in dematerialised mode are requested to provide these details to their depository participants.

G. Address for Correspondence

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

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

Queries relating to the Annual Report may be addressed to:
The Company Secretary,
Thermax Limited,
Thermax House, 14, Mumbai-Pune Road,
Wakdewadi, Pune - 411 003.
Email: cservice@thermaxglobal.com

H. SEBI Investors website

The Securities and Exchange Board of India has launched its new website at https://investor.sebi.gov.in/ for creating investment awareness amongst existing and new investors. The said website contains information on personal finance and investment. It also includes videos prepared by Market Intermediaries related to securities market process education and awareness messages. The SEBI Investor website promotes confident and informed participation by investors in the securities market.

I. Distribution of Shareholding and Shareholding Pattern

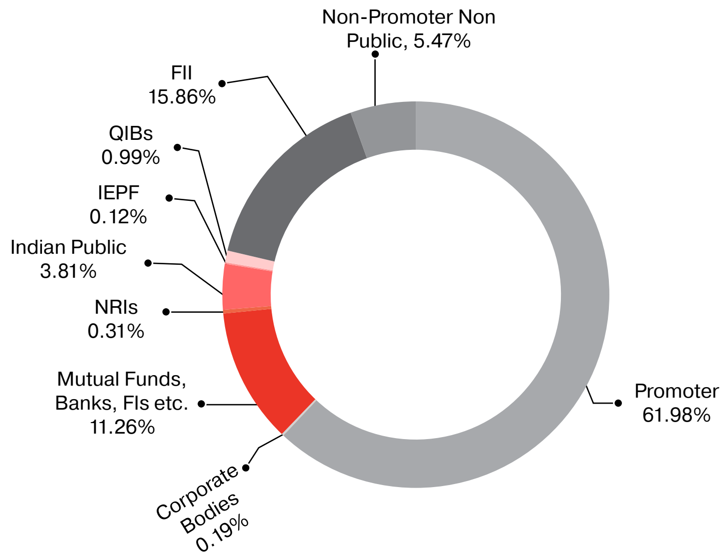
Distribution of Shareholding as on March 31, 2025

Sl. no.	Category (Shares)	No.of Holders	% to Holders	No.of Shares	% To Equity
1	1 - 500	52030	97.02	2273015	1.91
2	501 - 1000	658	1.23	504630	0.42
3	1001 - 2000	316	0.59	465276	0.39
4	2001 - 3000	131	0.24	329598	0.28
5	3001 - 4000	68	0.13	240698	0.20
6	4001 - 5000	38	0.07	171762	0.14
7	5001 - 10000	98	0.18	700076	0.59
8	10001 - 20000	96	0.18	1370581	1.15
9	20001 and above	195	0.36	113100664	94.92
	Total:	**53630**	**100.00**	**119156300**	**100.00**

Category of Equity Shareholders as on March 31, 2025

Category	No. of Shares held	% of Shareholding
(A) Promoters' Holding		
1. Individuals	6,000	0.01
2. Corporate bodies	73,849,305	61.98
(A) Total Shareholding of Promoters	**73,855,305**	**61.99**
(B) Non-Promoters' Holding		
1 Mutual funds, banks, financial institutions, etc.	13,419,840	11.26
2 Foreign Institutional Investors (FII)	18,895,351	15.86
3 Corporate bodies	2,27,332	0.19
4 Non-resident individuals	3,69,247	0.31
5 Indian public and others	4,54,4980	3.81
6 IEPF	1,45,633	0.12
7 Qualified Institutional Buyer (QIB)	1,178,125	0.99
8 Alternative Investment Fund (AIF)	4,133	0.00
(B) Total Public Shareholding	**38,784,641**	**32.54**
(C) Non-Promoter Non-Public	**6,516,354**	**5.47**
Total (A)+(B)+(C)	**1,19,156,300**	**100**

Shareholding Pattern as on March 31, 2025



J. Details of Dematerialisations

The Company's equity shares are under compulsory demat trading for all categories of investors. As on March 31, 2025 a total of 119,047,420 shares are in dematerialised form representing 99.91% of the total equity share capital.

K. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

The Company has not issued GDRs/ADRs/warrants or any convertible instruments.

L. Foreign Exchange Risk and Hedging Activities

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

M. Plant Locations

Domestic	
Pune • Plot D 13, 13 A, 7/1, D-1 Block, R.D. Aga Road, Chinchwad Pune 411 019 • Plot No. 98-99 BG block MIDC, Industrial Area, Bhosari Pune 411 026 • Plot No. 81, 90, 91, 92, 97 BG Block MIDC Bhosari, Pune 411 026 • Plot No. 111, Block D1, MIDC Industrial Area, Chinchwad, Pune 411 019	**Solapur** Plot No. T-1 MIDC, Chincholi, Taluka Mohol, Dist. Solapur - 413 255, Maharashtra **Shirwal** Plot No. A-2 & A-3, Khandala Industrial area, Phase 1, MIDC, Village Kesurdi, Tal-Khandala, Dist. Satara - 412 801, Maharashtra
Paudh At Paudh, Post Mazgaon, Taluka Khalapur, Dist. Raigad - 410 220, Maharashtra	**Savli** Plot No. 21/1-2-3, GIDC Manjusar, Taluka-Savli, Dist. Vadodara - 391 775, Gujarat
Mundhra SEZ Survey No. 169, Village Dhrub, Taluka Mundra, Mundra - 370421, Dist. Kutch, Gujarat	**Jhagadia** Plots No. 903/1&2, GIDC Industrial Estate, Jhagadia -393 110, Dist. Bharuch, Gujarat India
Dahej Plot No. Z/96/C, Dahej SEZ, Phase-II, Taluka Vagra Dist. Bharuch - 392 130, Gujarat	**Sri City** 2700, Peepul Boulevard Sricity DTZ Andhra Pradesh – 517 646
Palghar - Plot No.5 and 6, Survey No. 130, Palghar Boisar Road, Behind Dhavale Hospital, Palghar West, Maharashtra, 401404 - Plot No.7 and 8, Survey No. 130, Palghar Boisar Road, Behind Dhavale Hospital, Palghar West, Maharashtra, 401404	**Khuskhera** Plot No. G1/273, RIICO Industrial Area, Khuskhera, District Alwar, Rajasthan – 301707
International	
Danstoker A/S Industrivej Nord 13 DK-7400 Herning, Denmark	**PT Thermax International Indonesia** Jl. Eropal Kav P2 KIEC, Cilegon-Banten, Indonesia
Danstoker Poland SP.ZO.O. ul. Kolejowa, nr 20, lok. miejsc. Ostrowiec Swietokrzyski, kod 27-400, Poczta Ostrowiec Swietokrzyski, Kraj Polska	**RIFOX - Hans Richter GmbH Spezialarmaturen**, Bertha-von-Suttner- Str. 9, 28207 Bremen, Germany

N. Credit Rating

Your Company has been rated 'AA+/ Stable (Reaffirmed) for Long Term Rating and A1+ (Reaffirmed) for Short Term Rating' by Credit Rating Information Services of India Limited (CRISIL) for its banking facilities.

Your Company has also been assigned ESG rating of CareEdge-ESG 1 i.e. rating scale "Leadership" by CARE ESG Ratings Limited, a registered ESG ratings service provider.

7. Senior Management Personnel

The Securities Exchange Board of India (SEBI) vide it's circular dated July 13, 2023 amended the SEBI (LODR) Regulations, 2015. Pursuant to such amendment the Company is required to disclose the details of the Senior Management personnels of the Company as well as changes if any during the year. The details of the Senior Management are as under:

Sr. No.	Name	Designation	Particulars of Changes During the Year, if Any
1.	Ashish Bhandari	Managing Director & Chief Executive Officer and Key Managerial Personnel (KMP)	-
2.	Rajendran Arunachalam	Executive Vice President, Group Chief Financial Officer (CFO) and KMP	-
3.	B. C. Mahesh	Executive Vice President and BU Head – Industrial Product Business	-

Sr. No.	Name	Designation	Particulars of Changes During the Year, if Any
4.	Rajesh B. C.	Executive Vice President and CEO – TBWES	-
5.	Dinesh Mandhana	Executive Vice President and BU Head – Chemical	-
6.	Hemant Mohgaonkar	Executive Vice President and BU head – New Energy	Ceased effective November 30, 2024
7.	Jasmeet Bhatia	Executive Vice President and Chief Human Resources Officer	-
8.	Kirtiraj Jilkar	Executive Vice President and BU head – P&ES	-
9.	Pravin Karve	President - TBWES	-
10.	Dr. Amit Sethi	Executive Vice President and Chief Digital and Information Officer	-
11.	Dr. Santanu Chaudhuri	Chief Technology Officer	Inducted effective October 21, 2024
12.	Arun Unni	Executive Vice President and Business Head – New Energy & Head Strategy	Inducted effective November 18, 2024
13.	Janhavi Khele	Company Secretary, Compliance Officer and KMP	Resigned on January 21, 2025 effective April 18, 2025
14.	Satish Jayaram	Chief Internal Auditor	Ceased effective May 9, 2025
15.	Tushar Dahale	Chief Internal Auditor	Appointed effective May 10, 2025
16.	Samina Khalid	Head – Corporate Communication	-
17.	Vipin Upadhyay	Head – HSE	-

8. Other Disclosures

A) Related Party Transactions

Related party transactions during the year have been disclosed as a part of financial statements as required under Ind-AS 24 issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions. The Related Party Transactions Policy is made available on the website of the Company at: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Related-Party-Transactions-Policy.pdf

B) D&O Insurance for Directors

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for all its directors and officers for such quantum and for such risks as determined by the Board.

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

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

D) Whistle Blower Policy/Vigil Mechanism

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's code of conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the whistleblower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The Company has assigned e-mail IDs - tlgovernance@gmail.com (Chairperson or Managing Director) or govtlsrt@gmail.com (Chairman of the Audit Committee) for reporting or sending a written complaint. The Whistle Blower Policy is available on the website of the Company at: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Whistler-Blower-Policy.pdf The confidentiality of such reporting is maintained and the whistleblower is protected from any discriminatory action. The Board confirms that no person has been denied access to the Audit Committee.

E) Board Diversity Policy

The policy sets out the approach to diversity on the Board of the Company. The policy is available on the website of the Company: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Board-Diversity-Policy.pdf

F) Insider Trading Policy

The policy provides the framework to deal with securities of the Company. The Insider Trading Policy is amended in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended thereto). The policy is available on the website of the Company at: https://www.thermaxglobal.com/wp-content/uploads/2024/10/TL_PIT_Policy_final.pdf

G) Dividend Distribution Policy (DDP)

The Company has adopted the DDP effective February 8, 2017. The Board at its meeting held on November 13, 2024 amended the policy. The revised policy is made available on Company's website at: https://www.thermaxglobal.com/wp-content/uploads/2025/03/Dividend-Distribution-Policy_New-1.pdf

H) Code of Conduct

The Board of your Company has laid down a Code of Conduct for Board of Directors and Senior Management of Thermax Limited ("Code of Conduct"). The Code is disclosed on the website of the Company at: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Code-of-Conduct-for-the-Board-of-Directors-and-Senior-Management-of-Thermax-Limited.pdf

- All the Board Members and Senior Management Personnel have affirmed compliance with this Code.
- The declaration by the MD & CEO as required under Regulation 34(3) read with Schedule V (D) of the Listing Regulations regarding adherence to the Code of Conduct has been obtained for FY 2024-25 and forms part of this Report.

I) The Board of Directors at their meeting held on February 4, 2025 have adopted Anti-Bribery and Anti-Corruption Policy of the Company which is made available on the website of the Company at: https://www.thermaxglobal.com/wp-content/uploads/2025/02/ABC_Policy_final.pdf

J) The updated Policy for determining material subsidiaries is disclosed on the website of the Company: https://www.thermaxglobal.com/wp-content/uploads/2025/03/Policy-on-material-subsidiaries.pdf

K) The Company has adopted the Policy of Determination of Materiality for Disclosures. The Board at it's meeting held on November 13, 2024 amended the policy for determination of materiality for disclosure of events or information. The revised policy is available on the website of the Company at: https://www.thermaxglobal.com/wp-content/uploads/2025/05/Materiality-Policy.pdf

L) The Company has adopted a Policy on Archival and Preservation of Documents, and the same is disclosed on the website of the Company: https://www.thermaxglobal.com/wp-content/uploads/2024/11/Thermax-Record-Retention-Policy.pdf

M) The Company has complied with the Corporate Governance requirements as per the Listing Regulations.

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

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

P) Details of Remuneration Paid to the Statutory Auditors:

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

Payment to Statutory Auditors and its Network Firms	Amount (Rs. Crores)
As Auditor	
Audit and limited review fee	4.42
In Other Capacity	
Other services	0.10
Reimbursement of expenses	0.13
Total	**4.65**

Q) Disclosure in Relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	2
Number of complaints disposed of during the financial year	2
Number of complaints pending as on end of the financial year	Nil

R) Disclosure of 'Loans and Advances in the nature of Loans to Firms/Companies in which Directors are interested by Name and Amount'

The details of loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount are given in the financial statement in note no. 32 on page no.405.

S) Details of Material Subsidiaries

In terms of the requirement of Regulation 24(1) of the Listing Regulations, Thermax Babcock & Wilcox Energy Solutions Limited (TBWES), is an unlisted material subsidiary of the Company. Rajani Kesari and Shyamak R. Tata, Independent Directors of the Company, are appointed as Non-Executive Director(s) on the Board of TBWES.

The details of TBWES are as under:

1. Date of incorporation: June 26, 2010
2. Place of incorporation: Mumbai
3. Name of Statutory Auditors: SRBC & Co. LLP
4. Date of Appointment of Statutory Auditors: August 8, 2019 (1st term)
5. Date of Re-appointment of Statutory Auditors: July 28, 2020 (2nd term for 5 years)

T) Annual Report

The Annual Report containing, inter alia, the audited Financial Statement, Consolidated Financial Statement, Board's Report, Auditor's Report and other important information is sent to Members and others entitled thereto. The Annual Reports are also available on the Company's website: https://www.thermaxglobal.com/annual-reports/

U) Website

The Company's website https://www.thermaxglobal.com/ has a separate dedicated section 'Investors' where latest information required under Regulation 46 and other applicable provisions of the Listing Regulations is available. Other than the quarterly and annual results, comprehensive information about the Company, its business and operations, press releases, shareholding pattern, corporate benefits, contact details, forms, etc. are also hosted on the website.

V) Cyber Security Incidents or Breaches or Loss of Data or Documents

During the year under review, the Company confirms that, there were no cyber security incidents or instances of breach or loss of data or documents.

W) Disclosure under clause 5A of Para A of Part A of Schedule III of Listing Regulations

The Articles of Association of the Company grants certain rights to Core Promoters of the Company relating to appointment and removal of Directors, Whole-time Director/s or Managing Director and to designate one of them as Chairman of the Company. Relevant disclosures in this regard have been intimated to the stock exchanges and are available on website of the Company at https://www.thermaxglobal.com/wp-content/uploads/2023/08/SEIntimationmateriality1.pdf

9. Non-Mandatory Requirements

The Company has adopted the following discretionary practices as specified under Regulation 27(1) of Listing Regulations:

A. Chairperson's Office

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

B. Separate Post of Chairperson and CEO

The Company has separate positions of Non-Executive Chairperson and Managing Director and CEO.

C. Reporting of Internal Auditor

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

ANNEXURE-A

To,
Shareholders,
Thermax Limited ("the Company"),
Pune

Sub: Compliance with Code of Conduct as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I hereby declare that all the Directors and senior management employees of the Company have affirmed compliance with the said code of conduct adopted by the Board.

Date: May 6, 2025
Place: Pune

Ashish Bhandari
Managing Director and CEO

ANNEXURE-B

Compliance Certificate as Required Under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

To
The Board of Directors,
Thermax Limited, Pune

Dear Sir(s) and Madam(s),

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

a) We have reviewed financial statements and the cash flow statement for the quarter and year ended March 31, 2025, and that:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

d) We have indicated to the auditors and the Audit Committee that:

   i. there have been no significant changes in internal control over financial reporting during the year;

   ii. there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. there have been no instances of significant fraud, of which we have become aware involving management or an employee having a significant role in the Company's internal control system over financial reporting.

Ashish Bhandari
Managing Director & CEO

Rajendran Arunachalam
Group CFO

Place: Pune
Date: April 28, 2025

ANNEXURE-C

Certificate of Non-Disqualification of Directors

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

To,
The Members,
Thermax Limited,
D-13 MIDC, Ind Area, R. D. Aga Road,
Chinchwad, Pune - 411019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Thermax Limited** (hereinafter referred to as **the Company**), bearing **CIN: L29299PN1980PLC022787** and having registered office at D-13 MIDC, Ind Area, R. D. Aga Road, Chinchwad, Pune - 411019 produced before us by the Company on the email for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2025** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Original Date of Appointment
1	Ashish Bhandari	05291138	18/06/2020
2	Harsh Charandas Mariwala	00210342	10/11/2016
3	Ravi Shankar Gopinath	00803847	10/11/2021
4	Meher Pheroz Pudumjee	00019581	15/01/2001
5	Pheroz Naswanjee Pudumjee	00019602	15/01/2001
6	Shashishekhar Pandit Balkrishna	00075861	30/05/2017
7	Rajani Kesari	02384170	14/11/2018
8	Shyamak Ramyar Tata	07297729	17/10/2023
9	* Parag Chandulal Shah	00374944	12/12/2024
10	# Nawshir Hoshang Mirza	00044816	03/05/2011
11	$ Jairam Varadaraj	00003361	31/01/2003

** Mr. Parag Shah (DIN: 00374944) is appointed as Additional and Non-Executive Independent Director of the Company with effect from December 12, 2024, through circular resolution and regularised via postal ballot dated February 16, 2025.*

 # Mr. Nawshir Hoshang Mirza (DIN: 00044816) ceased to be a Non-Executive Independent Director of the Company w.e.f. July 21, 2024, upon completion of the second term.

$ Mr. Jairam Varadaraj (DIN: 00003361) ceased to be a Non-Executive – Independent Director of the Company w.e.f. July 21, 2024, upon completion of the second term.

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

For SVD & Associates
Company Secretaries

Sridhar Mudaliar
Partner

FCS No: 6156
C P No: 2664

Peer Review Number: 6357/2025
UDIN: F006156G000274921

Place: Pune
Date: May 9, 2025

Note: *We have relied on the documents and evidences provided by electronic mode for the purpose of issuing this certificate.*

ANNEXURE-D

Certificate from Practising Company Secretary on Corporate Governance

To,
The Members of
Thermax Limited

We have examined the compliance of conditions of Corporate Governance by **Thermax Limited** (hereinafter referred "the Company"), for the year ended on **March 31, 2025**, as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing regulations, as applicable.

We further state that this certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SVD & Associates
Company Secretaries

Sridhar Mudaliar
Partner

FCS No: 6156
C P No: 2664

Peer Review No: 6357/2025
UDIN: F006156G000274974

Place: Pune
Date: May 9, 2025

Note: *We have relied on the documents and evidences provided by electronic mode for the purpose of issuing this certificate.*

Annexure-2 to the Directors' Report

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Section A: General Disclosures

I. Details of the Listed Entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L29299PN1980PLC022787
2	**Name of the Listed Entity**	Thermax Limited
3	**Year of incorporation**	1980
4	**Registered office address**	D-13, MIDC, Industrial Area, R. D. Aga Road, Chinchwad, Pune 411019
5	**Corporate office address**	Thermax House 14, Mumbai-Pune Road, Wakdewadi, Pune 411003, Maharashtra, India
6	**E-mail**	cservice@thermaxglobal.com
7	**Telephone**	020-66051200
8	**Website**	www.thermaxglobal.com
9	**Financial year for which reporting is being done**	2024-25
10	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited and National Stock Exchange of India Limited
11	**Paid-up Capital**	Rs. 23,83,12,600
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Mr. Ashish Bhandari Email: cservice@thermaxglobal.com Telephone: 020-66051200
13	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities that form a part of its consolidated financial statements, taken together).**	Standalone – Thermax Limited
14	**Name of Assurance / Assessment Provider**	Price Waterhouse Chartered Accountants LLP
15	**Type of Assurance / Assessment Obtained**	Reasonable

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	Industrial Products Segment	Manufacturing, installation, sales and services related to boilers & heating equipment (small capacity), absorption chillers/heat pumps, air pollution control equipment/ systems, water & waste recycle, including associated services and engineering, procurement and construction (EPC)	61
2	Industrial Infra Segment	Engineering, procurement, and construction (EPC) of power plants, infra projects, flue gas desulphurisation projects, along with associated services and manufacturing, installation, sales and services related to boiler & heater (high capacity) plants	28
3	Chemical Segment	Manufacturing, installation, sales and services related to ion exchange resins, performance chemicals, construction chemicals, water treatment chemicals, oil field chemicals, paper and construction chemicals, and related services	11

17. Products/services sold by the entity (accounting for 90% of the entity's turnover)

S. No.	Products/Services	NIC Code	% of Total Turnover Contributed
1	Industrial Products Segment: Manufacturing, installation, sales and services related to boilers & heating equipment (small capacity), absorption chillers/heat pumps, air pollution control equipment/systems, water & waste recycle, including associated services and engineering, procurement and construction (EPC)	37003, 25131, 20119	61
2	Industrial Infra Segment: Engineering, procurement, and construction (EPC) of power plants, infra projects, flue gas desulphurisation projects, along with associated services and manufacturing, installation, sales and services related to boiler & heater (high capacity) plants	37003, 25131, 20119	28
3	Chemical Segment: Manufacturing, installation, sales and services related to ion exchange resins, performance chemicals, construction chemicals, water treatment chemicals, oil field chemicals, paper and construction chemicals and related services	37003, 25131, 20119	11

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	8	17	25
International	0	0	0

19. Markets served (refers to all the geographic regions where the Company sells its products) by the entity

a. Number of Locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	90

b. What is the contribution of exports as a percentage of the total turnover of the entity?

14

c. **A brief on types of customers**

The Company operates in both national and international markets, offering products and services primarily to manufacturing customers. Many of these customers prioritise sustainability, seeking products that are environmentally conscious and economically viable. By supplying sustainable products, the Company helps its manufacturing customers positively impact the environment while maintaining their bottom line.

IV. Employees

20. Details as at the end of the financial year

a. **Employees and workers (including differently-abled)**

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B / A)	Female No. (C)	Female % (C / A)
	EMPLOYEES					
1	Permanent (D)	3,092	2,773	90	319	10
2	Other than Permanent (E)	2,787	2,650	95	137	5
3	**Total Employees (D + E)**	**5,879**	**5,423**	**92**	**456**	**8**
	WORKERS					
4	Permanent (F)	612	610	100	2	0
5	Other than Permanent (G)	2,438	2,340	96	98	4
6	**Total Workers (F + G)**	**3,050**	**2,952**	**97**	**100**	**3**

b. **Differently-abled employees and workers**

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B / A)	Female No. (C)	Female % (C / A)
	EMPLOYEES					
1	Permanent (D)	15	13	87	2	13
2	Other than Permanent (E)	5	5	100	0	0
3	**Total Differently-Abled Employees (D + E)**	**20**	**18**	**90**	**2**	**10**
	WORKERS					
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	**Total Differently-Abled Workers (F + G)**	**-**	**-**	**-**	**-**	**-**

21. Participation/inclusion/representation of women

	Total (A)	No. and Percentage of Females No. (B)	% (B / A)
Board of Directors	9	2	22
Key Management Personnel	3	1	33

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2024-2025 (Turnover Rate in Current FY)			FY 2023-2024 (Turnover Rate in Previous FY)			FY 2022-2023 (Turnover Rate in the Year Prior to the Previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13	2	15	15	17	15	18	27	18
Permanent Workers	2	0	2	13	-	13	1	60*	1

** During FY 2022-23, out of five, three female workers left*

V. Holdings, Subsidiaries, and Associate Companies (including Joint Ventures)

23. (a) Names of holdings/subsidiaries/associate companies/joint ventures

S.No.	Name of the Holding/Subsidiary/Associate Companies/Joint Ventures (A)	Indicate Whether Holding/ Subsidiary/ Associate/ Joint Venture	% of Shares Held By the Listed Entity	Does the Entity Indicated at Column A, Participate In the Business Responsibility Initiatives Of the Listed Entity? (Yes/No)
1	RDA Holdings Private Limited	Holding	-	No
2	Thermax Onsite Energy Solutions Limited	Subsidiary	100	Yes
3	Thermax Instrumentation Ltd.	Subsidiary	100	Yes
4	Thermax Engineering Construction Company Limited	Subsidiary	100	No
5	Thermax Babcock & Wilcox Energy Solutions Limited	Subsidiary	100	Yes
6	Thermax Cooling Solutions Ltd.	Subsidiary	100	No
7	Enernxt Private Limited	Subsidiary	100	No
8	Thermax Bioenergy Solutions Private Limited	Subsidiary	65	Yes
9	First Energy Private Limited	Subsidiary	100	Yes
10	First Energy TN 1 Private Limited	Subsidiary	74	Yes
11	First Energy 2 Private Limited	Subsidiary	74	Yes
12	First Energy 3 Private Limited	Subsidiary	74	Yes
13	First Energy 4 Private Limited	Subsidiary	74	Yes
14	First Energy 5 Private Limited	Subsidiary	74	Yes
15	First Energy 6 Private Limited	Subsidiary	74	Yes
16	First Energy 7 Private Limited	Subsidiary	71	Yes
17	First Energy 8 Private Limited	Subsidiary	100	Yes
18	First Energy Nine Private Limited	Subsidiary	100	Yes
19	First Energy 10 Private Limited	Subsidiary	100	Yes
20	First Energy 11 Private Limited	Subsidiary	100	Yes
21	Jalansar Wind Energy Private Limited	Subsidiary	74	Yes
22	Kanakal Wind Energy Private Limited	Subsidiary	74	Yes
23	Onix-Two Enersol Private Limited	Subsidiary	100	No
24	Thermax Chemical Solutions Private Limited	Subsidiary	100	No
25	Thermax Vebro Polymers India Private Limited	Subsidiary	50.1	No
26	TSA Process Equipments Private Limited	Subsidiary	51	No
27	Buildtech Products India Private Limited	Subsidiary	100	No
28	Thermax International Limited	Subsidiary	100	No
29	Thermax Europe Limited	Subsidiary	100	No
30	Thermax Inc. (USA)	Subsidiary	100	No
31	Thermax do Brasil Energia e Equipamentos Ltda	Subsidiary	100	No
32	Thermax Netherlands BV.	Subsidiary	100	No
33	Thermax Denmark ApS	Subsidiary	100	No
34	Danstoker A/S	Subsidiary	100	No
35	Ejendomsanp artsselskabet Industrivej Nord 13	Subsidiary	100	No
36	Boilerworks A/S	Subsidiary	100	No

S.No.	Name of the Holding/Subsidiary/Associate Companies/Joint Ventures (A)	Indicate Whether Holding/ Subsidiary/ Associate/ Joint Venture	% of Shares Held By the Listed Entity	Does the Entity Indicated at Column A, Participate In the Business Responsibility Initiatives Of the Listed Entity? (Yes/No)
37	Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	Subsidiary	100	No
38	Rifox-Hans Richter GmbH Spezialarmaturen	Subsidiary	100	No
39	Thermax Sdn.Bhd (Malaysia)	Subsidiary	100	No
40	Thermax Engineering Singapore Pte. Ltd.	Subsidiary	100	No
41	PT Thermax International Indonesia	Subsidiary	100	No
42	Thermax Energy & Environment Philippines Corporation	Subsidiary	100	No
43	Thermax Energy & Environment Lanka (Private) Limited	Subsidiary	100	No
44	Thermax Nigeria Limited	Subsidiary	100	No
45	Thermax Engineering Construction FZE	Subsidiary	100	No
46	Thermax International Tanzania Limited	Subsidiary	100	No
47	Thermax (Thailand) Limited	Subsidiary	100	No
48	Thermax Chemical Europe A/s	Subsidiary	100	No
49	Exactspace Technologies Private Limited	Associate	15. 17	No
50	Covacsis Technologies Private Limited	Associate	16.67	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes
(ii) Turnover (in Rs. Cr): 6,254.07
(iii) Net worth (in Rs. Cr): 3,967.76

VII. Transparency and Disclosures Compliances

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder Group from Whom the Complaint is Received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then Provide Web-Link for Grievance Redress Policy)	FY 2024-2025 Current Financial Year			FY 2023-2024 Previous Financial Year		
		Number of Complaints Filed During the Year	Number Of Complaints Pending Resolution at the Close Of the Year	Remarks	Number Of Complaints Filed During the Year	Number of Complaints Pending Resolution at the Close of the Yea	Remarks
Communities	No	-	-	-	-	-	-
Investors (Other than Shareholders)	Yes*	2	-	-	-	-	-
Shareholders	Yes*	-	-	-	-	-	-
Employees and Workers	Yes**	10	2	-	13	5	-
Customers	Yes***	7,656	83	-	8,257	30	-
Value Chain Partners	Yes****	-	-	-	-	-	-

Note: *The Company has mechanisms (complaint boxes at various locations) and platforms (town-hall meetings) to track complaints, and numbers are mentioned under respective heads in the report. Routine or miscellaneous complaints and concerns addressed at forums like town-hall meetings are not included here.*

* https://www.thermaxglobal.com/investor-services-contact/

** https://www.thermaxglobal.com/about-us/policies/

*** https://www.thermaxglobal.com/thermaxedge/

**** https://www.thermaxglobal.com/wp-content/uploads/2023/09/Code_of_Conduct_for_ThermaxGroupsSupplyChainPartners.pdf

**** https://www.thermaxglobal.com/wp-content/uploads/2021/05/Thermax-Ltd.-Whistleblower-Policy-.pdf

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, along with its financial implications, as per the following format:

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
1	**Energy Management**	O	Effective energy efficiency management resulted in several advantages to the Company, such as cost reduction, increased efficiency, enhanced reputation, regulatory compliance, and innovation.		Positive
2	**Design Upgradation & Improvements**	O	Opportunity to develop and deliver state-of-the-art technology products and implement sustainability aspects in both products and services. The Company's strong internal engineering and R&D are developing new products and services to meet customer needs.		Positive
3	**Waste Management**	R	Waste management is a material issue due to growing regulatory pressure, as companies that fail to comply with regulations may face legal and financial consequences.	Improper disposal of waste can have detrimental effects on our ecosystems and public health. Waste management is one of the most pressing environmental issues of our time. The Company ensures adherence to the regulatory framework defined under applicable laws.	Negative
		O	The Company has taken proactive measures to incorporate sustainable waste management approaches such as recycling and waste reduction. By doing so, we seize the chance to minimise our environmental footprint, reduce expenses, explore fresh avenues for business growth, and ensure compliance with regulations.		Positive
4	**Climate Change-Related Risks**	R	Climate change is a significant risk for companies due to the growing awareness of the negative impact of human activities on the environment. To mitigate this risk, companies must adopt more sustainable practices and offer environment-friendly products to meet the changing demands of their customers and stakeholders.	The Company recognises the importance of being proactive in responding to the challenges and opportunities presented by climate change. By charting out a strategy, the Company is well-positioned to respond to climate change-related risks.	Negative
		O	The increasing awareness of the negative impact of human activities on the environment, particularly climate change, presents a significant opportunity for companies. Responding to this concern, the Company is putting concentrated efforts into developing sustainable products and environment-friendly solutions.		Positive

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
5	**Water Management**	R	The increasing scarcity of freshwater sources can disrupt the Company's operations, supply chain, and reputation, leading to potential economic losses. Additionally, companies that rely heavily on water for their operations, such as chemical manufacturing, are particularly vulnerable to water-related risks.	The Company has developed in-house expertise and solutions for optimising water usage in industrial plants.	Negative
		O	The Company's effective water management practices are helping to mitigate risks associated with water scarcity, such as disruptions to its operations, supply chain, and reputation. Furthermore, the Company considers water management as an opportunity to reduce customer's water consumption, save costs, and increase efficiency. Adopting sustainable water practices can mitigate risks associated with water scarcity, preserve vital ecosystems, and ensure access to safe and clean drinking water for communities.		Positive
6	**Emission Management**	O	The Company's utmost priority is emission management through various activities that contribute to mitigating climate change while also reaping the benefits of a more sustainable and profitable business model.		Positive
7	**Local Employment**	R	Lack of employment opportunities in the local area can impede economic development in the community, resulting in insufficient support from local stakeholders. Furthermore, businesses that fail to prioritise local employment may encounter challenges in accessing the skills and expertise of the local workforce, resulting in escalated costs and decreased efficiency.	The Company's emphasis on local hiring minimises the risks and establishes favourable relationships with the local community as a responsible corporate.	Negative
8	**Occupational Health & Safety**	R	Workplace accidents and illnesses can impact productivity and increase costs. It may damage the reputation of the Company and may adversely impact the morale of employees and its culture.	The Company has implemented the OHSE policy and enforces strict adherence to it. Several initiatives and programmes have also been initiated to manage health and safety, which are continually monitored for improvement. One of the initiatives is the behaviour based safety (BBS) programme, which aims to bring about a cultural shift towards safety improvement. Furthermore, the Company has put in place several insurances and medical policies to safeguard its employees.	Negative

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
9	**Talent Acquisition and Retention**	R	The inability to attract and retain top talent can result in a shortage of skilled employees, leading to reduced productivity, increased costs, and potential quality issues. Additionally, the turnover of key employees can lead to a loss of institutional knowledge and expertise, which can negatively impact the Company's competitiveness and ability to innovate.	The Company has implemented various measures to attract and retain talent through initiatives such as job rotation, up-skilling, reskilling, training, fast-track promotion, leadership development programmes, etc. Moreover, the Company has taken steps to ensure the well-being of its employees.	Negative
10	**Responsible Supply Chain Management**	R	Consumers are becoming increasingly aware of the ethical and environmental impacts of the products they purchase, and they are more likely to avoid brands that do not meet their expectations. This can lead to a loss of market share and reputational damage for companies. By prioritising responsible supply chain management practices, companies can mitigate these risks, improve their reputation, and gain a competitive advantage in the market. Failure to ensure that suppliers meet environmental and social standards can lead to legal and regulatory challenges, resulting in fines, legal action, and negative publicity.	The Company enforces a vendor code of conduct and actively collaborates with vendors to improve its operations. The vendor code of conduct lays down guidelines outlining expectations and standards for vendors who provide goods or services to the Company. It covers various areas such as labour practices, human rights, environmental sustainability, and business ethics. By having a vendor code of conduct, the Company sets clear expectations for its suppliers, ensuring they meet the necessary standards.	Negative
11	**Labour Management Relations**	R	Not adhering to labour laws by contractors not only violates human rights but can also lead to legal and reputational risks for the Company. Negative publicity resulting from labour disputes, strikes, or other labour-related issues can lead to a loss of customer confidence and reduced sales.	The Company ensures ongoing monitoring and audits, which reveal compliance at all locations. This helps the Company to progressively move to the next level as envisioned through the Social Compact initiative.	Negative
12	**Diversity & Equal Opportunity**	O	A diverse workforce can bring new perspectives and ideas, which can lead to increased creativity and innovation. Different viewpoints and experiences can improve decision-making and lead to more thoughtful decisions. A diverse workforce can also help companies better understand and serve a diverse customer base, which can lead to improved customer satisfaction and financial performance.		Positive
13	**Ethics & Integrity**	O	Prioritising ethics and integrity can lead to enhanced reputation, increased customer loyalty, improved employee morale, and better risk management. Companies that operate with ethics and integrity create a culture of trust and transparency, which can attract customers, investors, and top talent. Employees are more likely to feel engaged and committed to a company that operates with integrity, leading to increased productivity and retention.		Positive

Section B: Management and Process Disclosures

Sr. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and Management Processes										
1a	Whether Your Entity's Policy/Policies Cover Each Principle and Its Core Elements of the NGRBCs? (Yes/No)	Yes								
1b	Has the Policy Been Approved by the Board? (Yes/No)	Yes. The Board has approved the Thermax Code of Conduct, CSR, terms of reference of the Stakeholder Relationship Committee, Anti-Bribery and Anti-Corruption Policy, Board Diversity Policy and Whistleblower Policy, which covers each principle and elements of NGRBC.								
1c	Web Link of the Policies, If Available	https://www.thermaxglobal.com/about-us/policies/ https://www.thermaxglobal.com/corporate-governance-policies-and-disclosures/								
2	Whether the Entity has Translated the Policy into Procedures? (Yes/No)	Yes								
3	Do the Enlisted Policies Extend to Your Value Chain Partners? (Yes/No)	Yes, all applicable policies are extended to the value chain partners								
4	Name of the National and International Codes/Certifications/Labels/Standards (Eg. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) Standards (Eg. SA 8000, OHSAS, ISO, BIS) Adopted by Your Entity and Mapped to Each Principle	ISO9001, ISO 14001, ISO45001								
5	Specific Commitments, Goals and Targets set by the Entity with Defined Timelines, If Any	The company has committed to achieving a 50% absolute reduction in carbon emissions by FY 2030, relative to the FY 2019 baseline. With respect to water consumption, the Company has committed to reduce freshwater consumption by 5% by 2030, with FY 2024-25 as the baseline. As part of our journey toward zero waste to landfill, we have set an annual target to restrict landfill disposal to less than 5% of total waste generated. The Company is committed to reducing total waste generation by 5% by 2030, keeping FY 2024-25 as the baseline.								
6	Performance of the Entity Against the Specific Commitments, Goals and Targets Along With Reasons in Case the Same are Not Met	In FY'24, Thermax successfully achieved its initial goal of a 25% absolute reduction in carbon emissions from the FY 19 baseline. The Company has revised its target last year to an ambitious new goal, i.e. a 35% reduction in emissions by FY'25, which is 40% higher than the previous target. This milestone was driven by strategic actions across four key areas: enhancing energy efficiency, expanding renewable energy capacity, procuring green energy, and transitioning to cleaner fuels i.e. maximising renewable electricity usage at key manufacturing facilities in Chinchwad and Shirwal; increasing solar rooftop capacity by 109 kWp at the Solapur facility; switching furnace fuel at the Chinchwad plant from light diesel oil to piped natural gas etc. These targeted actions have resulted in a notable reduction of 19,443 tCO_2e, representing a 42.6% decrease from the FY 19 baseline—well ahead of the revised target.								
Governance, Leadership and Oversight										
7	Statement by the Director Responsible for the Business Responsibility Report, Highlighting ESG Related Challenges, Targets and Achievements (Listed Entity Has Flexibility Regarding the Placement of This Disclosure)	Thermax has been committed to environmental well-being since its inception, prioritising ESG long before it became a mainstream concept. The Company aims to reduce 35% of absolute carbon emissions from the base year of 2019 by 2025. To achieve this, multiple initiatives are being implemented across its facilities, focussing on improving operational efficiency, increasing renewable energy generation and procurement, and switching to cleaner fuels. On the business side, the Company offers a range of energy-efficient and environment-friendly products and solutions. These enable industries to optimise their energy consumption, reduce greenhouse gas emissions, and minimise freshwater intake through reuse and recycling of water. Recognising the recent changes in the energy mix and its ability to contribute to this transition, the Company has concentrated its efforts on green energy. It has proactively aligned its strategies with climate change mitigation and sustainability goals. Along with investing in R&D and digital capabilities, it has formed partnerships with global technology majors to strengthen its clean energy offerings and solidify its presence as a trusted partner in energy transition for its customers. On the social front, the Company is actively engaged in initiatives aimed at creating equal opportunities through education and empowering the informal workforce through its SoCo initiative. Despite making persistent efforts to meet its ESG imperatives, the Company faces several challenges such as dealing with the complexity of existing industry infrastructure and transitioning to cleaner alternatives, the cost implications of implementing technological innovations, assessing and managing the sustainability practices of its suppliers, and collecting and reporting ESG performance metrics across the organisation. But the Company is addressing them through ongoing innovation, strategic partnerships, stakeholder engagement, and continuous improvement of its ESG practices. While much progress has been made, there is still much to be done.								
8	Details of the Highest Authority Responsible for Implementation and Oversight of The Business Responsibility Policy(ies)	Managing Director and Chief Executive Officer Ashish Bhandari | DIN – 05291138								
9	Does the Entity Have a Specified Committee of the Board/Director Responsible for Decision Making on Sustainability Related Issues? (Yes/No). If Yes, Provide Details	Yes. Managing Director and Chief Executive Officer Ashish Bhandari | DIN – 05291138								

10. Details of review of NGRBCs by the Company:

Subject For Review	Indicate whether Review was Undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/Half Yearly/ Quarterly/Any Other – Please Specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance Against the Above Policies and Follow-Up Action	Thermax's policies, including the Code of Conduct, CSR, and Whistleblower policies, which encompass elements of the NGRBC Principles, are periodically reviewed and approved by the Board. During these reviews, the effectiveness of the policies is evaluated, and necessary amendments to policies and procedures are implemented. The Company complies with the relevant regulations and principles as applicable.																	
Compliance With Statutory Requirements of Relevance to the Principles, and Rectification of Any Non-Compliances																		

11. Information about the independent assessment/evaluation of the working of its policies by anexternal agency? (Yes/No). If yes, provide the name of the agency.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No)	No assessment conducted								
If yes, provide the name of the agency.	Not applicable								

12. If answer to question (1) above is "No" i.e., not all principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle-wise Performance Disclosure

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total Number of Training and Awareness Programmes Held	Topics/Principles Covered Under the Training and Its Impact	% Age of Persons in the Respective Category Covered by the Awareness Programmes
Board of Directors	1	Strategy Planning	100
Key Managerial Personnel (KMP)	2	COBEC, POSH, Data Privacy	67
Workers	2952	POSH-COBEC, Health & Safety	100
Employees other than BoD and KMP	Online Trainings	POSH-COBEC	100

Health-related training has significantly improved workers' safety and their work environment. It has led to a safer workplace by reducing accidents, injuries, and illnesses. The Company can demonstrate this impact by providing statistics on the reduction in fatalities and injuries over the past year. Additionally, a healthier workforce has enhanced the Company's productivity and efficiency.

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

	NGRBC Principle	Name of the Authority	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
	Monetary				
Penalty/Fine	Refer to the Company's website for all disclosures made under Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 at https://www.thermaxglobal.com/stock-exchange-notifications/				
Settlement					
Compounding Fee					
	Non-Monetary				
Imprisonment	NIL				
Punishment					

3. **Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the Regulatory/ Enforcement Agencies/Judicial Institutions
	Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has a separate anti-corruption and anti-bribery policy which distinctly elucidates the expected standards of governance practices within our organisation. A particular emphasis is placed on the Company's stance of zero tolerance towards any form of bribery and corruption. The intention of this Code is to ensure that all business operations and transactions are carried out in a professional, fair, and principled manner, thereby affirming our commitment towards upholding human rights.

Web-link - https://www.thermaxglobal.com/wp-content/uploads/2025/02/ABC_Policy_final.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	FY 2024-2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. **Details of complaints regarding conflict of interest:**

	FY 2024-2025 (Current Financial Year)		FY 2023-2024 (Current Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	NIL	Not Applicable	NIL	Not Applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs	NIL	Not Applicable	NIL	Not Applicable

7. **Provide details of any corrective action taken or underway on issues related to fines/ penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

8. **Number of days of accounts payable ((accounts payable *365) /Cost of goods/services procured) in the following format:**

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
No. of Days of Accounts Payable	81	86

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 indicators in the table above. Please find the assurance report on page no. 181

As per the industry standards released by SEBI, cost of goods/services procured also includes capital expenditure made by the company in FY 2024-25. Hence, the number is not comparable to last year's number to that extent.

9. **Openness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties, along with loans and advances & investments with related parties, in the following format:**

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	8%	6%
	b. Number of trading houses where purchases are made from	1,236	527
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	39%	47%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	7%	7%
	b. Number of dealers /distributors to whom sales are made	157	147
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors	35%	36%
Share of RPTs in	a. Purchases (purchases with related parties/total purchases)	2%	4%
	b. Sales (sales to related parties/total sales)	6%	6%
	c. Loans & advances (loans & advances given to related parties/total loans & advances)*	39%	53%
	d. Investments (investments in related parties/total investments made)^	50%	47%

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 indicators in the table above. Please find the assurance report on page no. 181

**For loans and advances and investments, closing balances disclosed in the audited standalone financial statements for the year ended March 31, 2025, have been considered.*

^Including investment in subsidiaries and associates.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total Number of Awareness Programmes Held	Topics/Principles Covered Under the Training	%Age of Value Chain Partners Covered (By Value of Business Done with Such Partners) Under the Awareness Programmes
16	BRSR 9 principles	20

2. a. ***Does the entity have processes in place to avoid/manage conflicts of interest involving members of the Board? (Yes/No).***

Yes

b. ***If yes, provide details of the same.***

The Company has a Code of Conduct. This Code of Conduct, aimed towards the Board of Directors and Senior Management, is made publicly accessible on the Company's website.Link - https://www.thermaxglobal.com/corporate-governance-policies-and-disclosures/

Directors, key managerial personnel, and senior management are expected to avoid situations where their personal interests conflict with the Company's welfare. They disclose any potential conflicts of interest to the Board annually.

Before entering related party transactions, necessary approvals are obtained from the Audit Committee and the Board, especially if Directors have vested interests. Directors and key managerial personnel should abstain from participating in decisions where they have a personal conflict of interest to prevent improper influence or complications.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	Details of Improvements in Environmental and Social Impacts
R&D	6	11	(1) Fuel Cell Development – Environmental - This reduces the CO2 emissions from the gen set and it produces clean power (2) Mobile air conditioning system (HVAC) – Environmental - This helps in saving the diesel consumption, and in turn also reduces CO2 emissions (3) CL2001-TAC demonstration at Bus World Brussel Expo Oct'21 (HVAC) – Environmental - This helps in saving the diesel consumption, and in turn it also reduces CO2 emissions (4) IC 1714 - Incubation TAC AMF – Environmental - This will help in saving the diesel consumption, and in turn will also reduce CO2 emissions (5) Power Roll Solar Film - Environmental: To generate renewable power working on flexible solar, which will help reduce the CO2 emission for power generation (6) Green Hydrogen - Environmental: This will help in reducing the carbon emission in other hydrogen-producing technology (grey/blue/etc.) (7) Bio Hydrogen - Environmental: This will help in reducing the carbon emission in other hydrogen-producing technology (grey/blue/etc.) (8) WW 1610 - CDI development for drinking water application - Social - This will help us in saving the water reject quantity and power consumption
Capex	6	13	(1) Ultrapure water plant setup: Project Name - JC-DMP1-080 - Reduction in VOC content in product by utilising a process which utilises less energy - Environmental Impact (Product & Process) (2) UPS Scheme at Polymer Plant Dahej - Project Name - JC-DMP1-089 Yield improvement and wastage reduction - Environmental Impact (Product) (3) 10 T x 30 Mtr span DG Goliath crane - Reduction in scope 3 emissions, improved safety and efficiency

2. (a) **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

(b) **If yes, what percentage of inputs were sourced sustainably?**

54

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:**

Waste Type	Process Description
Plastics (Including Packaging)	Not Applicable
E-Waste	Not Applicable
Hazardous Waste	Not Applicable
Other Waste	Not Applicable

The Company does not have specific products for end-of-life reclamation. However, at project and operation sites, systems are in place to recycle, reuse, and dispose of waste according to regulatory requirements during construction and operation.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes /No). (b) If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to the Pollution Control Boards? If not, provide steps taken to address the same**

Yes, the Company has obtained the Extended Producer Responsibility (EPR) registration for specific products. This includes collecting and recycling waste through a Central Pollution Control Board (CPCB) approved agency. The organisation is actively fulfilling its EPR obligations by taking effective steps, such as progressing towards brand owner registration status.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category:**

Indicate Product Category	Reclaimed Products and Their Packaging Materials as % of Total Products Sold in Respective Category
Not Applicable	

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicator

1. *(a) Details of measures for the well-being of employees:*

Category	Total (A)	% of Employees Covered By									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	2,773	2,773	100	2,773	100	-	-	2,773	100	2,773	100
Female	319	319	100	319	100	319	100	-	-	319	100
Total	**3,092**	**3,092**	**100**	**3,092**	**100**	**319**	**100**	**2,773**	**100**	**3,092**	**100**
Other than Permanent Employees											
Male	2,650	2,650	100	2,650	100	-	-	2,650	100	2,650	100
Female	137	137	100	137	100	137	100	-	-	137	100
Total	**2,787**	**2,787**	**100**	**2,787**	**100**	**137**	**100**	**2,650**	**100**	**2,787**	**100**

(b) Details of measures for the well-being of workers:

Category	Total (A)	% of Employees Covered By									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	610	610	100	610	100	-	-	610	100	-	-
Female	2	2	100	2	100	2	100	-	-	-	-
Total	**612**	**610**	**100**	**612**	**100**	**2**	**100**	**610**	**100**	**-**	**-**
Other than Permanent Workers											
Male	2,340	-	0	-	0	-	0	-	0	-	0
Female	98	-	0	-	0	-	0	-	0	-	0
Total	**2,438**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**

The day-care facility is not provided to the permanent workers. The well-being of the workers other than permanent is the responsibility of the respective contractors engaged at the respective locations.

(c) Spending on measures towards the well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of the total revenue of the Company	0.19	0.17

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 indicators in the table above. Please find the assurance report on page no. 181

2. **Details of retirement benefits, for the current and previous financial year**

Benefits	FY 2024-2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	No. of Employees Covered as a % of Total Employees	No. of Workers Covered as a % of Total Workers	Deducted and Deposited with the Authority (Y/N/N.A.)	No. of Employees Covered as a % of Total Employees	No. of Workers Covered as a % of Total Workers	Deducted and Deposited with The Authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	1	4	Y	4	-	Y
Others- Please Specify	Not Applicable			Not Applicable		

3. **Accessibility of workplaces**

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard?

The Company is working towards improving infrastructure for eliminating barriers to accessibility for differently-abled people. Ramps have been constructed at various locations, and wheelchairs and separate washrooms are provided at select sites.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, https://www.thermaxglobal.com/about-us/policies/

5. **Return to work and retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100	100	NA*	NA
Female	100	100	NA	NA
Total	**100**	**100**	**NA**	**NA**

**No permanent workers have availed parental leave during FY 2024-25.*

6. *(a) Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.*

Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes, the mechanism to receive and redress grievances is in place. The Whistleblower Policy facilitates the reporting of protected disclosures to top-level management, including the Chairperson, Managing Director, or the Chair of the Audit Committee. This process is managed through distinct communication avenues, channelling grievances from different sources and addressing them to senior officials. Two specific email addresses have been assigned for this purpose to ensure written complaints can be directly submitted. The confidentiality of the Whistleblower is maintained, and any retaliatory actions are strictly prohibited. The organisation has implemented a Prevention of Sexual Harassment Policy, consistent with the directives of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy applies to all individuals, irrespective of their employment status, and is supported by regular virtual training sessions to create awareness within the organisation. Moreover, a Code of Conduct applies equally to both employees and business partners. To ensure adherence to this code, diverse training initiatives have been undertaken, encompassing all employees from various business sectors and geographies. However, the Whistleblower Policy does not include daily workers' grievances. To address these concerns, the company organises town hall meetings, providing a platform for employees to freely voice their troubles. Additionally, several other platforms, including induction sessions are available for employees to articulate their grievances.

7. **Membership of employees and workers in association(s) or uions recognised by the listed entity:**

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total Employees / Workers in Respective Category (A)	No. of Employees / Workers in Respective Category, Who are Part of Association(s) or Union (B)	% (B / A)	Total Employees / Workers in Respective Category (C)	No. of Employees / Workers in Respective Category, Who Are Part of Association(s) or Union (D)	% (D /C)
Total Permanent Employees						
- Male	2,773	0	0	0	0	0
- Female	319	0	0	0	0	0
Total Permanent Workers						
- Male	610	538	88	540	462	86
- Female	2	0	0	2	0	0

8. **Details of training given to employees and workers:**

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B / A)	No. (C)	% (C /A)		No.(E)	% (E / D)	No. (F)	% (F / D)
Employees (Permanent + Other than Permanent)										
Male	5,423	4,542	84	2,225	41	6,667	4,021	60	4,004	60
Female	456	262	57	300	66	422	173	41	310	73
Total	**5,879**	**4,804**	**82**	**2,525**	**43**	**7,089**	**4,194**	**59**	**4,314**	**60**
Workers										
Male	11,326	11,008	97	610	5	18,757	17,332	92	340	2
Female	206	180	87	2	1	73	73	100	2	3
Total	**11,532**	**11,188**	**97**	**612**	**5**	**18,830**	**17,405**	**92**	**342**	**2**

Note: Training to workers includes, workers deployed at site locations.

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2024-2025 Current Financial Year			FY 2023-2024 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (D)	No.(E)	% (E / D)
Employees						
Male	5,423	5,423	100	5,203	5,203	100
Female	456	456	100	350	350	100
Total	**5,879**	**5,879**	**100**	**5,533**	**5,533**	**100**
Workers						
Male	610	445	73	540	390	72
Female	2	2	100	2	2	100
Total	**612**	**447**	**73**	**542**	**392**	**72**

10. ***Health and safety management system:***

(a) ***Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?***

Yes, the Company has taken a systematic approach to safeguard the health and safety of its employees by implementing the ISO 45001:2018 Occupational Health and Safety Management System across its manufacturing, EPC (engineering, procurement, and construction) and O&M (operations & maintenance) sites. This application aims to promote a positive occupational health and safety (OHS) culture within the organisation.

By establishing standard operating procedures for every task, the organisation ensures that activities are carried out consistently and safely. In addition, contingency management protocols have been instituted, including conducting frequent mock drills, to increase preparedness and response to potential emergencies.

The organisation conducts regular training sessions about occupational health and safety procedures and preferred practices.

(b) ***What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?***

The Company has adopted multiple methods for identifying potential and work-related risks to ensure a healthy and safe workplace. These methods include risk assessments such as Hazard Identification and Risk Assessment (HIRA), job safety analysis, and Hazard and Operability Study (HAZOP); Health, Safety, and Environment (HSE) audits; site severity index ratings; and daily site inspections, which are conducted regularly. Furthermore, a digital platform called "Thermax LIFE" has been implemented. This platform is utilised by Thermax employees and workers, including contractor workers, for reporting any identified hazards. The platform also facilitates the monitoring and tracking of reported hazard resolutions. These measures contribute to creating a safe and healthy environment for all personnel.

(c) ***Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)***

To enhance safety norms, the company has implemented a digital platform called "Thermax LIFE" for reporting at-risk behaviours, unsafe conditions, near-miss incidents, and HSE inspections. Access is provided to employees and workers, including contractor workers. This digital tool has significantly improved safety measures at our locations by substantially mitigating associated risks.

Additionally, we conduct detailed risk assessments and issue permits to work for non-routine activities to ensure tasks are performed safely. Stop Work Authority is also a fundamental aspect of our safety culture, empowering employees and workers to halt work if they feel unsafe or if someone is in danger.

Furthermore, the Company has adopted new initiatives aimed at promoting a safety culture. One such measure is the implementation of a Behaviour-Based Safety Programme. Through this programme, the Company encourages safe behaviour among employees and workers, rectifies any inappropriate at-risk behaviour, and flags it for future reference.

Regular Safety Committee meetings provide a platform for workers to raise any concerns they may have regarding workplace hazards. In addition to this, the Company is progressively digitising HSE management. This move aims to foster a sense of accountability among employees and improve the transparency of our operations.

To motivate and reward compliance with safety standards, the organisation has instituted a recognition system for individuals who demonstrate exemplary commitment to safety protocols. Simultaneously, a consequence management system has been structured to address any violations of the established safety protocols.

(d) ***Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)***

Yes. Medical centres and first aid facilities are available for both employees and workers. The entity has implemented several measures diligently to ensure a secure and healthy environment for the workforce. The on-site medical facilities are easily accessible to all staff members. Additionally, first aid facilities are available across the organisation, prepared for immediate assistance in case of any emergencies or unforeseen medical conditions. This comprehensive healthcare infrastructure upholds the health and well-being of not just permanent employees but also temporary and contractual labour.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2024-2025 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (Per One Million-Person Hours Worked)	Employees	-	-
	Workers (including the contract workforce)	0.11	0.55
Total Recordable Work-Related Injuries#	Employees	1	3
	Workers (including the contract workforce)	24	20
No. of Fatalities	Employees	-	-
	Workers (including the contract workforce)	-	-
High Consequence Work-Related Injury or Ill-Health (Excluding Fatalities)	Employees	-	-
	Workers (including the contract workforce)	-	-
No. of Permanent Disabilities	Employees	-	-
	Workers (including the contract workforce)	-	-

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 BRSR Core indicators in the table above. Please find the assurance report on page no. 181

#The incidents that occurred at manufacturing locations and offices are included.

Note: As per the industry standards released by SEBI, number of permanent disabilities is disclosed under High Consequence Work related Injuries/ Ill health by the company.

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company has incorporated protective measures to ensure a safe and healthy working environment. Ensuring the well-being and safety of all regular and contractual employees is a fundamental priority for the organisation.

The organisation's Occupational Health, Safety, and Environmental (OHSE) Policy, authorised by the Managing Director and CEO, serves as a compulsory guideline for every individual employed by or representing Thermax Limited. We emphasise the non-negotiable adherence to Thermax's lifesaving rules throughout the Company. The importance of these rules is communicated to all employees and workers, including contractor workers, highlighting that any deviation from these principles will not be tolerated, with consequences clearly outlined for violations.

The Company is committed to providing regular Health, Safety, and Environment (HSE) training to all employees through on-the-job training, classroom training, and online training covering diverse safety subjects. We conducted the IOSH Managing Safely training programme for our line managers.

In compliance with statutory requirements, safety committees have been established, and safety council meetings are organised regularly at respective work locations and business units.

Pre-employment medical fitness evaluations are a condition of hiring, ensuring that all employees and workers meet health standards. Compliance with Health, Safety & Environment guidelines is affirmed by department heads and undergoes regular scrutiny. To monitor attentively, periodic safety audits and inspections focussed on high-risk sectors such as work at height, material handling, confined spaces, electrical, and fire safety parameters are performed by cross-functional teams. If necessary, corrective actions are taken promptly to rectify any issues identified.

We also encourage our line managers to take on the role of a safety officer for a day, performing tasks such as conducting toolbox talks, safety inspections, safety meetings, and incident investigations.

Safety is highlighted as the utmost priority during all Board meetings, creating a ripple effect that extends to every employee. The accountability framework emphasises the safety of permanent, contractual, and temporary workers. The Company pledges to maintain these initiatives and explore further opportunities to solidify the safety measures for our workforce.

13. **Number of complaints on the following made by employees and workers**

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed During the Year	Pending Resolution at the End of the Year	Remarks	Filed During the Year	Pending Resolution at the End of the Year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health and Safety	0	0	NA	0	0	NA

Note: The Company has a mechanism to track complaints and the numbers are mentioned under respective heads in the report. There are no other complaints received during the year.

14. **Assessments for the year**

	% of Your Plants and Offices that Were Assessed (by Entity or Statutory Authorities or Third Parties)
Health and Safety Practices	No assessment was conducted by the statutory authority.
Working Conditions	No assessment was conducted by the statutory authority.

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

Not Applicable

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N), (B) Workers (Y/N)?**

Employees (Y/N)	Yes
Workers (Y/N)	Yes*

**Only permanent workers are considered. The Company has started extending the life insurance coverage to the workers from January 2023 and other workers will be covered gradually. Currently, workers engaged at 2 manufacturing units are covered under the Death Benevolent Fund as a part of the wage settlement agreement.*

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

To ensure a safe and healthy work environment, the entity lays significant emphasis on strict adherence to relevant statutory provisions. This incorporates payment and deduction of mandatory dues, which is duly integrated within the contract agreement with all value chain partners. The Company ensures all clauses associated with legal compliance are meticulously validated and abided by all parties involved. Moreover, contractors are obligated to furnish supporting documentation for the payment of statutory dues, such as Provident Fund (PF), Employee's State Insurance (ESIC) alongside their invoices. Additionally, the entity also supervises the Goods and Services Tax (GST) payments of vendors during the process of releasing payments, further reinforcing its commitment to maintaining legal and regulatory compliance.

3. **Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of Affected Employees/ Workers		No. of Employees/Workers that are Rehabilitated and Placed in Suitable Employment or Whose Family Members Have Been Placed in Suitable Employment	
	FY 2024-25 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2024-24 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicator

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The Company recognises the importance of identifying and engaging with various stakeholders to gain insight into their expectations and develop effective strategies. Key stakeholders, both internal and external, are identified based on their impact on the Company's operations and functioning. These include employees, shareholders, customers, investors, communities, suppliers, and vendors. Channels of communication have been established to facilitate open dialogue and understanding of issues that are critical to their respective interests. This enables us to create shared value and make a positive contribution to building a sustainable society.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether Identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ Others – Please Specify)	Purpose and Scope of Engagement including Key Topics and Concerns Raised During Such Engagement
Owners & Shareholders	No	(1) Annual Report (2) Company website (3) Quarterly calls (4) Investor relationship meetings and AGM (5) Various publications (6) Stock exchange notifications (7) Newspapers (8) Emails (9) Stakeholders Relationship committee (10) Investor relations (11) Registrar & transfer agent	Quarterly/Half Yearly	**Purpose:** (1) Continuously elevating corporate value (2) Delivering better returns on investments **Concerns Raised:** (1) Company's financial health (2) Effective risk controls (3) Fair business practices -Improved return on investment
Employees and Workers	No	(1) Awards (2) Department Meetings (3) Surveys (4) Townhalls (5) Trainings (6) Workshops (7) Nomination & Remuneration Committee (8) Human Resource Function	Continuous	**Purpose:** (1) Employee well-being (2) Functional and soft skill Development (3) Structured learning (4) Talent attraction and retention **Concerns Raised:** (1)Career growth (2) Employee benefits (3) Performance management
Customers	No	(1) Advertisement campaigns (2) Brochures (3) Company website (4) Customer care (5) Customer meets (6) Customer satisfaction survey (7) Feedback forms - Fireside (in-house magazine) (8) Events and exhibitions (9) Emailers (10) Social media webinars	Continuous	**Purpose:** (1) Providing a comprehensive portfolio of products and solutions aligned with their evolving requirements **Concerns Raised:** (1) Quality (2) Responsiveness (3) Timely project completion (4) Engineering technique
Vendors and Business Partners	No	(1) Enquiries via telephone and e-mail (2) Periodic partner meets (3) Publications (4) Supplier surveys (5) Tendering and procurement	Continuous	**Purpose:** (1) Assessment and audit of suppliers (2) Aligning suppliers with environmental and supplier code of conduct (3) Conforming to quality and HSE (Health, Safety and Environment) **Concerns Raised:** (1) Purchase processes (2) Repeat orders (3) Timely payments
Government Authorities	No	(1) Activities through business and industry groups (2) Industry associations (3) Participation in policy councils (4) Inspection (5) Report & return submission to the authorities	Continuous	**Purpose:** (1) Building businesses contributing to the development (2) Making mandatory and non-mandatory disclosures **Concerns Raised:** (1) Compliance with regulations (2) CSR reporting (3) ESG performance

Stakeholder Group	Whether Identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ Others – Please Specify)	Purpose and Scope of Engagement including Key Topics and Concerns Raised During Such Engagement
Communities and Academia Groups	No	(1) CSR initiatives (2) Community development (3) Engaging with local authorities (4) Engaging with research institutes and premier universities	Continuous	**Purpose:** (1) Contributing to the well-being of local communities through social activities (2) Educational Initiatives (3) Health and skill development (4) Research and development initiatives **Concerns Raised:** (1) Creating livelihoods (2) Developing community infrastructure (3) Improving living standards (4) Developing commercially viable solutions

Leadership Indicator

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company's management frequently engages with its key stakeholders, including investors, customers, suppliers, and employees. Progress updates are provided to the Board, and their inputs are sought periodically. The Board of Directors is regularly updated on various topics, including industry overviews, customer service updates, digital initiatives, Corporate Social Responsibility projects, financial performance, and strategy. Additionally, the Directors are briefed on the regulatory environment, including significant regulatory developments, circulars, and amendments by bodies such as the Securities & Exchange Board of India and the Ministry of Corporate Affairs. Feedback from the Board is also collected to ensure alignment and collaboration.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the Company utilises materiality assessments to engage with stakeholders and priority issues related to economic, environmental, and social topics. In addition, the Company interacts with investors and analysts to gain an understanding of their expectations and incorporate them into the sustainability framework. This has led to the development of several initiatives focussed on responsible investing, equal opportunity, diversity and inclusion policies, privacy policies, human capital, environmental impact, and sustainability risk assessments.

3. **Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/marginalised stakeholder groups.**

   The Company places a strong emphasis on education for economically underprivileged children, with Thermax Foundation supporting two Akanksha Foundation schools in Pune through a public-private partnership. Additionally, Thermax Foundation provides support to Akanksha Foundation alumni through mentorship and guidance to pursue higher education and careers. In addition to education, the Company is also involved in addressing social discrimination through affirmative action, skill development, and employability initiatives. The Company's social arm, Thermax Foundation, also addresses complex health, safety, and environmental issues faced by disadvantaged, vulnerable, and marginalised stakeholders.

Principle 5: Businesses should respect and promote human rights

Essential Indicator

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of Employees/ Workers Covered (B)	% (B / A)	Total (C)	No. of Employees/ Workers Covered (D)	% (D/C)
Employees						
Permanent	3,511	3,511	100	3,255	3,255	100
Other than Permanent	4,473	4,473	100	3,834	3,834	100
Total Employees	**7,984**	**7,984**	**100**	**7,089**	**7,089**	**100**
Workers						
Permanent	612	612	100	542	542	100
Other than Permanent	2,438	Not Applicable*		3,159	Not Applicable*	
Total Workers	**3,050**		**-**	**3,701**	**542**	**0**

** For non-permanent workers or contractually employed personnel, the responsibility to provide training on the same aspects of human rights lies with their respective contractors. This unified approach ensures consistent understanding and adherence to the principles that underline a safe and respectful workplace.*

Note: The above table includes employees and workers who had been trained during the year.

As part of an ongoing commitment to uphold Human Rights, the entity has incorporated several measures into its operational activities to ensure a safe and healthy work environment. These include the ongoing implementation of the Human Rights Policy, the inclusion of human rights components into the entity's Code of Conduct, adherence to Child Labour Laws, and the foundation of preventive policies against Sexual Harassment at the workplace.

To facilitate comprehension and awareness of these principles among the workforce, the entity has established a structured induction process for newly appointed employees and permanent workers. This introductory plan includes training and orientation sessions focussed on the aforementioned aspects of human rights in the workplace.

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E/ D)	No. (F)	% (F/ D)
Employees										
Permanent										
Male	2,773	-	-	2,773	100	2,572	-	-	2,572	100
Female	319	-	-	319	100	258	-	-	258	100
Other than Permanent										
Male	2,650	-	-	2,650	100	2,631	-	-	2,650	100
Female	137	-	-	137	100	92	-	-	137	100
Workers										
Permanent										
Male	610	-	-	610	100	540	-	-	540	100
Female	2	-	-	2	100	2	-	-	2	100
Other than Permanent										
Male	2,340	759	32	1,581	68	2,269	-	-	2,269	100
Female	98	62	63	36	37	71	-	-	71	100

3. ***(a) Details of remuneration/salary/wages, median remuneration/wages:***

	Male		Female	
	Number	Median Remuneration/ Salary/Wages of the Respective Category	Number	Median Remuneration/ Salary/Wages of the Respective Category
Board of Directors (BoD)	7	3,820,000	2	5,050,000
Key Managerial Personnel	2	50,116,423	1	5,027,575
Employees other than BoD and KMP	5,423	660,000	456	707,800
Permanent Workers	610	45,609	2	22,982
Contractual Workers	1,181	17,191	98	15,373

(b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-2025 Current Financial Year	FY 2023-2024 Previous Financial Year
Gross wages paid to females as % of total wages	7	6

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 indicators in the table above. Please find the assurance report on page no. 181

Note: As per the industry standards released by SEBI, in addition to the permanent employees/workers, salaries to other than permanent employees/workers (i.e. contractual workers/employees) have included for FY 2024-25. Hence the numbers are not comparable to last year's number to that extent.

4. **Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Operating under COBEC (Code of Business Ethics & Conduct), POSH (Prevention of Sexual Harassment), and the Whistleblower Policy, the Company has established relevant committees to respond to a variety of work-related incidents. Employees and stakeholders who have concerns or grievances have protected channels through which to report them, including directly reaching out to the Chairperson, the Managing Director, or the Chairperson of the Audit Committee. The Company has established a clear procedure for receiving and directing grievances from different platforms towards the relevant parties. Furthermore, strict confidentiality is maintained to protect whistleblowers from any form of retaliatory actions.

Thermax has also implemented the Prevention of Sexual Harassment Policy in accordance with the requisites put forth by the Sexual Harassment of Women at Workplace Act of 2013. This measure is all-inclusive, covering all employees, irrespective of their employment status—permanent, contractual, temporary, or trainees. The Company conducts periodic awareness sessions.

Lastly, with the Company-wide adoption of COBEC, Thermax mandates adherence to a specific set of business ethics and conduct, applicable across all its employees and business associates. This has been complemented by a slew of training programmes aimed at reaching all business divisions and regions since the instatement of COBEC.

6. **Number of complaints on the following made by employees and workers:**

	FY 2024-2025 (Current Financial Year)			FY 2023-2024 (Previous Financial Year)		
	Filed During the Year	Pending Resolution at the End of Year	Remarks	Filed During the Year	Pending Resolution at the End of Year	Remarks
Sexual Harassment	2	0	Complaints are resolved	1	0	Complaint is resolved
Discrimination at Workplace	0	0	No complaint received	0	0	No complaint received
Child Labour	0	0	No complaint received	0	0	No complaint received
Forced Labour/ Involuntary Labour	0	0	No complaint received	0	0	No complaint received
Wages	0	0	No complaint received	0	0	No complaint received
Other Human Rights Related Issues	0	0	No complaint received	0	0	No complaint received

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2024-2025 (Current Financial Year)	FY 2023-2024 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	1
Complaints on POSH as a % of female employees/workers	0.41	0.24
Complaints on POSH upheld	2	1

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 indicators in the table above. Please find the assurance report on page no. 181

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company believes in upholding fairness and meritocracy through a policy framework that strictly adheres to non-discriminatory practices and provides equal opportunities to all individuals, regardless of their gender, religion, caste, race, age, community, physical ability, or sexual orientation. To achieve this, the Company has implemented various policies such as the Code of Conduct, Prevention of Sexual Harassment, and Rights of Persons with Disabilities. These policies ensure a robust grievance redressal process and establish clear employee responsibilities and acceptable conduct. By upholding these policies, the Company promotes a diverse and inclusive culture in the workplace.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

10. **Assessments for the year:**

	% of Your Plants and Offices that Were Assessed (by Entity or Statutory Authorities or Third Parties)
Child Labour	100
Forced/Involuntary Labour	100
Sexual Harassment	100
Discrimination at Workplace	100
Wages	100

Internal Assessment carried out by Thermax Limited at its Plants & offices.

11. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

Not Applicable

Leadership Indicator

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

The organisation has implemented several robust policies and mechanisms to ensure a secure and wholesome work environment. These include COBEC, POSH, Whistleblower, and Equal Opportunity Policies to meticulously manage and address human rights grievances. These frameworks are potent tools to handle any incidents that may impact employees. However, at this stage, no alteration or introduction of business processes has taken place. Through this comprehensive approach, the organisation strictly adheres to maintaining an office environment that respects human rights and promotes well-being.

2. **Details of the scope and coverage of any human rights due diligence conducted.**

The human rights aspects are covered under various laws like the prevention of sexual harassment at the workplace, child labour law, equal opportunity policy, etc. The Company ensures that human rights aspects are strictly adhered to by following the applicable laws.

3. **Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The Company is working towards improving infrastructure for eliminating barriers to accessibility for differently-abled people. Ramps have been constructed at various locations, and wheelchairs and separate washrooms are provided at select sites.

4. **Details on assessment of value chain partners:**

	% of Value Chain Partners (by Value of Business Done with Such Partners) that Were Assessed
Sexual Harassment	54% value chain partners were assessed during FY 24-25.
Discrimination at Workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – Please Specify	

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

Not Applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicator

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From Renewable Sources		
Total Electricity Consumption (A)	32,120	21,295
Total Fuel Consumption (B)	103,848	54,998
Energy Consumption through Other Sources	-	-
Total Energy Consumed from Renewable Sources (A+B+C)	**135,968**	**76,293**
From Non-Renewable Sources		
Total Electricity Consumption (D)	59,715	66,938
Total Fuel Consumption (E)	81,144	118,836
Energy Consumption through Other Sources (F)	-	-
Total Energy Consumed from Non-Renewable Sources (D+E+F)	140,859	185,774
Total Energy Consumed (A+B+C+D+E+F)	276,827	262,067
% of energy consumed from renewable sources	49%	29%
Energy Intensity per Rupee of Turnover (Total Energy Consumption/Revenue from Operations)	0.0000044	0.0000045
Energy Intensity per Rupee of Turnover Adjusted for Purchasing Power Parity (PPP)*$ (Total Energy Consumed/Revenue from Operations Adjusted for PPP)	0.00009145	0.00009435
Energy Intensity in Terms of Physical Output#		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 BRSR core indicators in the table above (other than energy intensity per rupee of turnover). Please find the assurance report on page no. 181

**For FY 2023-24, the revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 by the World Bank for India which is 20.96.*

$For FY 2024-25, the revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by the International Monetary Fund which is 20.66

#Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Energy Intensity.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water Withdrawal by Source (in Kilolitres)		
(i) Surface Water	115,794	125,352
(ii) Groundwater	-	-
(iii) Third Party Water	618,232	582,190
(iv) Seawater/desalinated water	-	-
(v) Others (Rainwater Use)	38,458	32,362
Total Volume of Water Withdrawal (in Kilolitres) (i + ii + iii + iv + v)	**772,484**	**739,304**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Volume of Water Consumption (in Kilolitres)	393,393	388,849
Water Intensity Per Rupee of Turnover (Water Consumed/Turnover)	0.00000629	0.00000668
Water Intensity Per Rupee of Turnover Adjusted for Purchasing Power Parity (PPP) (Total Water Consumption/Revenue From Operations Adjusted for PPP)#$	0.00012996	0.00013999
Water Intensity in Terms of Physical Output^		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the Total volume of water consumption, Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) for the FY 2024-25 indicators in the table above. Please find the assurance report on page no. 181

**The rainwater consumption for the Solapur unit is estimated based on the capacity of water pits for the storage of rainwater.*

#For 2023-24, the revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the World Bank for India which is 20.96.

$For FY 2024-25, the revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by the International Monetary Fund which is 20.66

^Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Water Intensity.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water Discharge by Destination and Level of Treatment (in Kilolitres)		
(i) To Surface Water	-	-
No Treatment	-	-
With Treatment – Please Specify Level of Treatment	-	-
(ii) To Groundwater	-	-
No Treatment	-	-
With Treatment – Please Specify Level of Treatment	-	-
(iii) To Seawater	367,958	349,342
No Treatment	-	-
With Treatment – Please Specify Level of Treatment (Tertiary Treatment)	367,958	349,342
(iv) Sent to Third-Parties	11,133	1,713
No Treatment	7,401	1,713
With Treatment – Please Specify Level of Treatment (Secondary Treatment)	1,129	-
With Treatment – Please Specify Level of Treatment (Tertiary Treatment)	2,603	-
(V) Others	-	-
No Treatment	-	-
With Treatment – Please Specify Level of Treatment	-	-
Total Water Discharged (in Kilolitres)	**379,091**	**351,055**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 indicators in the table above, please find the assurance report on page no.181

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

4 plants (Chinchwad, Savli, Solapur and Paudh) are Zero liquid discharge.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please Specify Unit	FY2024-25 (Current Financial Year)	FY2023-24* (Previous Financial Year)
NOx	T/Y	15	19
SOx	T/Y	13	16
Particulate Matter (PM)	T/Y	33	39
Persistent Organic Pollutants (POP)		Not Applicable	Not Applicable
Volatile Organic Compounds (VOC)	T/Y	6	3
Hazardous Air Pollutants (HAP)		Not Applicable	Not Applicable
Others – Please Specify			

**The numbers for FY 2023-24 are recalculated.*

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFC_s, PFC_s, SF_6, NF_3, if Available)	Metric tonnes of CO_2 equivalent	7,384	8,838^
Total Scope 2 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFC_s, SF_6, NF3, if Available)	Metric tonnes of CO_2 equivalent	12,059	13,312
Total Scope 1 and Scope 2 Emission intensity Per Rupee of Turnover (Total Scope 1 and Scope 2 GHG Emissions/Revenue from Operations)	Metric tonnes of CO_2 equivalent / Crore of revenue	0.00000031	0.00000038
Total Scope 1 and Scope 2 Emission Intensity Per Rupee of Turnover Adjusted or Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG Emissions/Revenue from Operations Adjusted for PPP)*$		0.00000642	0.00000798
Total Scope 1 and Scope 2 Emission Intensity in Terms of Physical Output#			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 BRSR core indicators in the table above (other than Total Scope 1 and Scope 2 emission intensity per rupee of turnover). Please find the assurance report on page no. 181

**For FY 2023-24, the revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the World Bank for India which is 20.96*

$For FY 2024-25, the revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by the International Monetary Fund which is 20.66

#Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Scope 1 and Scope 2 emission Intensity.

Total Biogenic emissions due to biomass and biofuel for FY 2024-25 and FY 2023-24 is 11,337 MTCO2e and 6,160 MTCO2e respectively.

^Biogenic emissions in FY 2023-24 were included in Scope 1 emissions, it is now disclosed separately.

8. **Does the entity have any projects related to reducing green house gas emission? If yes, then provide details.**

Over the past year, significant strides have been made through targeted initiatives, such as maximising renewable electricity use at key manufacturing facilities in Chinchwad and Shirwal, increasing the installed solar rooftop capacity by 109 kWp at Solapur, and switching the fuel at the Chinchwad plant's furnace from light diesel oil to piped natural gas. These specific actions have culminated in a notable reduction in absolute emissions, amounting to 19443 tCO_2e, which is a 42.6% reduction from the FY19 baseline.

9. **Provide details related to waste management by the entity, in the following format**

Parameter	FY 2024-25 (Current Financial Year)	FY2023-24 (Previous Financial Year)
Total Waste Generated (in metric tonnes)		
Plastic Waste (A)	151	148
E-waste (B)	15	7
Bio-medical Waste (C)	0**	0**
Construction and Demolition Waste (D)	71	-
Battery Waste (E)	0***	-
Radioactive Waste (F)	-	-
Other Hazardous Waste. Please Specify, if Any. (G)	13,355	12,780
Other Non-Hazardous Waste Generated (H). Please Specify, if Any. (Break-Up by Composition i.e. by Materials Relevant to the Sector)	4,124	3,543
Total (A+B + C + D + E + F + G+ H)^	**17,716**	**16,479**
Waste Intensity Per Rupee of Turnover (Total Waste Generated/Revenue From Operations)	0.00000028	0.00000028
Waste Intensity Per Rupee of Turnover Adjusted For Purchasing Power Parity (PPP).*$ (Total Waste Generated/Revenue from Operations Adjusted for PPP)	0.00000585	0.00000593
Waste Intensity in Terms of Physical Output#		
Waste Intensity (Optional) – the Relevant Metric May Be Selected by The Entity		
For Each Category of Waste Generated, Total Waste Recovered Through Recycling, Reusing or Other Recovery Operations (in Metric Tonnes)		
Category of waste		
(i) Recycled	14,040	3,912
(ii) Reused	71	-
(iii) Other Recovery Operations	-	-
Total	**14,111**	**3,912**
For Each Category of Waste Generated, Total Waste Disposed by Nature of Disposal Method (in Metric Tonnes)		
Category of waste		
(i) Incineration (Including Co-processing)	2,469	11,381
(ii) Landfilling	1,137	1,186
(iii) Other Disposal Operations	-	-
Total	**3,605**	**12,567**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 BRSR core indicators in the table above (other than waste intensity per rupee of turnover). Please find the assurance report on page no. 181

**For FY 2023-24 the revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the World Bank for India which is 20.96*

$For FY 2024-25, the revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by the International Monetary Fund which is 20.66

***Bio-medical Waste - 0.03 for FY 2023-24 and FY 2024-25.*

****Battery Waste is NIL for FY 2023-24 and 0.04 for FY 2024-25 respectively*

#Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of waste Intensity.

^Waste is accounted for at the time of disposal and therefore waste disposed has been considered as waste generated.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company has implemented comprehensive waste management practices focussing on waste segregation, monitoring, and responsible disposal in accordance with regulations. At Paudh manufacturing unit has optimised lime consumption, resulting in a significant reduction in ETP sludge generation. The Company has also diverted 24% of boiler ash to brick manufacturing, with plans to recycle 100% of it from January 2025. Furthermore, all manufacturing units have remained single-use plastic-free throughout FY 2024–25, promoting sustainability and reducing plastic waste. Our approach ensures that hazardous and toxic chemicals are minimised by substituting them with safer alternatives in water treatment and other processes, contributing to reduced waste generation and enhanced environmental compliance.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:**

S. No.	Location of Operations/Offices	Type of Operations	Whether the Conditions of Environmental Approval/Clearance are Being Complied with? (Y/N) If No, The Reasons Thereof and Corrective Action Taken, if Any.
NIL			

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and Brief Details of Project	EIA Notification No.	Date	Whether Conducted by Independent External Agency (Yes / No)	Results Communicated in Public Domain (Yes / No)	Relevant Web Link
NIL					

13. **Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the Law/ Regulation/Guidelines which Was Not Complied with	Provide Details of the Non- compliance	Any Fines/Penalties/Action Taken by Regulatory Agencies Such as Pollution Control Boards or by Courts	Corrective Action Taken, if Any
NIL				

Leadership Indicator

1. **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres).**

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area – Ahmedabad, Bengaluru, Bhubaneshwar, Chandigarh, Chennai, Kolkata, Lucknow and Delhi

(ii) Nature of operations – Regional Offices & Guest Houses

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface Water	-	-
(ii) Groundwater	-	-
(iii) Third Party Water	4,333	1,223
(iv) Seawater/Desalinated Water	-	-
(v) Others	-	-
Total Volume of Water Withdrawal (in kilolitres)	**4,333**	**1,223**
Water Intensity per Rupee of Turnover(Water consumed/ turnover)	0.00000007	0.00000002
Water Intensity (optional) – The Relevant Metric may be Selected by the Entity	-	-
Water Discharge by Destination and Level of Treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – Please Specify Level of Treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With Treatment – Please Specify Level of Treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With Treatment – Please Specify Level of Treatment	-	-
(iv) Sent to Third-parties	-	-
- No Treatment	1,735	-
- With Treatment – Please Specify Level of Treatment	1,680	-
(v) Others	-	-
- No Treatment	-	-
- With treatment – Please Specify Level of Treatment	-	-
Total Water Discharged (in Kilolitres)	**3,415**	**-**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 Emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if Available)	Metric tonnes of CO2 equivalent	Not captured in FY 24-25	Not captured in FY 23-24
Total Scope 3 Emissions Per Rupee of Turnover	Metric tonnes of CO2 equivalent	Not captured in FY 24-25	Not captured in FY 23-24
Total Scope 3 Emission Intensity (Optional) – The Relevant Metric May Be Selected by the Entity	Metric tonnes of CO2 equivalent	Not captured in FY 24-25	Not captured in FY 23-24

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No manufacturing unit and offices are located in ecological sensitive area. Hence, not applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative Undertaken	Details of the Initiative (Web-link, if any, may be provided along-with summary)	Outcome of the Initiative
1	Switching to Cleaner Fuel at Chinchwad Plant (LDO to PNG)	The Company has successfully transitioned from Light Diesel Oil (LDO) to Piped Natural Gas (PNG) for the stress release furnace at our Chinchwad plant, demonstrating our commitment to sustainability and operational efficiency. Previously, the use of LDO resulted in high greenhouse gas (GHG) emissions, poor air quality, and frequent maintenance issues due to inefficient burner placement and manual operation requirements. To address these challenges, we implemented several solutions, including the installation of a PNG gas line, 18 gas burners, a gas train, an air modulator, an auto temperature controller, a flame ignitor, and a gas meter. Additionally, we modified the exhaust system for better efficiency and connected the controller to a UPS line for uninterrupted operation.	The project, meticulously planned and executed, has resulted in a significant reduction of 1150 tCO_2e per year, lower operational costs, improved air quality, and reduced maintenance needs.
2	In Dahej Boiler Ash Diversion to Brick Manufacturing	Collaborated with and financed a local brick manufacturing unit to utilise boiler ash as a raw material for making fly-ash bricks. This initiative supports waste-to-resource circularity and local entrepreneurship.	- In FY 2024–25, 24% of total boiler ash generated was diverted to brick manufacturing. - From January 2025 onwards, 100% of boiler ash generated is being recycled for brick production. - Reduced landfill dependency and supported sustainable local entrepreneurship.
3	Water Neutrality Achievement at Sricity Unit	The Sricity manufacturing unit conducted a comprehensive water audit and implemented rainwater harvesting, treated water reuse, and water conservation measures. Following third-party verification, the unit was certified as Water Positive by TÜV SÜD.	- Achieved a Water Positive Ratio of 1.54 in FY 2024–25.
4	Single-Use Plastic Free Manufacturing Units	All manufacturing units Dahej, Paudh, Jhagadia, Savli, Chinchwad, Solapur and Sricity implemented strict protocols to eliminate the use of single-use plastics, including vendor engagement, employee sensitisation, and replacement with sustainable alternatives.	- Promoted behavioural change and reduced plastic waste footprint.
5	Water Neutrality Recertification at Solapur Unit	The Solapur unit underwent a detailed water audit and implemented comprehensive measures like large-scale rainwater harvesting, treated water reuse, and water balance monitoring. Following third-party assessment, the unit was recertified as Water Positive by TÜV SÜD.	- Achieved a Water Positive Ratio of 5.61 in FY 2024–25.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a focussed policy framework on Business Continuity & Disaster Recovery Management and wherein Thermax's management, business heads, and other senior executives, commit to implementing and managing BCP and DR processes for their respective key applications and infrastructure. Detailed recovery procedures are documented and maintained for implemented recovery strategies. Periodic tests/Disaster Recovery drills are planned to ensure that business continuity is viable, effective, and meets the recovery objective as appropriate.

6. **Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No such adverse impact related to the environment found during assessment.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

54% sustainable sourced/value chain assessed via Thermax standard Sustainable Supply Chain Management (SSCM) check sheet on environment.

8. **How many Green Credits have been generated or procured:**

   a. ***By the listed entity*** - NIL

   b. ***By the top ten (in terms of value of purchases and sales respectively) value chain partners*** -

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicator

1. ***(a) Number of affiliations with trade and industry chambers/associations:*** 4

   (b) List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the Trade and Industry Chambers/Associations	Reach of Trade and Industry Chambers/ Associations (State/National)
1	CII's National Committee for Capital Goods & Engineering	National
2	Mahratta Chamber of Commerce, Industries and Agriculture	State
3	Boilers and Pressure Vessels Sectional Committee, MED01, BIS	National
4	National Safety Council	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of Authority	Brief of the Case	Corrective Action Taken
Not Applicable	Not Applicable	Not Applicable

NIL. There is no litigation filed/pending or completed against Thermax Limited regarding any anti-competitive behaviour and violations of anti-trust provisions under the Competition Act, 2002.

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicator

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and Brief of Project	SIA Notification No.	Date of Notification	Whether Conducted by Independent External Agency (Yes / No)	Result Communicated in Public Domain (Yes/No)	Relevant Web Link
No such project was initiated which requires Social Impact Assessment.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Name of Project which R&R is Ongoing	State	District	No of Project Affected Families (PAFs)	% of PAFs Covered by R&R	Amount Paid to PAFs in the FY (In Rs.)
No rehabilitation and resettlement were undertaken by the entity during this reporting period					

3. **Describe the mechanisms to receive and redress grievances of the community.**

Any community member can raise a complaint on Company's toll-free number and email address provided on the Company's website which is monitored, addressed, and a proper record is maintained under the Whistleblower Policy.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY2024-25 (Current Financial Year)	FY2023-24 (Previous Financial Year)
Directly Sourced from MSMEs/Small Producers	66%	59%
Directly from Within India	98%	95%

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 indicators in the table above. Please find the assurance report on page no. 181

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorised as per RBI Classification System - rural/semi-urban/ urban/ metropolitan)**

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	6	10
Semi-Urban	2	2
Urban	8	1
Metropolitan	84	87

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 indicators in the table above. Please find the assurance report on page no. 181

For the purpose of categorisation of people employed at locations into Rural/Semi-Urban/Urban/ Metropolitan the following mechanism has been adopted along with RBI Classification System:

(a) All manufacturing locations and offices are mapped basis their respective actual addresses. All employees are reported on the basis of their base office location.

(b) As per the industry standards released by SEBI, in addition to the permanent employees/workers, salaries to other than permanent employees/workers (i.e. contractual workers/employees) have included for FY 2024-25. Hence the numbers are not comparable to last year's number to that extent.

Leadership Indicator

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of Negative Social Impact Identified	Corrective Action Taken
Not applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount Spent (In Rs.)
1	Rajasthan	Sirohi	15,40,500

3. ***(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No):*** No

   (b) From which marginalised/vulnerable groups do you procure? NA

   (c) What percentage of total procurement (by value) does it constitute? NA

4. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No of Persons Benefitted from CSR Project	% of Beneficiaries from Vulnerable and Marginalised Group
1	School Project - Thermax Foundation (TF) funds two Pune Municipal Corporation (PMC) Schools run by NGO Akanksha Foundation through public-private partnership (PPP). Through this project, students from underprivileged economic families receive access to quality education.	1,739	100%
2	Alumni Project - TF supports the alumni from Akanksha Foundation as well as another NGO iTeach to continue higher education after school. Since most of the students are first-generation learners, through alumni projects, they receive career guidance, academic mentoring and support for junior college enrolment.	4,632	100%
3	Skill Building - TF supports (based on identified need) the community youth from villages near Thermax factories, who have dropped out from education after class 10th to develop skills, and take on roles like electrician, data entry operator. The NGO partner provides training and placement to a minimum of 75% among them in nearby companies.	657	100%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner equitable development

Essential Indicator

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The organisation has initiated several measures to guarantee a secure and healthy working environment. These measures include the establishment of a system to receive customer complaints and feedback, which is managed via diverse modes such as email, transmittal letters and verbal conversations. Complaints that come through Thermax Channel Associates (TCAs) are diligently registered on a dedicated IT-enabled platform where they are reviewed by our dedicated service team. The team also records the corresponding resolutions in SFDC. In scenarios where the complaints are directly received from customers by our Customer Relationship Center (CRC), they are immediately sent to the respective teams for relevant action. Monitoring customer complaints through Salesforce.com allows us to enhance our efficiency and responsiveness, while effectively identifying and addressing recurring issues. Hence, this strategy contributes significantly to ensuring a safe and healthy work environment as it effectively manages potential sources of stress and dissatisfaction.

2. **Turnover of products and services as a percentage of turnover from all products/service that carry information about:**

	As a Percentage to Total Turnover
Environmental and Social Parameters Relevant to the Product	All the products of the Company contain relevant information as required under applicable laws
Safe and Responsible Usage	
Recycling and/or Safe Disposal	

3. **Number of consumer complaints in respect of the following:**

	FY2024-2025 (Current Financial Year)		Remarks	FY2023-2024 (Previous Financial Year)		Remarks
	Received During the Year	Pending Resolution at End of Year		Received During the Year	Pending Resolution at End of Year	
Data Privacy	0	0	No such complaint received in FY 2024-25	0	0	No such complaint received in FY 2023-24
Advertising	0	0	No such complaint received in FY 2024-25	0	0	No such complaint received in FY 2023-24
Cyber-Security	0	0	No such complaint received in FY 2024-25	0	0	No such complaint received in FY 2023-24
Delivery Of Essential Services	0	0	No such complaint received in FY 2024-25	0	0	No such complaint received in FY 2023-24
Restrictive Trade Practices	0	0	No such complaint received in FY 2024-25	0	0	No such complaint received in FY 2023-24
Unfair Trade Practices	0	0	No such complaint received in FY 2024-25	0	0	No such complaint received in FY 2023-24
Other	0	0	No such complaint received in FY 2024-25	0	0	No such complaint received in FY 2023-24

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for Recall
Voluntary Recalls	0	NA
Forced Recalls	0	NA

5. **Does the entity have a framework/policy on cybersecurity and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   The Company regularly provides training on security awareness to its employees. Unused information is archived and purged according to the Company's Data Retention Policy. Role-specific access to IT equipment is created and controlled. Implementation of identity and access management through single sign-on and multi-factor authentication is underway. Servers and databases for all hosted applications are currently being upgraded for high availability. The Company regularly tests its disaster recovery plan for critical applications. The cybersecurity and risk related policy is published on the intranet.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   Not Applicable

7. **Provide the following information relating to data breaches:**

   a) Number of instances of data breaches: NIL

   b) Percentage of data breaches involving personally identifiable information of customers: NIL

   c) Impact, if any, of the data breaches: NIL

   Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2024-25 indicators in the table above. Please find the assurance report on page no. 181

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The details of the product and services are available on https://www.thermaxglobal.com/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company's tech-enabled assets/products drive operational efficiency and sustainable growth for its customers. Additionally, the Company places a strong emphasis on educating the customers through product manual/e-manual about the responsible usage of its products and services.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not Applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Necessary information is provided through the product manual

Independent Practitioner's Reasonable Assurance Report on Identified Sustainability Information in Thermax Limited's Business Responsibility and Sustainability Report pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Thermax Limited

We have undertaken to perform a reasonable assurance engagement for Thermax Limited (the "Company") vide our Engagement Letter dated February 20, 2025 in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in the Business Responsibility and Sustainability Report ("BRSR") section in the Integrated Annual Report of the Company for the financial year ended March 31, 2025 pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations"). This engagement was conducted by a team comprising of assurance practitioners and engineers/ environment experts.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2025, is summarised in Appendix 1 to this report.

Our reasonable assurance engagement was only with respect to the Identified Sustainability Information included in the BRSR of the Company for the financial year ended March 31, 2025.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is the "BRSR Core", which is a subset of the BRSR, consisting of a set of Key Performance Indicators ("KPIs")/ metrics under nine Environmental, Social and Governance ("ESG") attributes, as per the format of BRSR Core specified in Annexure 17A read with the format of BRSR and the Guidance Note given in Annexure 16 and 17, respectively, of the SEBI 'Master Circular for compliance with the provisions of the SEBI LODR Regulations, 2015 by listed entities' dated November 11, 2024, and the SEBI Circular on the 'Industry Standards on Reporting of BRSR Core' dated December 20, 2024 (collectively referred to as the "SEBI Circulars").

Management's Responsibilities

The Company's Management is responsible for determining the Reporting Boundary of the BRSR, and for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations including the SEBI Circulars related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, and content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR, and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Company are also responsible for overseeing the Company's compliance with the requirements of LODR Regulations and the SEBI Circulars in relation to the BRSR Core.

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Inherent limitations in preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Price Waterhouse Chartered Accountants LLP (the "Firm") applies Standard on Quality Control 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", the International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that perform Audits or Reviews of Financials Statements, or Other Assurance or Related Services Engagements" and ISQM 2 "Engagement Quality reviews", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements ("SSAE") 3000 "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements ("SAE") 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the International Auditing and Assurance Standards Board (collectively referred to as "the Standards").

These Standards require that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error and responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Information;

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- Made enquiries of Company's Management, including the various teams such as Sustainability team, Human Resource team, etc., and those with responsibility for managing standalone BRSR;
- Obtained an understanding and performed an evaluation of the key systems and processes for managing, recording and reporting on the Identified Sustainability Information as per Appendix 1 including at the sites and corporate office visited. This did not include testing of the design and operating effectiveness of management systems and controls;
- Based on above understanding, the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing and extent of further procedures;
- Checked the consolidation for various plants and corporate office under the reporting boundary (as mentioned in the BRSR) for ensuring the completeness of data being reported;
- Performed substantive testing on a sample basis of the Identified Sustainability Information for various sites and corporate office under the reporting boundary (as mentioned in the BRSR) to verify that data had been appropriately measured with underlying documents recorded, collated and reported. This includes assessing records and performed testing including recalculation of sample data to establish an assurance trail;
- Where applicable for the Identified Sustainability Information in the BRSR, we have relied on the information in the audited standalone financial statements of the Company for the year ended March 31, 2025, which were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 9, 2025, expressed an unmodified opinion on those standalone financial statements;
- Assessed the level of adherence to the BRSR format issued by Securities and Exchange Board of India (SEBI) followed by the Company in preparing the Integrated Report, which includes the BRSR;
- Assessed the BRSR for detecting, on a test basis, any major anomalies between the information reported in the BRSR on performance with respect to agreed information and relevant source data/information;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the Management in the preparation of the Identified Sustainable Information; and
- Obtained representations from Company's Management.

Exclusions

Our reasonable assurance scope excludes the following and therefore we do not express an opinion on the same:

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1 to this report.
- Aspects of the BRSR and data/ information (qualitative or quantitative) included in the BRSR, other than the Identified Sustainability Information.
- Data and information outside the defined reporting period, i.e., the financial year ended March 31, 2025.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/ or data.

Opinion

Based on the procedures performed and the evidence obtained, the Company's Identified Sustainability Information summarised in Appendix 1 to this report and included in the BRSR for the financial year ended March 31, 2025 are prepared, in all material respects, in accordance with the Criteria specified in the "Criteria" section of our report.

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Restriction on use

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditor of the Company or otherwise.

This report has been issued at the request of the Board of Directors of the Company to whom it is addressed, solely to enable them to comply with the requirements of the Circular and LODR Regulations, on reporting Company's sustainability performance and activities, and for publishing the same as a part of the BRSR Report forming part of Company's Integrated Annual Report which will be published on the Company's website. Our report should not be used for any other purpose or by any person other than the addressee of our report. Price Waterhouse Chartered Accountants LLP does not accept or assume any liability or any duty of care for any other purpose or to any person other than the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/500016

Hirak Patwa
Partner
Membership Number: 128990
UDIN: 25128990BMOYHZ1878

Place: Ahmedabad
Date: July 04, 2025

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Appendix 1

Identified Sustainability Information (BRSR Core KPIs)

Sr. No.	Principle and indicator reference*	Attribute	Parameters (KPIs) Assured
1.	Principle 6 – E7	Green-house gas (GHG) footprint	1. Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) 2. Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) 3. GHG Emission Intensity (Scope 1 +2) a) Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP b) Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services
2.	Principle 6 – E3 and E4	Water footprint	1. Total water consumption 2. Water consumption intensity a) Water Intensity per rupee of turnover adjusted for PPP b) Water Intensity in terms of physical output 3. Water Discharge by destination and levels of Treatment
3.	Principle 6 – E1	Energy Footprint	1. Total Energy Consumed 2. % of energy consumed from renewable sources 3. Energy intensity a) Energy Intensity per rupee of turnover adjusted for PPP b) Energy Intensity in terms of physical output
4.	Principle 6 – E9	Embracing circularity- details related to waste management by the entity	1. Plastic waste (A) 2. E-waste (B) 3. Bio-medical waste (C) 4. Construction and demolition waste (D) 5. Battery waste (E) 6. Radioactive waste (F) 7. Other Hazardous waste (G) 8. Other Non-hazardous waste generated (H) 9. Total waste generated (A+B + C + D + E + F + G + H) 10. Waste intensity a) Waste Intensity per rupee of turnover adjusted for PPP b) Waste Intensity in terms of physical output 11. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations 12. For each category of waste generated, total waste disposed by nature of disposal method

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5	Principle 3 – E1(C) Principle 3 – E11	Enhancing employee wellbeing and Safety	1.Spending on measures towards well-being of employees and workers- cost incurred as a % of total revenue of the company 2. Details of safety related incidents for employees and workers a) Number of Permanent Disabilities b) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) c) No. of fatalities
6.	Principle 5 – E3(b) Principle 5 – E7	Enabling Gender Diversity in Business	1. Gross wages paid to females as a % of wages paid 2. Complaints on POSH a) Total Complaints on Sexual Harassment (POSH) reported b) Complaints on POSH as a % of female employees / workers c) Complaints on POSH upheld
7.	Principle 8 – E4 Principle 8 – E5	Enabling Inclusive Development	1. Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers and directly from within India 2. Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
8.	Principle 9 – E7 Principle 1 – E8	Fairness in Engaging with Customers and Suppliers	1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events 2. Number of days of accounts payable
9.	Principle 1 – E9	Open-ness of business	Instances involving loss/ breach of data of customers as a percentage of total da 1. Concentration of purchases & sales done with trading houses, dealers, and related parties a) Purchases from trading houses as % of total purchases b) Number of trading houses where purchases are made from c) Purchases from top 10 trading houses as % of total purchases from trading houses d) Sales to dealers / distributors as % of total sales e) Number of dealers / distributors to whom sales are made f) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors 2. Loans and advances & investments with related parties Share of RPTs (as respective %age) in- a) Purchases b) Sales c) Loans & advances d) Investments

*'E' indicates Essential Indicator

Annexure-3 to the Directors' Report

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

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

A. Conservation of Energy

(i) Steps Taken for Conservation of Energy

Thermax, a prominent player in energy and environmental solutions, has made notable progress in its decarbonisation efforts. The company has been actively enhancing operational efficiency, switching to cleaner fuels, and initiating renewable energy projects to reduce its carbon footprint and foster sustainability. Over the past year, Thermax has implemented various energy and resource conservation measures, including:

a. Electricity:

Thermax has effectively executed multiple operational efficiency projects at its manufacturing plants. These include AC usage optimisation, capacity optimisation in shotblasting booth, shot blasting and bending machine automation, ideal machine shutoff, deploying motion sensors to prevent unnecessary usage, substituting water pumps with energy-efficient pumps. These initiatives have not only resulted in reduced energy consumption and greenhouse gas emissions for Thermax but have also enhanced operational efficiency and lowered costs.

b. Fuel:

Thermax is actively enhancing operational efficiency and minimising its carbon footprint through strategic projects. For instance, at the Chinchwad Plant, LDO fuel is replaced with Natural Gas to reduce GHG Emission. These efforts have led to a significant reduction of 1150 tCO_2e/Annum. These projects have resulted in cost savings and substantial environmental benefits.

c. Water:

Thermax reinforces its commitment to sustainable water management through impactful initiatives across its manufacturing units. This year, our Shirwal and Sricity units earned Water Positive certification, and Solapur was successfully recertified. We also boosted our rainwater harvesting potential by 191%, significantly enhancing our conservation efforts. Additionally, through strategic reuse and recycling initiatives, we successfully offset 21% of our total water demand using alternate sources such as treated wastewater and internal reuse.

(ii) Steps Taken by the Company for Utilising Alternate Sources of Energy:

The Company is actively implementing initiatives to increase the utilisation of renewable energy sources. The Company has procured 114 lakh units of renewable energy through open access mechanism.

Moreover, Thermax has generated 21.1 lakh units from a combined capacity of 2.838 MWp across its plants in Savli, Jhagadia, Sri City, Solapur and Pune offices, showcasing a strong commitment to adopting renewable energy for its operations. The Company has enhanced its renewable energy capacity at Solapur by installing a 109 kwp Solar PV system.

Overall, Thermax has consumed a total of 135 lakh units of renewable power this year, demonstrating significant efforts to reduce its environmental impact through renewable energy adoption.

(iii) Capital Investment on Energy Conservation Equipments

The Company has spent ₹ 2.55 crore as capital expenditure on Carbon Reduction Projects for FY 2024-25.

B. Technology Absorption, Adaption & Innovation

(i) Efforts Towards Technology Development, Innovation with Benefits derived like Product Improvement, Cost Reduction, Product Development, and Import Substitution

- **Carbon Capture and utilisation:**

  Under the initiative of Decarbonisation, a new Technology Development & Demonstration project on Carbon-Capture and Utilisation (CCU) was proposed as a bolt-on arrangement to the existing Coal-to Methanol plant and sanctioned by

DST. The MoU between Thermax and the Academic partner (IITD) has been signed and the project kicked off successfully. The technology can be applied to sectors like steel, cement, and power.

The indigenous technology development has garnered interest from various stakeholders, including Indian private corporations and PSUs, aiming to scale up coal-to-chemical projects. With the CCU project sanctioned by DST, the company now has the opportunity to develop technology for converting CO_2 into value-added products such as methanol, DME etc.

- **Hydrogen (AEM/GPS/ BIO)**

  An AEM-based electrolyser development programme has started, with cell-level testing completed with repeatability, and stack-level (2.5 KW) performance testing is now underway. The joined development programme along with CSIR's National Chemical Laboratory has successfully completed its phase 1 where in a 2.5 kWe AEM Electrolyser POC was successfully demonstrated to the Project monitoring committee. The AEM development project will now enter into the phase 2 where a commercial size of 30 kWe module will be demonstrated.

  The Company had initiated (2023-24) a new in-house modular gas purification system (GPS) which will reduce the footprint and cost compared to conventional systems. POC trials are completed on the new gas purification system. A conventional GPS is also built, and trials are taken simultaneously to create a baseline with which the new design was compared and found to be successful. Biomass based Hydrogen can help us to produce 20% more hydrogen than conventional biological route. The POC trials are going on and steady progress in achieving the target results are seen in these trials.

- **Falling Film Evaporator for ZLD:**

  During this year, Plate type Falling film Evaporator development was initiated and is nearing completion. This will reduce the energy consumption of the current MVR based thermal evaporation system of ZLD systems by 55%. Currently MVR units above 80 KLD capacities are site erected. With this development even 120 KLD systems will be supplied as a complete factory assembled packaged unit. The new class of FFE-MVR system will be ready for commercial proposal from end of Q1 FY 2025-26.

- **Higher Capacity Non-IBR Electric Boiler (up to 1500 kg/h)**

  During this year a new concept of embedded electric heat exchanger was conceptualised and used in the development of high-capacity non-IBR boilers. The non-IBR boiler is currently under alpha trials and will be launched in the coming months through Heating division.

C. In Case of Imported Technology (Imported During the Last Three Years Reckoned from the Beginning of the Financial Year), the Following Information is Furnished:

Technology Imported	Year of Import	If Technology has been Fully Absorbed	If not absorbed, reasons and future plan of Action
Solid Oxide Electrolysis	FY 2024-25	The Technology is yet to be absorbed.	The technology transfer is currently under-progress, detailed engineering and development of pilot project ongoing to set up a pilot project by March 2026.
High Pressure Condensate Polishing Unit (HPCPU) Technology	FY 2024-25	The Technology is yet to be absorbed.	The technology transfer is proposed to be undertaken on a 'live project' and shall be completed upon receipt of relevant project.
Anaerobic system for ETP	FY 2024-25	The Technology is yet to be absorbed.	The technology transfer is proposed to be undertaken on a 'live project' and shall be completed upon receipt of relevant project.

D. Expenditure on R&D

Amount (₹ Crore)

Particulars	Current Year 2024-25	Previous Year 2023-24
Capital	3.94	1.71
Recurring	37.40	35.02
Total	41.34	36.73
Total R&D expenditure as a percentage of turnover	**0.4%**	**0.4%**

E. Foreign Exchange Earnings and Outgo

The Company's operations in export markets are elaborated in the Management Discussion and Analysis which is a part of its Director's Report.

The details of the foreign exchange earnings and outgo are given below:

Amount (₹ Crore)

Particulars	Current Year 2024-25	Previous Year 2023-24
Inflow	1,549	1,296
Outflow	488	455
Net	1,061	841

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

Meher Pudumjee
Chairperson
DIN: 00019581

Pune, May 9, 2025

Annexure 4 to the Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES AND CSR POLICY

1. A Brief Outline on CSR Policy of the Company

The Board of Directors of Thermax Limited, after taking into account the recommendations of the CSR Committee, has approved the CSR Policy for the Company. The highlights of the policy are given in this report and the complete policy is uploaded on the Company's website.

The Company has been focussing predominantly in the area of education of economically underprivileged children. Apart from education, Thermax is also involved, in a small way, in addressing the issue of social discrimination through affirmative action, skill development and employability initiatives.

Thermax created a formal structure named Thermax Social Initiative Foundation as a Section 25 Company (under the erstwhile Companies Act, 1956) in 2007 to design and implement its CSR Programme. In 2015-16, it was renamed Thermax Foundation (TF) and continues to be the primary implementing agency for the Thermax Group.

2. Composition of the CSR Committee

The Committee met two times on April 12, 2024, and October 17, 2024, during the year. Details of the Committee members and meetings attended by the members are as follows:

Sr. No.	Name of Director Designation/ Nature of Directorship	Number of Meetings of the CSR Committee Held during the Year	Number of Meetings of the CSR Committee Attended During the Year
1	Meher Pudumjee Chairperson Non-Executive Promoter Director	2	2
2	Dr. S.B (Ravi) Pandit Committee Member & Independent Director	2	1
3	Nawshir Mirza* Committee Member & Independent Director	2	1
4	Shyamak Tata* Committee Member & Independent Director	2	1

**Mr. Shyamak Tata was appointed w.e.f. July 22, 2024, as a member of the committee, Mr. Nawshir Mirza, ceased to be a member w.e.f. July 21, 2024.*

3. Provide the web link where the composition of the CSR committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the company: https://www.thermaxglobal.com/corporate-governance-policies-and-disclosures/

4. Average net profit of the company as per section 135(5): **374.32 crore**

5. (a) 2% of average net profit of the company as per section 135(5): **7.49 crore**

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

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

(d) Total CSR obligation for the financial year (7a+7b- 7c): **7.49 crore**

6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project)

(b) Amount spent on administrative overheads: **Nil**

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

(d) Total amount spent for the financial year [(a) + (b) + (c)]: **7.49 crore**

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in Rs. crore)				
	Total Amount Transferred to Unspent CSR Account as per Section 135(6)		Amount Transferred to Any Fund Specified Under Schedule VII as per Second Provision to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
7.49	Nil	-	Nil	-	-

(b) Excess amount for set off, if any

Sr. No.	Particulars	Amount (in Rs. crore)
(i)	2% of the average net profit of the Company as per section 135(5)	7.49
(ii)	Total amount spent for the financial year	7.49
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. (a) Details of unspent CSR amount for the preceding three financial years: Nil

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account Under Section 135(6) (in Rs.)	Balance Amount Spent in Unspent CSR Account Under Section 135(6) (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount Transferred to a Fund as Specified Under Schedule VII as per Second provision to Sub-section (5) of Section 135, if any		Amount Remaining to be Spent in Succeeding Financial Years (in Rs.)	Deficiency
					Amount (in Rs.)	Date of transfer		
1	FY 1							
2	FY 2							
3	FY 3							

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

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

Ashish Bhandari	**Meher Pudumjee**
DIN: 05291138	DIN: 00019581
(Managing Director & CEO)	(Chairperson, CSR Committee)

Form No. MR-3

Annexure 5(a) to the Directors' Report

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2025

Pursuant to section 204(1) of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To,
The Members,
Thermax Limited
D-13, MIDC, Ind Area,
R D Aga Road, Chinchwad,
Pune -411019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Limited** (hereinafter called the Company) bearing **CIN: L29299PN1980PLC022787.** The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on March 31, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year ended on March 31, 2025 (audit period)** according to the provisions of:

i. The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 **(Not applicable to the Company during the audit period);**

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the audit period);**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period);** and

h. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);**

vi. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

We have also examined compliance with the applicable clauses and regulations of the following:

i. Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

ii. The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated with shorter period of less than seven days, all the Directors, including Independent Directors, have consented to the shorter period of circulation of the same.

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that,

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period:

1. The Company entered into a Share Purchase Agreement ("SPA") and a Shareholders Agreement ("SHA") on February 06, 2024, with TSA Process Equipments Private Limited (TSA) and its shareholders to acquire 51% equity shares of TSA subject to certain conditions. The Company completed the acquisition of 51% equity shares of TSA for cash consideration of INR. 71.14 crore subject to certain adjustments with effect from April 19, 2024, thus making it a subsidiary of the Company.
2. The Company has incorporated Thermax Chemical Solutions Private Limited (TCSPL), as a wholly-owned subsidiary on May 28, 2024, with a paid-up capital of INR. 9.90 crore.
3. The Company has amended the main object clause of the Memorandum of Association vide special resolution passed in the Annual General Meeting dated August 1, 2024.
4. First Energy Private Limited, a wholly-owned subsidiary of the Company, has entered into Share Purchase Agreement (SPA) on September 06, 2024 for acquisition of 100% of the equity share capital of Onix-Two Enersol Private Limited (OTEPL) thus, making it a step-down subsidiary of the Company.
5. Company has entered into the Share Purchase and Share Subscription Agreement with Buildtech Products India Private Limited on October 25, 2024, for acquiring its 100% of the equity share capital and making it a wholly-owned subsidiary of the Company. This acquisition was completed on December 20, 2024.
6. Thermax Denmark ApS, a wholly-owned subsidiary of the Company has incorporated Thermax Chemical Europe A/S, as its wholly-owned subsidiary on December 06, 2024, thus, making it a step-down subsidiary of the Company.
7. Thermax Chemical Solutions Private Limited, a wholly-owned subsidiary of the Company, has incorporated Thermax Vebro Polymers India Private Limited (TVPIPL) on July 18, 2024. Further, TVPIPL ceased to be the wholly-owned step-down subsidiary of the Company with effect from March 03, 2025, due to allotment made pursuant to the Technology License Agreement executed with Vebro Polymers Holdings Limited.

For SVD & Associates
Company Secretaries

Sridhar Mudaliar
Partner

FCS No: 6156
C P No: 2664

Unique Code of the Firm: P2013MH031900
Peer Review No : 6357/2025
UDIN: F006156G000274875

Place: Pune
Date: May 9, 2025

*Note: This report is to be read with the letter of even date by the Secretarial Auditors, which is annexed as **Annexure A** and forms an integral part of this report.*

ANNEXURE A

To,
The Members
Thermax Limited
D-13, MIDC, Ind Area, R D Aga Road, Chinchwad, Pune -411019

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. We have relied on the documents and evidence provided by the Company either physically or in electronic mode.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For SVD & Associates
Company Secretaries

Sridhar Mudaliar
Partner

FCS No: 6156
C P No: 2664

Unique Code of the Firm: P2013MH031900
Peer Review No : 6357/2025
UDIN: F006156G000274875

Place: Pune
Date: May 9, 2025

Form No. MR-3
Annexure 5(b) to the Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Thermax Babcock & Wilcox Energy Solutions Limited
Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg, Near Regal Cinema, Colaba, Mumbai MH 400039

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Babcock & Wilcox Energy Solutions Limited (hereinafter called 'the Company').** Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 (audit period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(not applicable to the Company during the audit period)**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(not applicable to the Company during the audit period)**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investment; **(not applicable to the Company during the audit period)**

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (**Following sub-clauses (a) to (h) are not applicable to the Company during the audit period as Company continues to be a Unlisted Public Company in its Articles under Section 2(71) of the Act)**

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

(vi) Following important specific laws applicable to the Company, as confirmed by the Company were substantially complied with:

a. The Boilers Act, 1923

b. The Environment (Protection) Act, 1986

c. The Contract Labour (Regulation and Abolition) Act, 1970

I have also examined compliance with applicable clauses of the following:

(i) Secretarial Standards (SS.1 relating to meetings of the Board of Directors & SS.2 relating to General Meetings) issued by the Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable to the Company during the audit period)**

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except when meetings were called at shorter notice as permitted u/s. 173(3) of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case maybe.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- Mr. Ravinder Advani (DIN: 01677195), Director of the Company resigned w.e.f. April 24, 2024.
- Mr. Nawshir Mirza (DIN: 00044816), Director of the Company resigned w.e.f. July 22, 2024.
- At the Annual General Meeting held on July 30, 2024, Mr. Rajesh Bunkinkere Channakeshaviah (DIN: 10486449) was regularised as Director of the Company and was appointed as Whole Time Director of the Company w.e.f. February 6, 2024.
- The Company at the Annual General Meeting held on July 30, 2024, Mr. Shyamak R. Tata (DIN: 07297729) was regularised as Director of the Company.
- The Company has approved the payment of dividend on Preference shares and redemption of 52,700,000 8% Cumulative Redeemable Preference shares (RPS) of Rs. 10 each by passing circular resolution on July 18, 2024.
- The Company at Extra Ordinary General Meeting held on May 8, 2024, passed a special resolution to increase the limit under section 186 up to Rs. 1,000 crore.

For Amit Jaste & Associates
Practising Company Secretaries

Amit Jaste
Proprietor

FCS No.:7289
CP No.:12234

Date: May 7, 2025
Place: Mumbai
UDIN: F007289G000292376
Peer review No: 1751/2022

This report is to be read with our letter of even date, which is annexed as Annexure-A and forms an integral part of this report

Annexure A

To,
The Members,
Thermax Babcock & Wilcox Energy Solutions Limited
Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg,
Near Regal Cinema, Colaba Mumbai MH 400039

Our report of even date to be read along with this letter.

1) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.

6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Amit Jaste & Associates
Practising Company Secretaries

Amit Jaste
Proprietor

FCS No.:7289
CP No.:12234

Date: May 7, 2025
Place: Mumbai
UDIN: F007289G000292376
Peer review No: 1751/2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matters

We draw attention to:

(a) Note 30(A)(a) of the consolidated financial statements relating to the demand orders of Rs. 1,385.47 crore from the Commissioner of Central Excise, Pune for which department had filed an appeal before the Supreme Court. Pending outcome of the matter, no provision has been considered necessary.

(b) Note 30(A)(d) of the consolidated financial statements relating to the Arbitral Award against the Holding Company for claims of Rs. 218.45 crore by the Arbitral Tribunal under a contract with customer for dispute and related provisions. The Holding Company has made a provision of Rs. 50.63 crore and for the balance amount, no provision has been considered necessary. The Holding Company has received stay of operation and execution of the Arbitral Award by the High Court of Bombay after depositing an amount of Rs. 218.45 crore.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
A) Accounting for Revenue from Contracts with Customers *(as described in Note 21 of the consolidated financial statements)*	
Revenues are recognised under Ind AS 115, "Revenue from Contracts with Customers" basis the nature and type of contracts (i.e., products, projects and services) involved. We consider accounting of revenue contracts to be an area posing a significant risk of material misstatement and accordingly a key audit matter as due to the varied nature of the contracts, identification of contractual obligations, timing of transfer of control, significant judgements involved in determining the contract costs, rights to receive payments including those for performance completed till date and recognition for potential loss making contracts/ onerous obligations. Revenue and profits for the year may deviate significantly on account of changes in the above judgements and estimates. Accordingly, this is considered as a Key Audit Matter. The total revenues for the year amounted to Rs. 10,255.81 crore and recognised based on the accounting policies disclosed in the Note 21 to the consolidated financial statements.	The audit procedures performed by us and the auditors of the subsidiaries ('other auditors') included the following: • We and other auditors understood the Group's policies and processes, control mechanisms and methods in relation to the revenue recognition for revenue contracts and evaluated the design and operative effectiveness of the financial controls through our test of control procedures. • We and other auditors obtained and read the terms of sample revenue contracts to evaluate the management's process to assess nature of contractual performance obligations, timing of transfer of control to customers and other relevant terms necessary for revenue recognition during the year. • We and other auditors tested revenue, on sample basis, recorded during the period closer to year-end by testing the underlying documentation. • For contracts, on sample basis, accounted for under 'over the period in time' method, we and other auditors performed the following procedures among others: – **Provision for liquidated damages and claims:** Discussed with management and project teams to understand the status of the project, likelihood of customers imposing any contractual penalties through inspection of the relevant documents, etc. – **Contingency provisions:** Understood the management's estimate and rationale for recording and changes to the contingency provision during the year. We discussed progress to date with project teams to determine whether the remaining contingency provision is sufficient for the residual risks identified for those projects. – **Assessment of costs-to-complete:** Performed procedures on balance cost estimation, compared actual costs to budgeted costs and discussed variances with project teams, tested the costs accrued at year-end and tested the significant assumptions for balance costs-to-complete.

Key audit matters	How our audit addressed the key audit matter
	• We and other auditors performed analytical procedures and conducted inquiries about any unusual trends of revenue recognition, checked exceptions for contracts with low or negative margins, loss making contracts/ onerous contracts, contracts with significant changes in cost estimates and significant overdue net receivable positions for contracts, etc. • We read and tested the presentation and disclosure in the consolidated financial statements are in accordance with Ind AS 115.
B) Impairment of trade receivables and contract assets *(as described in Note 7 and 9 of the consolidated financial statements)*	
Impairment of financial assets and contract assets is accounted through allowance for Expected Credit Losses (ECL) under Ind AS 109 and is expected to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. Impairment of financial assets is a key audit matter as the Group has devised a model to recognise impairment through ECL using individual receivables or for homogeneous group of receivables with similar credit risk characteristics. The calculation of the impairment allowance under ECL method is highly judgemental as it requires Group management to make significant assumptions on customer payment behavior and other relevant/risk characteristics when assessing the Group's statistics of historical information and estimating the level and timing of expected future cash flows. Considering the materiality and the complexity involved, this is considered as a Key Audit Matter. As at March 31, 2025, the Group recorded an impairment allowance of Rs. 452.72 crore for its receivables and contract assets.	The audit procedures performed by us, and the other auditors included the following: • We and other auditors evaluated the management's key data sources and assumptions used in the ECL to determine impairment allowance. • We and other auditors understood the management's basis to consider the associated risks for identifying homogeneous group of receivables and contract assets. • We and other auditors evaluated the process followed by the Group for determination of credit risk and the resultant basis for classification of receivables into various stages. • For a sample of receivables, we and other auditors tested the ageing of the receivables and contract assets considered for impairment calculations. • We and other auditors assessed the completeness of receivables and contract assets included in the ECL calculations as of the reporting date. • We and other auditors considered the consistency of various inputs and assumptions used by the Group management to determine impairment provisions. • We read and tested the disclosures in the notes to consolidated financial statements are as per the relevant accounting standards.

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

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

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

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

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

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

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

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

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

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

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

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

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

We communicate with Those Charged With Governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the companies incorporated in India, there are no qualifications or adverse remarks made by us or the respective auditors in the Companies (Auditor's Report) Order report of the companies included in the consolidated financial statements. Accordingly, the requirement to report on the clause 3(xxi) of the Order is not applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matters' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of accounts required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except that with respect to certain entities as disclosed in note 43A to the consolidated financial statements, the back-up of books of account was not kept in servers physically located in India on a daily basis as stated in Note 43A to the consolidated financial statements and for the matters and except for the matters stated in the paragraph 2(j)(vi) below on reporting under Rule 11(g);

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matters against the Group described in 'Emphasis of Matters' paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on

March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under section 143(3)(b) and paragraph 2(j)(vi) below on reporting under Rule 11(g);

(h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this Report;

(i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2025, has been paid by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its Consolidated financial position of the Group and its associates in its consolidated financial statements – Refer Note 30A to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Notes 9(b) and 18(b) to the consolidated financial statements in respect of such items as it relates to the Group and its associates and (b) the Group's share of net loss in respect of its associates;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2025;

iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, 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 the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. (a) The final dividend paid by the Holding Company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;

(b) The interim dividend declared and paid during the year by subsidiaries incorporated in India and until the date of the respective audit reports of such subsidiaries is in accordance with section 123 of the Act;

(c) As stated in note 15(b) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend; and

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 43B to the consolidated financial statements, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered in respect of other accounting software. Additionally, the audit trail of relevant prior years has been preserved by the Group as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in Note 43B to the consolidated financial statements.

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

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 25213935BMOZUJ3042

Place: Pune
Date: May 09, 2025

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

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

Opinion

In our opinion, the Holding Company and its subsidiaries which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

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

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

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 25213935BMOZUJ3042

Place: Pune
Date: May 09, 2025

CONSOLIDATED BALANCE SHEET

as at March 31, 2025

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

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

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

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

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

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2025

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

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

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

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

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

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2025

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

A Equity Share Capital^

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

** Represents less than a lakh*

B Other Equity^ (Refer note 15)

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

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

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

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

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2025

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

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

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2025

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

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

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

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

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

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

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

Meher Pudumjee
Chairperson
DIN: 00019581

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Managing Director and CEO
DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

1 Corporate Information

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

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

The Group further has investments in Associates.

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

2 Material Accounting Policies

2.1 Basis of preparation, measurement and consolidation

a. Basis of preparation

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

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

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

b. Basis of measurement

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

concern basis under historical cost convention except the following:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans whereby the plan assets are measured at fair value.
- Equity settlted ESOP at grant date fair value at each reporting date.

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

c. Basis of consolidation

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidation procedure

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The accounting policy regarding business combinations and goodwill explains how to account for any related goodwill;

(c) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

d. Business combinations

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

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

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

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

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

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

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

2.2 Summary of material accounting policies

a. Investment in associates

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

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

(a) representation on the board of directors or equivalent governing body of the investee;

(b) participation in policy-making processes, including participation in decisions about dividends or other distributions;

(c) material transactions between the entity and its investee;

(d) interchange of managerial personnel; or

(e) provision of essential technical information.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

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

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

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

b. Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

c. Foreign currencies

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

Transactions and balances

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

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

Group companies

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

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

d. Fair value measurement

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

a) Share based payment transactions covered by Ind AS 102 - "Share based payments";

b) Leasing transactions covered by Ind AS 116 - "Leases".

In such cases, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In addition or further, fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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

e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

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

(i) Debt instruments at amortised cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

(ii) Debt instrument at FVTPL

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

(iii) Equity investments

All equity investments in scope of Ind AS 109 - "Financial Instruments", are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

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

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

Impairment of financial assets

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

- **Trade receivables -** Refer note 7;
- **Loans -** Refer note 8;
- **Contract assets and other financial assets -** Refer note 9;
- **Finance lease receivables -** Refer note 31.

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

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

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

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meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

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

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

Derecognition

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

Offsetting of financial instruments

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

f. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

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

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated Statement of Profit and Loss. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in consolidated statement of Profit and Loss.

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

g. Shares held by ESOP and Welfare trusts

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

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

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

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

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

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

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

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

2.3 Changes in accounting policies and disclosures

(a) New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 - "Insurance Contracts"

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

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

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

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

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

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

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

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transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

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

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

(b) Standards issued but not yet effective

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

Lack of exchangeability – Amendments to Ind AS 21

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

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

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

2.4 Climate-related matters

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

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

The areas involving critical estimates or judgements are:

a. Estimates and assumptions related to useful lives and impairment of Property, Plant and Equipment (PPE) (Refer note 4);

b. Estimations used for fair value measurement (Refer note 7);

c. Estimates and assumptions for income taxes (Refer note 10);

d. Estimates and assumptions related to provisions (Refer note 19);

e. Estimates, judgements and assumptions used for revenue from operations (Refer note 21);

f. Estimates and judgements used for contingent liabilities and commitments (Refer note 30);

g. Judgements related to leasing arrangements (Refer note 31);

h. Judgements related to segment reporting (Refer note 34);

i. Estimations used for fair value measurement (Refer note 36).

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4 Property, Plant and Equipment (PPE)

Accounting policy

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

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

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

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

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

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

Estimates and assumptions:

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

Accounting policy

Impairment of PPE

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

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

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

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

Estimates and assumptions

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

(a) Property, Plant and Equipment

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

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

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

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

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

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

^Refer note 45

Capital Work-in-Progress ('CWIP')

Accounting policy

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

Ageing of CWIP*:

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

**For CWIP, there are no projects whose completion date is overdue or exceeded its cost as compared to its original plan for the year ended and as at March 31, 2025 and March 31, 2024 except:*

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

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

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

Accounting policy

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

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

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

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

For assets pledged as security, refer note 16.

^Refer note 45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

(c) Goodwill and Intangible Assets

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

^^Refer note 45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

^Ageing of intangible assets under development

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

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

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

(d) Impairment Tests for Goodwill

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

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

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

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

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

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

The key assumptions used for the calculations are as follows:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(e) Depreciation, Amortisation and Impairment Expenses

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

(f) Capitalisation of Expenses

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

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

5 Investment in Associates

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

(a) Investment in associates - Equity method

(i) Investment in Covacsis Technologies Private Limited

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

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

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

Note:

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

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

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

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

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

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

(ii) Investment in Exactspace Technologies Private Limited

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

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

Particulars	As at March 31, 2025	As at March 31, 2024
Current assets		
Cash and cash equivalents	1.09	4.68
Other current assets	4.49	3.53
Total current assets (A)	**5.58**	**8.21**
Total non-current assets (B)	**6.51**	**0.47**
Non-current liabilities		
Financial liabilities	0.10	0.10
Other non-current liabilities	0.39	0.23
Total non-current liabilities (C)	**0.49**	**0.33**
Current liabilities		
Financial liabilities	0.49	0.35
Other current liabilities	1.65	1.68
Total current liabilities (D)	**2.14**	**2.03**
Net assets E=(A+B-C-D)	**9.46**	**6.32**
Group's share in net assets - 15.17% (March 31, 2024: 15.17%)	1.44	0.96
Other adjustment	0.31	-
Goodwill	8.58	8.58
Carrying amount	**9.71**	**9.54**

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

6 Other Investments

(a) Non-Current Investments

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

#Deemed cost is considered to be Nil as on April 1, 2015.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(b) Current Investments

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

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

7 Trade Receivables - At Amortised Cost

Accounting policy

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

(a) Non-Current Trade Receivables

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

The ageing of non-current trade receivables:

Particualrs		Not due	Outstanding for the following period from due date of payments: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables - Considered good	March 31, 2025	168.45	-	-	-	-	-	168.45
	March 31, 2024	*165.35*	-	-	-	-	-	*165.35*
Sub-total	March 31, 2025	**168.45**	**-**	**-**	**-**	**-**	**-**	**168.45**
	March 31, 2024	***165.35***	**-**	**-**	**-**	**-**	**-**	***165.35***
Less: Impairment allowance	March 31, 2025							(20.60)
	March 31, 2024							*(14.72)*
Total	**March 31, 2025**							**147.85**
	March 31, 2024							***150.63***

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

(b) Current Trade Receivables

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

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

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

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

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

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

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

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The ageing of current trade receivables:

Particulars		Not due	Outstanding for the following period from due date of payments: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables - Considered good	March 31, 2025	1,352.44	892.73	197.38	143.93	50.15	96.44	2,733.07
	March 31, 2024	*1,101.12*	*830.49*	*162.65*	*164.24*	*45.05*	*108.10*	*2,411.65*
(ii) Undisputed trade receivables - Which have significant increase in credit risk	March 31, 2025	-	-	-	-	-	8.79	8.79
	March 31, 2024	*0.17*	*0.17*	*0.08*	*0.02*	*0.41*	*14.32*	*15.17*
(iii) Undisputed trade receivables - Credit impaired	March 31, 2025	8.20	4.08	5.13	17.13	6.23	6.05	46.82
	March 31, 2024	*0.87*	*6.03*	*2.36*	*9.67*	*7.79*	*9.86*	*36.58*
(iv) Disputed trade receivables - Considered good	March 31, 2025	-	-	-	-	-	1.57	1.57
	March 31, 2024	-	-	-	-	-	*9.17*	*9.17*
(v) Disputed trade receivables - Which have significant increase in credit risk	March 31, 2025	-	-	-	-	-	3.87	3.87
	March 31, 2024	-	-	-	-	-	*3.87*	*3.87*
(vi) Disputed trade receivables - Credit impaired	March 31, 2025	-	-	-	1.19	-	0.21	1.40
	March 31, 2024	-	-	*1.19*	-	-	-	*1.19*
Sub-total	March 31, 2025	**1,360.64**	**896.81**	**202.51**	**162.25**	**56.38**	**116.93**	**2,795.52**
	March 31, 2024	*1,102.16*	*836.69*	*166.28*	*173.93*	*53.25*	*145.32*	*2,477.63*
Unbilled trade receivables	March 31, 2025							21.64
	March 31, 2024							*10.37*
Less: Impairment allowance	March 31, 2025							(399.66)
	March 31, 2024							*(371.57)*
Total	**March 31, 2025**							**2,417.50**
	March 31, 2024							*2,116.43*

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

(c) Expected Credit Loss (ECL)

Estimates and judgements

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

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

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

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

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

8 Loans - At Amortised Cost

(a) Non-Current Loans

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

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(b) Current Loans

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

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

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

9 Other Financial Assets

Accounting policy

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

(a) Other Non-Current Financial Assets

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

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

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

** Refer note 9(b)*

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

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(b) OTHER CURRENT FINANCIAL ASSETS

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

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

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

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

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

10 Income Taxes

Accounting policy

Tax expense comprises of current tax expense and deferred tax.

Current tax

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

Current income tax relating to items recognised outside profit or loss is recognised either in OCI or in equity, in correlation to the underlying transaction. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

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

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

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

Estimates and assumptions

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

Deferred tax

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

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

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

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for the year ended March 31, 2025

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

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

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

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

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

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

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

11 Other Assets

(a) Other Non-Current Assets

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

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(b) Other Current Assets

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

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

12 Inventories

Accounting policy

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

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

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

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

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

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

For assets pledged as security, refer note 16.

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for the year ended March 31, 2025

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(a) Cash and Cash Equivalents

Accounting policy

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

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

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

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

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

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

(b) Other Bank Balances - At Amortised Cost

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

(c) Changes in Liabilities arising from Financing Activities

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

** Lease obligation includes new leases.*

14 Share Capital

Accounting policy

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

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

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

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

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

(b) Terms/rights attached to equity shares

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

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for the year ended March 31, 2025

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

(c) Equity shares held by Holding Company

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

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

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

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

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

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

**represents less than 0.01%.*

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

15

(a) Other Equity

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Nature and purpose of reserves

Capital redemption reserve

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

Capital reserve

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

General reserve

Represents amounts transferred from retained earning.

Retained earnings

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

Securities premium

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

Share options outstanding account

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

Cash flow hedge reserve

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

Foreign currency translation reserve

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

Defined benefit obligation

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

(b) Distribution made and Proposed Dividend

Accounting policy

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

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

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

16 Borrowings - At Amortised Cost

(a) Non-current borrowings

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

(b) Current borrowings

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

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

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

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

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

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

Assets pledged as security

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

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

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

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

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

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

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

17 Trade Payables - at Amortised Cost

(a) NON-CURRENT TRADE PAYABLES

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related parties (Refer note 33)	-	-
ii) Others	54.37	48.15
Total	**54.37**	**48.15**

The ageing of non-current trade payables:

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

(b) Current Trade Payables

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

For terms and conditions with related parties, refer note 33.
Trade payables are non-interest bearing and are generally on terms of 7 to 90 days.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

The ageing of current trade payables:

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

18 Financial Liabilities

Accounting policy

Redemption liability

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

(a) Other Non-Current Financial Liabilities

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

(b) Other Current Financial Liabilities

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

**includes dealer deposits, security deposits, etc.*

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

19 Provisions

Accounting policy

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

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

Warranty provisions

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Provision for onerous contracts

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

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

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

Provision for litigation

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

Decommissioning liability

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

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

Retirement and other employee benefits

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

(a) The date of the plan amendment or curtailment; and

(b) The date that the Group recognises related restructuring costs.

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

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

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

Long term incentives

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

Termination benefits

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

(a) When the Group can no longer withdraw the offer of these benefits; and

(b) When the entity recognises cost for a restructuring that is within the scope of Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets” and involves payment of termination benefits.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Estimates and assumptions

- **Provision for onerous contracts:** The Group provides for future losses on EPC contracts where it is considered highly probable that the contract costs are likely to exceed revenues in future years. Estimating these future losses involves a number of assumptions about the achievement of contract performance targets and the likely levels of future cost escalation over time.

- **Warranty provision:** The Group offers warranty for its various products. Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of warranty costs. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives. Warranty provisions are discounted using a pre-tax discount rate which reflects current market assessments of time value of money and risks specific to the liability.

- **Defined benefit plan - Gratuity:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations through projected unit cost method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

(a) Non-Current Provisions

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

(b) Current Provisions

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

Movement in provisions

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

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

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(c) Gratuity

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

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

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

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

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

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

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

III Significant assumptions

The principal actuarial assumptions were as follows:

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

IV Sensitivity analysis

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

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

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

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

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

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

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

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V The major categories of plan assets are as follows:

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

(d) OTHER LONG-TERM EMPLOYEE BENEFITS

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

20 Other Liabilities

Accounting policy

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

(a) Other Non-Current Liabilities

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

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

(b) Other Current Liabilities

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

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

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

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21 Revenue from Operations

Accounting policy

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

The Group has following streams of revenue:

- **Revenue from Engineering, Procurement and Construction contracts**

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

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

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

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

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

  (c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

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

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

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

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

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

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

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

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

- **Revenue from sale of goods**

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

- **Revenue from sale of services**

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

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

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

- **Revenue from sale of power**

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

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Estimates and assumptions

EPC contracts

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

judgements

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

(a) Revenue from Contract with Customers

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

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for the year ended March 31, 2025

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

(b) Other Operating Revenue

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

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

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

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

i) By category of contracts

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

Revenue by segment (Refer note 34)

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

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for the year ended March 31, 2025

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

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

ii) Contract balances

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

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

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

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

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

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

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

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

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for the year ended March 31, 2025

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

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

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

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

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

v) Performance obligations

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

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

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

Remaining performance obligations:

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

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

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for the year ended March 31, 2025

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

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

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

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

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

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

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

vii) Information about geographic segments

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

22 Other Income

Accounting policy

(i) Interest income

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

(ii) Dividend

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

(iii) Rental income

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

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

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

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

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

23 Cost of Raw Material and Components Consumed

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

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

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

25 Employee Benefit Expenses

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

**Salaries and wages includes director sitting fees*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

26 Finance Costs

Accounting policy

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

Judgement

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

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

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

27 Other Expenses

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

28 Earnings Per Share (EPS)

Accounting policy

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

(i) **Basic EPS** is computed by dividing the net profit for the year attributable to the equity shareholders of the Parent by the weighted average number of equity shares outstanding during the year.

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

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

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

**Dilution include share options granted under ESOP Scheme.*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

29 Components of Other Comprehensive Income (OCI)

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

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

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

30 Contingent Liabilities and Commitments

A Contingent Liabilities

Accounting policy

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

Judgements

Tax and legal contingencies

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

a) Details of contingent liabilities

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

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

a) Taxes*^

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

**Excluding interest and penalty thereon.*

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

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

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

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

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

c) Guarantees

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

d) Others^

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

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

^Excluding of interest and penalty thereon.

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

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

 # Includes a dispute arose between the Group and its subcontractor, for alleged non-payment of an amount of Rs. 3.67 (March 31, 2024 :Rs. 3.67). Whereby in August 2023, the MSMEFC Cuttack, Odisha (council) passed an order against the Group ordering to pay to the subcontractor an amount of Rs. 3.45 (March 31, 2024 :Rs. 3.45) (principal plus interest) , despite having no jurisdiction to entertain the claims of the subcontractor. Further, the award was passed by the council without following the due process under the Arbitration and Conciliation Act, 1996. The Group has challenged the award before the Hon'ble High Court of Odisha by way a writ petition for setting aside the award and the Hon'ble Court passed an order granting a stay on the execution of the award through its order dated November 02, 2023. The writ petition is listed for next hearing on May 12, 2025 and the Group has also filed a section 34 petition under the Arbitration and Conciliation Act, 1996, before the Hon'ble commercial court, at Cuttack for setting aside the award which is next listed for June 20, 2025.

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

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

B Capital and Other Commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 150.64 (March 31, 2024: Rs. 659.52).

b) Estimated amount of contracts remaining to be executed for assets which are to be leased to customers and are currently under commissioning (net of advances) and not provided for is Rs. 11.10 (March 31, 2024: Rs. 20.47).

c) Estimated amounts of contract remaining to be executed as part of Other commitments is Rs. 21.62 (March 31, 2024: Rs. Nil)

d) For lease commitments, refer note 31.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

31 Leasing Arrangements

Accounting policy

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

Judgements

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

Segregation of lease and non-lease components of the consideration

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

i) WHERE THE GROUP IS LESSOR:

Accounting policy

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

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

a) Amounts receivable under Finance lease -

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

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

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

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

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

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

b) Operating lease

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

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

ii) WHERE THE GROUP IS LESSEE:

Accounting policy

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

(1) The contract involves the use of an identified asset;

(2) The Group has substantially all of the economic benefits from use of the asset through the period of the lease; and

(3) The Group has the right to direct the use of the asset.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Details of amounts recognised in statement of Profit and Loss

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

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

32 Interests in other Entities

Group information

A SUBSIDIARIES

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

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group As at March 31, 2025	Ownership interest held by the Group As at March 31, 2024	Principal activities
1	Thermax Onsite Energy Solutions Limited	India	100%	100%	Offers sustainable solutions, essentially renewable in nature, for utilities namely steam, heat, chilled water (Cooling), Water and Wastewater, Power and Combined Heat and Power, through outsourced utility delivery services based on the Build-Own-Operate/ Transfer (BOO/T) business model
2	Thermax Instrumentation Limited	India	100%	100%	Supply and erection commissioning of Air cooled condenser (ACC), Rotary air Pre-Heater (RAPH), electrostatic precipitator (ESP), Bag Houses. Civil, Erection & Commissioning and Operation and Maintenance of power plants.
3	Thermax Engineering Construction Company Limited	India	100%	100%	Installation of industrial machinery and equipment.
4	Thermax Sustainable Energy Solutions Limited^^^^	India	NA	100%	Carbon advisory services.
5	Thermax International Limited	Mauritius	100%	100%	Investment Company.
6	Thermax Europe Limited	United Kingdom	100%	100%	Sale and service of vapour absorption chillers.
7	Thermax Inc.	USA	100%	100%	Sale and service of vapour absorption chillers and sale of chemicals.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

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

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

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

B PARENT ENTITY

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

C ASSOCIATES

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

The investments listed above has been accounted by equity method.

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

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

33 Related Party Disclosures

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

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

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

C Key Management Personnel:

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

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

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

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

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

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

F Transactions with related parties:

a. Transactions during the year:

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

b. Balances as at the year end:

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

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

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

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

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for the year ended March 31, 2025

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

H Terms and conditions of related party transactions:

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

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

All outstanding balances are unsecured and repayable in cash.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

34 Segment Reporting

Accounting policy

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

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

Judgements

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

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

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

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

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

I Information about Business Segments:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

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

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for the year ended March 31, 2025

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

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

Reconciliations to amounts consolidated in financial statements

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

II Information about geographic segments:

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

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

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

35 Non-Controlling Interests

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

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

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

Summarised balance sheet	As at March 31, 2025
Current assets	
Cash and cash equivalents	5.26
Other current assets	1.99
Total current assets (A)	**7.25**
Total non-current assets (B)	**9.53**
Non-current liabilities	
Other non-current liabilities	0.48
Total Non-current liabilities (C)	**0.48**
Current liabilities	
Financial liabilities	4.78
Other current liabilities	0.12
Total current liabilities (D)	**4.90**
Net assets E = (A+B-C-D)	**11.40**
Accumulated non-controlling interests (49.9%)	**5.69**

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

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

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

For details on redemption liabilities, refer note 18.

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

Non- Controlling interest Movement

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

36 Fair Value Measurements

Estimates and assumptions

Fair value measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of assumption is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

a) Category of financial instruments and valuation techniques

(i) Financial assets

Details of financial assets carried at amortised cost

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2025
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Details of financial assets carried at fair value through Profit and Loss

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

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

Details of derivative assets

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

(ii) Financial liabilities

Details of financial liabilities carried at amortised cost

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

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

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

Details of derivative liabilities

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

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

b) Fair value hierarchy

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

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

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

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

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

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

37

(a) Financial Risk Management

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

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

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

I Market risk

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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a Interest rate risk

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

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

b Foreign currency risk

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

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

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

Foreign currency sensitivity

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	Impact on profit before tax		Impact on other components of equity	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
INR/ JPY - Decrease by 1%	-	(0.02)	-	-
EUR Sensitivity				
INR/ EUR - Increase by 1%	0.25	0.77	1.67	0.44
INR/ EUR - Decrease by 1%	(0.25)	(0.77)	(1.67)	(0.44)

Favourable impact shown as positive and adverse impact as negative.

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

c Price risk

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

II Credit risk

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

Trade receivables/contract assets/lease receivable

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

Financial instruments and bank deposits

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

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

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for the year ended March 31, 2025
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III Liquidity risk

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

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

(i) Maturities of financial liabilities

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

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

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

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(b) Hedging Activities and Derivatives

Cash flow hedges

Foreign currency risk

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

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

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

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

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

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

All the derivative contracts expire in next 12 months.

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

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

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

Reclassifications to profit or loss during the year gains or losses included in OCI are shown in Note 29.

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38 Struck off Companies^

There are no shares held in struck off companies. Below are details of investment, receivable, payable and any other transactions outstanding with struck off companies.

For the year ended March 31, 2025, there are no transactions with struck off companies.

For the year ended March 31, 2024:

Name of struck off company	Entity name	Nature of transactions	Transaction during the year	Balance outstanding at the end of the year	Relationship with the struck off Company, if any, to be disclosed
Parim Infocomm Private Limited	Thermax Instrumentation Limited	Payable	-	**	None
Optima Erectors Pvt. Ltd.	Thermax Instrumentation Limited	Trade payables	0.10	**	None
Compact Global Private Limited	Thermax Babcock & Wilcox Energy Solutions Ltd	Payable	-	0.65	None

***Less than a lakh rupees*

^Information in this regard is on basis of intimation received, on requests made by the Holding Company and its Indian subsidiaries, with regards to registration of vendors and customers under the Act.

39 Capital Management

The Group's objective for capital management is to maximise long term shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. No changes were made in the objectives, policies or processes during the years ended March 31, 2025 and March 31, 2024. Capital represents equity attributable to equity holders of the Parent Company.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Borrowings	1,693.34	1,255.95
Lease liabilities	24.32	21.48
Less: Cash and cash equivalents(includes deposits with maturity of more than 3 months but less than 12 months)	(1,153.92)	(975.93)
Net debt	**563.74**	**301.50**
Equity attributable to equity holders of the parent	4,936.89	4,439.80
Capital and net debt	**5,500.63**	**4,741.30**
Gearing ratio	**1:9.76**	**1:15.73**

Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that defines capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. One of the subsidiary has not complied with some of the debt covenants as at March 2025, refer note 16 for details.

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

40 Share Based Payments

Employees Stock Option Plan 2021 (ESOP 2021)

The Board of Directors and the shareholders of the Holding Company approved Employee Stock Option Plan at their meeting in January 2022. Pursuant to this approval, the Holding Company instituted ESOP 2021 Plan in January 2022. The nomination and remuneration committee of the Holding Company administers this Plan. Each option carries with it the right to purchase one equity share of the Holding Company. The Options have been granted to employees of the Holding Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such option. Option Granted under ESOP 2021 shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 3 (Three) years from the date of grant. The vesting of the options is 33%, 33% and 34% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No.of options	Weighted average exercise price per option	No.of options	Weighted average exercise price per option
Options outstanding at the beginning of the year	41,699	15.25	21,609	15.25
Granted during the year	12,898	15.25	28,558	15.25
Forfeited during the year	636	15.25	2,580	15.25
Exercised during the year	19,198	15.25	5,888	15.25
Expired during the year	-	-	-	-
Options outstanding at the end of year	34,763	15.25	41,699	15.25
Options exercisable at the end of the year	2,972	15.25	5,079	15.25

The weighted average remaining contractual life is as follows:

Weighted exercise price per option	As at March 31, 2025		As at March 31, 2024	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
Rs. 15.25	Ranging between 1.83 - 4.28	34,763	Ranging between 1.83 - 1.90	41,699

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	As at March 31, 2025	As at March 31, 2024
1. Exercise price per option (Rs.)	15.25	15.25
2. Price of the underlying share in market at the time of the option grant (Rs.)	Ranging between 2,139.45 - 4,485.35	Ranging between 2,139.45 - 2,415.85
3. Weighted average fair value of options granted (Rs.)	Ranging between 2,107.61 - 4,384.98	Ranging between 2,105.39 - 2,379.45
4. Expected life of the option (years)	3-5	3-5
5. Risk free interest rate (%)	Ranging between 6.41% - 7.56%	Ranging between 6.53% - 7.05%
6. Expected volatility (%)	Ranging between 12.86% - 14.09%	Ranging between 12.86% - 13.14%
7. Dividend yield (%)	Ranging between 0.47% - 0.48%	0.48%

The Group recorded an employee compensation cost of Rs. 5.84 (March 31, 2024: Rs. 4.88) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

41 Other Statutory Information

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property;

(ii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period;

(iii) The Group have not traded or invested in crypto currency or virtual currency during the financial year;

(iv) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(vi) The Group have not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

42 Appointment of Company Secretary

The Company is in process of appointing a Company Secretary as on the date, as the former Company Secretary held the office upto April 18, 2025.

43 A. COMPLIANCE WITH SECTION 143 (3) FOR MAINTENANCE OF BOOKS OF ACCOUNT

The Holding Company and its Indian subsidiaries including foreign branches have a process to take daily back-up of books of account maintained in electronic mode and along with the logs of the back-up of such books of account. However, the backup of certain books of account and books and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis:

Entity name	IT Application/Branches	Requirements u/s 143(3) of the Act	
		Books of Account maintained on cloud/ servers physically located in India	Backup maintained in India on daily basis
First Energy Private Limited First Energy TN 1 Private Limited First Energy 2 Private Limited First Energy 3 Private Limited First Energy 4 Private Limited First Energy 5 Private Limited First Energy 6 Private Limited First Energy 7 Private Limited Jalansar Wind Energy Private Limited Kanakal Wind Energy Private Limited First Energy 8 Private Limited First Energy Nine Private Limited First Energy 10 Private Limited First Energy 11 Private Limited Thermax Vebro Polymers India Private Limited	Certain books of account including books and paper	No	No**
Thermax Instrumentation Limited	Foreign branches	No	No

***The Group has a process to take daily back-up of books of account maintained in electronic mode. However, the backup of certain books and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis.*

The Group will take appropriate measures to comply with regulations.

43 B. COMPLIANCE WITH SECTION 143 (3) FOR AUDIT TRAIL

The Holding Company and subsidiaries which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of audit trail except for the following:

The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for below instances.

i) 3 International branches of an Indian subsidiary did not have accounting softwares which had a feature of recording audit trail (edit log) facility and the same did not operate throughout the year for all relevant transactions recorded in the softwares.

ii) 7 Indian subsidiaries and the Holding Company have used accounting software's for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for changes made to master data in four accounting software's and changes made to the underlying database using privileged/administrative access rights. Further no instance of audit trail feature being tampered with was noted in respect of accounting software. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

iii) 14 Indian subsidiaries used the primary accounting software for maintaining its books of account has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail has been enabled at the database level to log any direct data changes.

iv) 1 Indian subsidiary has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by certain users with specific access. Further at the database level it has operated only towards the end of the financial year, except for certain information or data.

iv) 1 Indian subsidiary have used accounting software for maintaining its books of account which did not have a feature of recording audit trail (edit log) facility through out the year.

v) 1 Indian subsidiary has not used any accounting software for maintaining its books of accounts.

44 Exceptional Items

	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision related to litigation (Refer note 30 A (d))	-	(50.63)
Gain on sale of Property, Plant and Equipment	-	126.12
	-	**75.49**

45 Business Combination

(i) The holding company had entered into a Share Purchase Agreement ("SPA") and a Shareholders Agreement ("SHA") on February 06, 2024 with TSA Process Equipments Private Limited (TSA) and its shareholders to acquire 51% equity shares of TSA subject to certain conditions precedents to the SPA. The Company had completed the acquisition of 51% equity shares of TSA for a cash consideration of Rs. 71.14 subject to certain adjustments with effect from April 19, 2024 (date of acquisition). Further, subject to the conditions in SPA, the Company shall acquire remaining 49% of the equity shares over a period of next two years, and accordingly accounted for a redemption liability of Rs. 58.17. The fair value of assets and liabilities acquired have been determined in accordance with IND AS 103 "Business Combinations". The excess of the purchase price over the fair value of the net assets acquired has been allocated to goodwill.

TSA is engaged in the business of developing, designing, supplying, installing and commissioning of complete turn-key solutions for varied water treatment and distribution needs for high purity plants, reverse osmosis plants, demineralisation plant and sterile ultrafiltration plant of any capacity. With the acquisition of 51% equity stake in TSA, TSA has become a subsidiary of the Company with effect from the closing date, enabling the Group to take advantage of emerging opportunities in high purity water solutions.

The Group has elected to measure the non-controlling interests in the acquiree at fair value. Further, the Company has the call option to buy and non-controlling interest (NCI) has the put option to sell, the balance 49% stake at a value to be determined as per the terms of the share purchase and share subscription agreement (SPSSA).

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

As on the acquisition date, the Group has accounted the fair value of redemption liability for put option over NCI upon exercise and recognised the subsequent fair value change in other equity in consolidated financial statements. The Group has recognised put option liability on fair value basis. key assumption used to determined fair value of put option is based on projected EBIDTA of TSA. The fair value of redemption liability on March 31, 2025 is Rs. 65.43.

A. Fair value of Consideration transferred:

Particulars	Amount
Fair value of purchase consideration (including redemption liability)	129.31
Total purchase consideration (A)	**129.31**

B. Acquisition-related costs:

The Group has incurred acquisition-related cost of Rs. 0.50 on legal fees and due diligence cost. These cost has been included in 'legal and professional fees under other expenses.

C. Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Particulars	Amount
Property, plant and equipment including capital work-in-progress	16.91
Right-of-use Assets	1.53
Other intangible assets:	
Technical know how	28.87
Customer Relationship	11.02
Non - Compete	6.50
Brand	9.19
Current assets:	
Cash and cash equivalents	0.16
Other assets	6.17
Inventories	31.85
Trade receivables	42.69
Current liabilities:	
Borrowings	18.51
Trade payables	21.03
Lease liabilities	1.73
Other current liabilities	14.23
Other financial liabilities	0.89
Deferred tax liabilities (net)*	13.53
Total net identifiable assets acquired (C)	**84.97**

** Deferred tax liabilities (net) mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

D. Goodwill:

Goodwill arising from the acquisition has been determined as follows:

Particulars	Amount
Fair value of purchase consideration (including redemption liability) (A)	129.31
Fair value of net identifiable assets (C)	84.97
Goodwill (A - C)	**44.34**

The Goodwill of Rs. 44.34 is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of TSA's workforce and expected cost synergies. Goodwill has been allocated to the Industrial Products segment and is not expected to be deductible for tax purposes. The fair value of NCI has been determined considering 9% discount rate.

The fair value of trade receivables is Rs. 42.69, while the gross contractual amount receivable is Rs. 43.57. None of the trade receivables are credit impaired, and it is expected that the full contractual amount will be collected, except for Rs. 0.88. Additionally, no contingent liability has been transferred to the Group.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favorable terms of the lease relative to market terms.

From the date of acquisition, TSA has contributed Rs. 129.26 of revenue and Rs. 4.55 to the profit before tax from of the Group. If the combination had taken place at the beginning of the year, revenue would have been Rs. 129.65 and the profit before tax for the Group would have been Rs. 3.58.

(ii) The holding company had entered into Share Purchase Agreement ("SPA") with Buildtech Products India Private Limited ("Buildtech") and it's Promoters on October 25, 2024 for acquiring the 100% of the equity share capital of Buildtech. Buildtech is engaged in manufacturing admixtures, accelerators and capsules used in tunnels, infrastructure and railway projects. The Company has completed the acquisition of 100% equity share capital of Buildtech on December 17, 2024 (i.e., the Closing Date), for a cash consideration of Rs. 77.20 crores subject to completion of certain conditions precedents mentioned in the SPA. Accordingly, Buildtech has become a wholly owned subsidiary of the Company.

Established in 1995, Buildtech Products India Pvt. Ltd. is a reputed brand specialising in the innovative manufacturing and trading of a diverse range of products for the construction industry. The Buildtech majorly sells premium products like accelerators, resins, high-quality cement capsules, effective plasticisers, micro silica, PVC membranes, and more, all tailored for tunnel, infrastructure, and railway projects. Buildtech is proudly associated with major infrastructure development projects, including ambitious hydroelectric power projects, intricate highway and railway tunnelling, and robust bridges and flyovers.

Integrating these products allows the Group to offer a more comprehensive range of construction chemical solutions. Buildtech's expertise in products used for major civil repairs, waterproofing, and other infrastructure applications complements the Group's existing offerings, enabling the company to better support complex infrastructure projects.

In summary, the acquisition is expected to create synergies by combining Buildtech's specialised product offerings with Group's established market presence, thereby strengthening Group's capabilities in the construction chemicals industry and supporting India's evolving infrastructure needs.

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

A. Fair value of Consideration transferred:

Partiulars	Amount
Fair value of purchase consideration	77.20
Total purchase consideration (A)	**77.20**

B. Acquisition-related costs:

The Group has incurred acquisition-related cost of Rs. 0.19 on legal fees and due diligence cost. These cost has been included in 'legal and professional fees' under other expenses.

C. Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Particulars	Amount
Property, plant and equipment	2.16
Right-of-use assets	3.00
Other Intangible assets:	
Technical know how	15.63
Customer Relationship	7.25
Non - Compete	2.50
Brand	0.64
Current assets:	
Cash and cash equivalents	10.19
Trade receivables (gross)	12.10
Inventories	1.04
Other current assets	2.28
Current liabilities:	
Trade payables	6.23
Other current liabilities	1.47
Deferred tax liabilities (net)*	4.67
Total net identifiable assets acquired (C)	**44.42**

**Deferred tax liabilities (net) mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.*

D. Goodwill

Goodwill arising from the acquisition has been determined as follows:

Particulars	Amount
Fair value of purchase consideration (A)	77.20
Fair value of net identifiable assets (C)	44.42
Goodwill (A - C)	**32.78**

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The Goodwill of Rs. 32.78 is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of Buildtech's workforce and expected cost synergies. Goodwill has been allocated to the Chemicals segment and is not expected to be deductible for tax purposes.

The fair value of trade receivables is Rs. 7.99, while the gross contractual amount receivable is Rs. 12.10. None of the trade receivables are credit impaired, and it is expected that the full contractual amount will be collected, except for Rs. 4.11.

From the date of acquisition, Buildtech has contributed Rs. 7.50 of revenue and Rs. 0.72 to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue would have been Rs. 28.65 and the profit before tax for the Group would have been Rs. 3.86.

(iii) On March 10, 2025, Thermax Chemical Solutions Private Limited (TCSPL), a wholly owned subsidiary of the Company, entered into a Share Subscription and Shareholders Agreement with Oswaldo Cruz Química Indústria E Comércio LTDA, Brazil (OCQ). The newly formed entity, Fortmax Chemicals India Private Limited (FCIPL) will engage in the manufacturing, trading, marketing, and sale of specialty chemicals and products within the Permitted Territories. TCSPL will hold a majority stake of 51% in the new company, while OCQ will hold the remaining 49%. On April 11, 2025, FCIPL has been incorporated with Authorised Share Capital of Rs. 15 and paid-up capital of Rs. 4.59.

46. During the previous year, the site of one of the step down subsidiairy i.e., First Energy 4 Private Limited the site was hit by unprecedented torrential rain around mid December 2023 resulting in submerging of the project site. The management has performed assessment of losses incurred on account of this event. Modules worth Rs. 109.25 were also submerged under water, but a substantial portion of these modules were subsequently operational and there was no sign of any physical damage except for a few modules. The Management had filed for an insurance claim for total loss inclusive of modules cost amounting to Rs. 117 which was later revised to Rs. 74. The insurance company had acknowledged the intimation of claim and had confirmed that the property and the event are covered under the policy. Further the Insurance Company had remitted Rs. 10 (March 31, 2024: Rs. 10) as on account payment. The expense of Rs. 3.39 (March 31, 2024: Rs. 3.39) pertaining to damage was accounted for as repairs and maintenance cost in the books of account and the corresponding insurance claim income of Rs. 3.23 (March 31, 2024: Rs.3.23) was recognised based on management's assessment of insurance claim being virtually certain. The discussion with insurance company for ascertainment of damage is still ongoing.

Further, during the year, site of First Energy 4 Private Limited and First Energy 6 Private Limited were affected by severe rains in December 2024 resulting in submerging of site. The management has performed assessment of losses incurred on account of this event. Basis the assessment, amount of Rs. 1.39 (March 31, 2024: Rs. Nil) and Rs. 1.55 (March 31, 2024: Rs. Nil) has been recognised as impairment expenses for the damage in the books of account in First Energy 6 Private Limited and First Energy 4 Private Limited respectively. The management has communicated the extent of damages to the insurer.

47. First Energy Private Limited entered into a Share Purchase Agreement (SPA) with the former owners of Onix Two Enersol Private Limited (OTEPL) on September 6, 2024, to acquire 100% of OTEPL's shares for Rs. 0.01. The agreement specified certain precedent conditions that were to be fulfilled by October 5, 2024. These conditions remained unfulfilled and a further extension of six months was granted. These conditions were not complied even in the extended period. Accordingly, the acquisition did not consummate and hence not considered in the consolidated financial statements of First Energy Private Limited. OTEPL did not have material transactions.

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48 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Disclosure of additional information pertaining to the parent company, subsidiaries and its associates: For the year ended March 31, 2025:

Name of the Entity	Net Assets (Total assets- total liabilities)		Share in Profit and loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent Company								
Thermax Limited	80.28%	3,967.76	91.29%	572.14	151.07%	(3.52)	91.07%	568.62
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Limited	21.11%	1,043.41	36.01%	225.67	371.67%	(8.66)	34.76%	217.01
Thermax Onsite Energy Solutions Limited	5.11%	252.43	5.79%	36.30	4.72%	(0.11)	5.80%	36.19
Thermax Instrumentation Limited	0.70%	34.75	1.54%	9.64	6.01%	(0.14)	1.52%	9.50
Thermax Engineering Construction Company Limited	0.30%	14.99	(0.03%)	(0.18)	5.58%	(0.13)	(0.05%)	(0.31)
Thermax Cooling Solutions Limited	-	0.16	0.03%	0.20	-	-	0.03%	0.20
Thermax Sustainable Energy Solutions Limited*	(0.08%)	(3.83)	-	-	-	-	-	-
First Energy Private Limited (Consol.)	6.60%	326.02	(9.02%)	(56.52)	(9.87%)	0.23	(9.02%)	(56.29)
Enernxt Private Limited	0.46%	22.82	(0.11%)	(0.71)	-	-	(0.11%)	(0.71)
Thermax BioEnergy Solutions Private Limited	(1.76%)	(87.08)	(15.21%)	(95.34)	6.44%	(0.15)	(15.29%)	(95.49)
TSA Process Equipments Private Limited	0.77%	38.22	0.52%	3.26	(0.43%)	0.01	0.52%	3.27
Thermax Chemical Solutions Private Limited	0.30%	14.63	(0.02%)	(0.12)	-	-	(0.02%)	(0.12)
Thermax Vebro Polymers India Private Limited	0.23%	11.20	(0.76%)	(4.76)	0.86%	(0.02)	(0.77%)	(4.78)
Buildtech Products India Private Limited	0.42%	20.86	0.07%	0.41	-	-	0.07%	0.41
Foreign subsidiaries								
Thermax Engineering Singapore Pte. Ltd.	2.27%	111.97	-	0.02	75.97%	(1.77)	(0.28%)	(1.75)
PT Thermax International Indonesia	1.49%	73.43	(1.29%)	(8.09)	102.58%	(2.39)	(1.68%)	(10.48)
Thermax Inc.	2.23%	110.15	0.94%	5.90	(111.16%)	2.59	1.36%	8.49
Thermax Europe Limited	1.56%	76.89	0.20%	1.27	(151.93%)	3.54	0.77%	4.81
Thermax Netherlands B.V.	1.96%	97.08	14.83%	92.93	897.42%	(20.91)	11.53%	72.02

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

Name of the Entity	Net Assets (Total assets- total liabilities)		Share in Profit and loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Thermax Denmark ApS (Consol.)	2.38%	117.79	7.26%	45.49	(172.96%)	4.03	7.93%	49.52
Thermax International Limited	0.58%	28.68	2.26%	14.18	(15.02%)	0.35	2.33%	14.53
Thermax Energy and Environment Lanka (Pvt) Limited	0.67%	33.00	0.12%	0.77	(53.65%)	1.25	0.32%	2.02
Rifox-Hans Richter GmbH Spezialarmaturen	0.35%	17.12	0.29%	1.83	(18.45%)	0.43	0.36%	2.26
Thermax Energy & Environment Philippines Corporation	0.12%	5.80	0.03%	0.19	(1.72%)	0.04	0.04%	0.23
Thermax Engineering Construction FZE	0.33%	16.34	(0.45%)	(2.80)	(18.45%)	0.43	(0.38%)	(2.37)
Thermax Sdn.Bhd	0.07%	3.29	0.10%	0.60	(10.30%)	0.24	0.13%	0.84
Thermax Nigeria Limited	0.25%	12.31	1.16%	7.27	77.25%	(1.80)	0.88%	5.47
Thermax do Brasil-Energia e Equipamentos Ltda.	0.02%	0.85	0.01%	0.05	3.86%	(0.09)	(0.01%)	(0.04)
Thermax International Tanzania Limited	0.14%	6.95	0.79%	4.92	(4.72%)	0.11	0.81%	5.03
Thermax (Thailand) Limited	0.67%	32.99	0.23%	1.44	(125.32%)	2.92	0.70%	4.36
Associates								
Covacsis Technologies Private Limited	-	-	(0.07%)	(0.41)	-	-	(0.07%)	(0.41)
Exactspace Technologies Private Limited	-	-	0.03%	0.17	-	-	0.03%	0.17
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	3.10%	153.37	1.56%	9.80	-	-	1.57%	9.80
Consolidation Adjustments	(32.63%)	(1,611.77)	(38.10%)	(238.82)	(909.45%)	21.19	(34.85%)	(217.63)
Total	**100.00%**	**4,942.58**	**100.00%**	**626.70**	**100.00%**	**(2.33)**	**100.00%**	**624.37**

**Liquidated in FY 2023-24.*

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Disclosure of additional information pertaining to the parent company, subsidiaries and its associates: For the year ended March 31, 2024:

Name of the Entity	Net Assets (Total assets-total liabilities)		Share in Profit and loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent Company								
Thermax Limited	79.66%	3,536.70	68.01%	437.44	47.41%	(4.21)	68.30%	433.23
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Limited	18.61%	826.19	20.58%	132.36	(3.88%)	0.34	20.92%	132.71
Thermax Onsite Energy Solutions Limited	4.87%	216.13	4.03%	25.94	0.64%	(0.06)	4.08%	25.88
Thermax Instrumentation Limited	1.13%	50.25	1.79%	11.51	4.63%	(0.41)	1.75%	11.10
Thermax Engineering Construction Company Limited	0.34%	15.31	0.15%	0.94	(0.07%)	0.01	0.15%	0.95
Thermax Cooling Solutions Limited	0.00%	(0.05)	(0.01%)	(0.03)	(0.05%)	0.00	0.00%	(0.03)
Thermax Sustainable Energy Solutions Limited	(0.09%)	(3.83)	0.00%	-	-	-	0.00%	-
First Energy Private Limited (Consol.)	8.02%	356.17	(7.48%)	(48.14)	2.03%	(0.18)	(7.62%)	(48.32)
Enernxt Private Limited	0.53%	23.53	(0.01%)	(0.08)	-	-	(0.01%)	(0.08)
Thermax BioEnergy Solutions Private Limited	(0.25%)	(11.24)	(2.68%)	(17.23)	1.97%	(0.17)	(2.74%)	(17.40)
Foreign subsidiaries								-
Thermax Engineering Singapore Pte. Ltd.	1.69%	75.13	(10.67%)	(68.60)	(205.22%)	18.20	(7.95%)	(50.40)
PT Thermax International Indonesia	1.77%	78.56	(3.60%)	(23.16)	20.49%	(1.82)	(3.94%)	(24.97)
Thermax Inc.	2.29%	101.67	1.54%	9.87	(16.13%)	1.43	1.78%	11.30
Thermax Europe Limited	1.62%	72.08	0.41%	2.67	(29.63%)	2.63	0.83%	5.30
Thermax Netherlands B.V.	0.56%	25.02	(0.11%)	(0.70)	0.01%	(0.00)	(0.11%)	(0.70)
Thermax Denmark ApS (Consol.)	1.54%	68.27	4.30%	27.64	(42.31%)	3.75	4.95%	31.39
Thermax International Limited	0.32%	14.15	1.37%	8.80	(0.60%)	0.05	1.40%	8.85
Thermax Energy and Environment Lanka (Pvt) Limited	0.70%	30.98	(0.15%)	(0.94)	(29.23%)	2.59	0.26%	1.65
Rifox-Hans Richter GmbH Spezialarmaturen	0.33%	14.85	0.37%	2.37	(1.61%)	0.14	0.40%	2.51
Thermax Energy & Environment Philippines Corporation	0.13%	5.58	0.05%	0.29	1.21%	(0.11)	0.03%	0.18

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

Name of the Entity	Net Assets (Total assets-total liabilities)		Share in Profit and loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Thermax Engineering Construction FZE	0.42%	18.70	2.04%	13.10	(2.00%)	0.18	2.09%	13.28
Thermax Sdn.Bhd	0.06%	2.44	0.02%	0.15	1.47%	(0.13)	0.00%	0.02
Thermax Nigeria Limited	0.33%	14.55	2.78%	17.85	130.28%	(11.56)	0.99%	6.29
Thermax do Brasil-Energia e Equipamentos Ltda.	0.02%	0.89	0.04%	0.25	(0.15%)	0.01	0.04%	0.26
Thermax International Tanzania Limited	0.23%	10.19	0.70%	4.52	12.19%	(1.08)	0.54%	3.44
Thermax (Thailand) Limited	0.12%	5.30	0.16%	1.03	2.65%	(0.24)	0.13%	0.80
Associates								
Covacsis Technologies Private Limited	0.00%	-	(0.05%)	(0.30)	0.00%	-	(0.05%)	(0.30)
Exactspace Technologies Private Limited	0.00%	-	(0.08%)	(0.52)	0.00%	-	(0.08%)	(0.52)
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	3.23%	143.56	0.97%	6.23	0.00%	-	0.98%	6.23
Consolidation Adjustments	(28.18%)	(1,251.27)	15.54%	99.93	205.91%	(18.26)	12.88%	81.67
Total	**100.00%**	**4,439.80**	**100.00%**	**643.19**	**100.00%**	**(8.87)**	**100.00%**	**634.32**

As per our report of even date attached

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

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

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

FORM AOC- I

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

Part "A" : Subsidiaries

(Rs. in Crore)

Name of the Subsidiary	Reporting period	Date of acquisition	Capital	Reserves	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of Share Holding	Reporting currency	Exchange rate as on 31st March 2025
Thermax Engineering Construction Co. Ltd.	2024-25		4.50	10.49	15.47	0.48	-	-	(0.18)	-	(0.18)	-	100.00	INR	
Thermax Instrumentation Ltd.	2024-25		9.00	25.75	78.08	43.33	22.27	51.09	17.75	8.11	9.64	-	100.00	INR	
Thermax Onsite Energy Solutions Ltd.	2024-25		108.28	144.15	462.13	209.70	72.98	558.35	48.86	12.56	36.30	-	100.00	INR	
First Energy Private Limited	2024-25	31-Aug-16	419.32	(59.70)	738.75	379.13	359.88	48.61	(4.41)	-	(4.41)	-	100.00	INR	
First Energy TN 1 Private Limited	2024-25		22.00	(2.33)	103.35	83.68	-	8.55	(0.89)	0.34	(0.55)	-	74.00	INR	
First Energy 2 Private Limited	2024-25		11.54	(1.21)	38.01	27.68	-	4.21	(0.15)	-	(0.15)	-	74.00	INR	
Jalansar Wind Energy Private Limited	2024-25	22-Jun-22	2.22	(0.39)	7.81	5.98	-	0.91	(0.11)	-	(0.11)	-	74.00	INR	
Kanakal Wind Energy Private Limited	2024-25	22-Jun-22	3.32	(0.35)	11.77	8.80	-	1.39	(0.05)	-	(0.05)	-	74.00	INR	
First Energy 3 Private Limited	2024-25		99.81	(24.59)	393.46	318.24	-	37.67	(13.53)	-	(13.53)	-	74.00	INR	
First Energy 4 Private Limited	2024-25		68.55	(20.32)	272.70	224.47	-	25.78	(12.88)	-	(12.88)	-	74.00	INR	
First Energy 5 Private Limited	2024-25		94.98	(2.60)	422.90	330.52	-	-	(1.10)	-	(1.10)	-	74.00	INR	
First Energy 6 Private Limited	2024-25		44.63	(8.16)	179.63	143.16	-	4.67	(6.94)	-	(6.94)	-	74.00	INR	
Thermax International Ltd. (Mauritius)	2024-25		29.42	0.88	34.74	4.44	7.70	-	14.93	0.61	14.32	-	100.00	USD	85.47
Thermax Europe Ltd. (U.K.)	2024-25		2.21	74.68	109.06	32.16	-	41.84	1.68	0.39	1.29	-	100.00	GBP	110.41
Thermax Inc. (U.S.A.)	2024-25		4.27	105.88	183.53	73.37	-	186.60	7.80	1.84	5.96	-	100.00	USD	85.47
Thermax do Brasil Energia e Equipamentos Ltda. (Brazil)	2024-25		1.63	(0.78)	0.87	0.02	-	0.57	0.05	-	0.05	-	100.00	Brazilian Real	14.98
Thermax Denmark ApS.	2024-25		161.10	(43.37)	112.90	(4.96)	-	-	45.02	0.49	45.51	-	100.00	DKK	12.39
Thermax Netherlands BV.	2024-25		302.41	(175.61)	119.77	0.65	117.75	-	86.93	-	86.93	-	100.00	EUR	92.45
Danstoker A/S	2024-25	1-Oct-10	12.39	118.04	242.70	72.00	-	95.97	56.47	11.04	46.44	-	100.00	DKK	12.39
Ejendomsanp-artsselskabet Industrivej Nord 13	2024-25	1-Oct-10	0.25	42.06	58.51	16.20	-	3.25	3.04	0.67	2.37	-	100.00	DKK	12.39
Boilerworks A/S	2024-25		0.62	(7.19)	(6.44)	0.12	-	-	(0.49)	0.12	(0.37)	-	100.00	DKK	12.39
Rifox-Hans Richter GmbH Spezialarmaturen	2024-25	1-Apr-12	6.62	10.49	22.86	5.75	-	38.99	2.75	0.89	1.86	-	100.00	EUR	92.45
Thermax SDN.BHD	2024-25		0.96	2.33	6.16	2.87	-	3.50	0.86	0.23	0.63	-	100.00	Malaysian Ringet	19.27
Thermax Engineering Singapore Pte. Ltd	2024-25		274.40	(143.92)	131.41	0.93	124.98	-	0.02	-	0.02	-	100.00	USD	85.47
PT Thermax International Indonesia	2024-25		186.79	(113.40)	140.59	67.21	-	100.97	(7.90)	-	(7.90)	-	100.00	Indonesian Rupiah	0.01
Thermax Energy and Environment Philippines Corporation	2024-25		7.30	(1.51)	6.04	0.25	-	2.43	0.29	0.10	0.19	-	100.00	PHP	1.49
Thermax Nigeria Limited	2024-25		0.28	12.03	23.45	11.14	-	26.52	10.95	3.60	7.35	-	100.00	NGN	0.06
Thermax Energy and Environment Lanka (pvt) Limited	2024-25	8-Aug-17	32.74	0.27	36.71	3.70	-	38.32	1.64	0.85	0.79	-	100.00	LKR	0.29
Thermax Babcock & Wilcox Energy Solutions Ltd	2024-25		628.22	415.18	2,571.10	1,527.70	291.22	2,265.26	303.05	77.38	225.67	-	100.00	INR	
Thermax Cooling Solutions Limited	2024-25		10.00	(9.84)	4.54	4.39	-	3.88	0.36	0.16	0.20	-	100.00	INR	
Thermax Engineering Construction FZE	2024-25		0.17	16.23	20.00	3.00	-	10.37	2.71	-	2.71	-	100.00	USD	85.47
Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	2024-25	4-May-17	68.92	(24.21)	121.14	76.43	-	169.72	14.13	(3.76)	10.37	-	100.00	PLN	22.09
Thermax (Thailand) Limited	2024-25		29.46	3.54	38.05	5.05	-	18.03	1.93	0.43	1.50	-	100.00	THB	2.52
Enernxt Pvt. Ltd	2024-25		23.63	(0.81)	45.51	22.69	0.75	-	(0.71)	-	(0.71)	-	100.00	INR	
Thermax International Tanzania Limited	2024-25		1.96	4.99	10.25	3.31	-	21.38	7.03	2.11	4.92	-	100.00	USD	85.47
Thermax BioEnergy Solutions Private Limited	2024-25		25.00	(112.08)	188.63	275.70	3.95	569.71	(93.99)	1.35	(95.34)	-	65.00	INR	
First Energy 7 Private Limited	2024-25		18.82	0.15	63.78	44.81	1.51	6.38	0.58	(0.18)	0.40	-	71.00	INR	
First Energy 8 Private Limited	2024-25		77.36	(1.68)	439.86	364.18	1.30	-	(0.20)	-	(0.20)	-	100.00	INR	

Part "A" : Subsidiaries

(Rs. in Crore)

Name of the Subsidiary	Reporting period	Date of acquisition	Capital	Reserves	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of Share Holding	Reporting currency	Exchange rate as on 31st March 2025
First Energy Nine Private Limited	2024-25	1-Feb-24	4.78	(0.02)	15.94	11.18	-	0.81	0.07	0.03	0.04	-	100.00	INR	
First Energy 10 Private Limited	2024-25	23-Mar-24	10.00	(0.36)	9.97	0.33	-	-	(0.16)	-	(0.16)	-	100.00	INR	
First Energy 11 Private Limited	2024-25	29-Jul-24	0.01	(0.03)	0.01	0.03	-	-	(0.03)	-	(0.03)	-	100.00	INR	
TSA Process Equipements Private Limited	2024-25	19-Apr-24	1.37	36.85	108.39	70.17	0.01	129.34	3.58	1.30	2.28	-	51.00	INR	
Buildtech Products India Private Limited	2024-25	17-Dec-24	1.52	19.34	27.89	7.03	-	28.65	3.86	1.17	2.69	-	100.00	INR	
Thermax Vebro Polymers India Private Limited	2024-25		16.18	(4.98)	16.78	5.58	-	1.70	(4.76)	-	(4.76)	-	50.10	INR	
Thermax Chemical Solutions Pvt Ltd	2024-25		14.90	(0.27)	14.65	0.02	8.11	-	(0.12)	-	(0.12)	-	100.00	INR	

Notes:

i) The annual accounts of the above Subsidiary Companies are open for inspection by any investor at the Company's Corporate Office and the Registered Office of the respective subsidiary companies;

ii) Balance sheet figures of foreign subsidiaries are converted at an exchange rate prevailing on closing day of the financial year of the subsidiary for the purpose of this statement;

iii) Statement of Profit and Loss figures of foreign subsidiaries are converted at an average exchange rate of the subsidiary for the purpose of this statement.

iv) Thermax Chemical Solutions Pvt Ltd in FY 2024-25; the subsidiary has not started operations during the current financial year.

Part "B" : Associates

Statement pursuant to section 129(3) of the companies Act 2013 related to Associate companies (Rs. in Crore)

Name of the Associate	Latest audited balance sheet date	Date on which the Associate was associated	Shares of Associates held by the Company on the year end (No.of shares)	% of Share Holding (%)	Description of how there is significant influence (Refer note 5)	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year	
								Considered in consolidation	Not considered in consolidation
Exactspace Technologies Private Limited	31-Mar-25	25-Jan-22	43,192	15.17	Equity holding	Not Applicable	1.36	(0.14)	(0.78)
Covacsis Technologies Private Limited*	31-Mar-25	22-Jul-22	1,921	16.67	Equity holding	Not Applicable	0.46	(0.32)	(1.58)

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of Thermax Limited ("the Company"), which comprise the Standalone balance sheet as at March 31, 2025, the Standalone statement of profit and loss, including other comprehensive income, the Standalone cash flow statement and the Standalone statement of changes in equity for the year then ended, and notes to the Standalone financial statements, including a summary of material accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 30A (c) of the Standalone financial statements relating to the Arbitral Award against the Company for claims of Rs. 218.45 crore by the Arbitral Tribunal under a contract with customer for dispute and related provisions. The Company has made a provision of Rs. 50.63 crore and for the balance amount, no provision has been considered necessary. The Company has received stay of operation and execution of the Arbitral Award by the High Court of Bombay after depositing an amount of Rs. 218.45 crore. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
A) Accounting for Revenue from Contracts with Customers *(as described in Note 21 of the Standalone financial statements)*	

Revenues are recognised under Ind AS 115, Revenue from Contracts with Customers basis the nature and type of contracts (i.e. products, projects and services) involved.
 	
We consider accounting of revenue contracts to be an area posing a significant risk of material misstatement and accordingly a key audit matter as due to the varied nature of the contracts, identification of contractual obligations, timing of transfer of control, significant judgements involved in determining the contract costs, rights to receive payments including those for performance completed till date and recognition for potential loss making contracts/ onerous obligations. Revenue and profits for the year may deviate significantly on account of changes in the above judgements and estimates. Accordingly, this is considered as a Key Audit Matter.
 	
The total revenues for the year amounted to Rs. 6,233.67 crore and recognised based on the accounting policies disclosed in the Note 21 to the Standalone Financial Statements.
	Our audit procedures included the following:
	• We understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition for revenue from contracts with customers and evaluated the design and operative effectiveness of the financial controls through our test of control procedures
	• We obtained and read the terms of sample revenue contracts to evaluate the management's process to assess nature of contractual performance obligations, timing of transfer of control to customers and other relevant terms necessary for revenue recognition during the year
	• We tested revenue, on sample basis, recorded during the period closer to year-end by testing the underlying documentation
	• For contracts, on sample basis, accounted for under 'over the period in time' method, we performed the following procedures among others:
	  • Provision for liquidated damages and claims: Discussed with management and project teams to understand the status of the project, likelihood of customers imposing any contractual penalties through inspection of the relevant documents, etc.
	  • Contingency provisions: Understood the management's estimate and rationale for recording and changes to the contingency provision during the year. We discussed progress to date with project teams to determine whether the remaining contingency provision is sufficient for the residual risks identified for those projects.
	  • Assessment of costs-to-complete: Performed procedures on balance cost estimation, compared actual costs to budgeted costs and discussed variances with project teams, tested the costs accrued at year-end and tested the significant assumptions for balance costs-to-complete.
	• We performed analytical procedures and conducted inquiries about any unusual trends of revenue recognition, checked exceptions for contracts with low or negative margins, loss making contracts/ onerous contracts, contracts with significant changes in cost estimates and significant overdue net receivable positions for contracts, etc.

Key audit matters	How our audit addressed the key audit matter
	• We read and tested the presentation and disclosures in the Standalone financial statements are in accordance with Ind AS 115
B) Impairment of Investments in Subsidiaries *(as described in Note 5(a) and 40 of the Standalone financial statements)*	
During the year, impairment indicators were identified by the management for investments in certain subsidiaries. Management's assessment for impairment of investments in subsidiaries requires estimation and judgement around assumptions used, including the recoverable value of underlying tangible assets. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and also potential reversals of impairment. Accordingly, this is considered as a key audit matter.	Our audit procedures included the following: • We understood the management's process of evaluating the triggers for impairment, forecasting the future cash flows, evaluation of assumptions and comparison of estimates to externally available industry, economic and financial data, wherever available and necessary. • We assessed that the methodology and assumptions used by management to estimate the recoverable value of each investment is consistent with accounting standards. • We compared the carrying values of the Company's investment in these subsidiaries to their respective financial statements which were available with their respective net asset values and discussed with management about their performance and future outlook. • We involved valuation experts to assist in evaluating the valuation methodology, identifying and testing key assumptions and estimates used in preparing the cash flow forecasts, wherever required. • We considered the potential impact of possible downside changes in these key assumptions as part of sensitivity analysis. • We read and assessed the presentation and disclosures of such impairment in the Standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
C) Impairment of trade receivables and contract assets *(as described in notes 7 and 9(b) of the Standalone financial statements)*	
Impairment of financial assets and contract assets is accounted through allowance for Expected Credit Losses (ECL) under Ind AS 109 and is expected to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. Impairment of financial assets is a key audit matter as the Company has devised a model to recognise impairment through ECL using individual receivables or for homogeneous group of receivables with similar credit risk characteristics. The calculation of the impairment allowance under ECL method is highly judgemental as it requires management to make significant assumptions on customer payment behavior and other relevant/risk characteristics when assessing the Company's statistics of historical information and estimating the level and timing of expected future cash flows. Considering the materiality and the complexity involved, this is considered a Key Audit Matter. As at the March 31, 2025, the Company recorded an impairment provision of Rs. 297.23 crore for its receivables and contract assets.	Our audit procedures included the following: • We evaluated the management's key data sources and assumptions used in the ECL to determine impairment allowance. • We understood the management's basis to consider the associated risks for identifying homogeneous group of receivables and contract assets. • We evaluated the process followed by the Company for determination of credit risk and the resultant basis for classification of receivables into various stages. • For a sample of receivables, we tested the ageing of the receivables and contract assets considered for impairment calculations. • We assessed the completeness of receivables and contract assets included in the ECL calculations as of the reporting date. • We considered the consistency of various inputs and assumptions used by the Company's management to determine impairment provisions. • We read and tested the disclosures in the notes to Standalone financial statements are as per the relevant accounting standards.

We have determined that there are no other key audit matters to communicate in our Report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Business Responsibility Report, Sustainability Report and Director's Report of the Annual Report, but does not include the Standalone financial statements and our Auditor's report thereon.

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

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

Responsibilities of Management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(j)(vi) below on reporting under Rule 11(g);

    (c) The Standalone balance sheet, the Standalone statement of Profit and Loss including other comprehensive income, the Standalone cash flow statement and Standalone statement of changes in equity dealt with by this Report are in agreement with the books of account;

    (d) The matter against the Company described in 'Emphasis of Matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

    (e) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(j) (vi) below on reporting under Rule 11(g);

    (g) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of section 164 (2) of the Act;

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

    (i) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 30(A) to the Standalone financial statements;

        ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Notes 17(a) and 18 to the Standalone financial statements;

        iii. There has been no delay in transferring amounts, 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, other than as disclosed in the Note 31(B) to the Standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;

b) As stated in Note 15(b) to the Standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend; and

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain master data and direct changes to data when using certain access rights, as described in Note 43 to the Standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of accounting softwares where the audit trail has been enabled. Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in Note 43 to the Standalone financial statements.

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

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 25213935BMOZUI5217
Place of Signature: Pune
Date: May 9, 2025

Annexure 1 as referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Thermax Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.

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

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as on March 31, 2025 and no discrepancies were noticed. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification and confirmations.

(b) As disclosed in note 20 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crore in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crore in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

(iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms, Limited Liability Partnership or any other parties as follows:

(Amount in Crore)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	39.97	150.74	380.04	Nil
- Joint Ventures	Nil	Nil	Nil	Nil
- Associates	Nil	Nil	Nil	Nil
- Others	Nil	Nil	1.04	Nil
Balance outstanding as at balance sheet date in respect of above cases*				
- Subsidiaries	39.97	87.81	47.64	Nil
- Joint Ventures	Nil	Nil	Nil	Nil
- Associates	Nil	Nil	Nil	Nil
- Others	Nil	Nil	0.76	Nil

**Excluding interest accrued but not due*

Also refer note 31(A) for details of non-funding facilities issued to subsidiaries

(b) During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships, or any other parties are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to companies, firms, Limited Liability Partnerships, or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties, which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ("the Act") are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture or service of 'inorganic chemical, organic or inorganic compounds of precious metals, rare-earth metals of radioactive elements or isotopes, and organic chemicals', 'plastic and polymers', 'other machinery' and 'electricals or electronic machinery', and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Disputed dues, not deposited*^ (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	- [net of deposit Rs.1.60]	FY 1991-92 to 1992-93	High Court, Mumbai
		0.04 [net of deposit Rs. Nil]	FY 2020-21	Appellate Tribunal, Pune
		146.62 [net of deposit Rs. Nil]	FY 2006-07 to 2012-13	Supreme Court, New Delhi
Income Tax Act, 1961	Income Tax	3.36 [net of advance Rs. 12.99]	AY 2005-06 to AY 2009-10	High Court, Mumbai
		28.68 [net of advance Rs. 68.19]	AY 2014-15 to AY 2018-19, AY 2020-21 and AY 2021-22	Commissioner of Income Tax (Appeals), Pune
Central Sales Tax and Local Sales Tax	Sales Tax and Value Added Tax	0.09 [net of deposit Rs. Nil	FY 2000-01 and 2001-02	High Court, Mumbai
		0.10 [net of deposit Rs. Nil]		High Court, Madras
		15.48 [net of deposit Rs. 0.19]	FY 2006-07, FY 2007-08, FY 2009-10 to 2017-18	Appellate Tribunal (Various)
		0.35 [net of deposit Rs. 0.36]	FY 2004-05, 2006-07, 2010-11, 2014-15 2015-16, 2017-18	Appellate Authority upto Commissioner Level
Finance Act, 1994	Service Tax	1.30 [net of deposit Rs. 0.14]	FY 2005-06 to 2015-16	Appellate Tribunal, Pune
Customs Act, 1962	Custom Duty	- [net of deposit Rs. 0.56]	FY 2005-06	Supreme Court, New Delhi
		0.76 [net of deposit Rs. 0.02]	FY 2005-06	Appellate Authority upto Commissioner Level
Goods and Services Tax Act, 2017	Goods and Services Tax	55.50 [net of deposit Rs. 3.48]	FY 2017-18 to 2022-23	Appellate Authority upto Commissioner Level
Maharashtra Municipal Corporation Act, 1949	Local Body Tax	78.06 [net of deposit Rs. Nil]	FY 2013-14 to 2015-16	Pimpri Chinchwad Municipal Corporation – LBT Department

**Net of deposits paid under protest*

^Excluding the interest and penalty thereon

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the Standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the Standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act, has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the Standalone financial statements, as required by the applicable Accounting Standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The Company follows a July to June internal audit cycle and accordingly the internal audit reports of the Company for the period under audit and issued till the date of our audit report, have been considered by us. As informed to us, the internal audit for remaining areas/ scope is expected to be completed post issuance of our audit report on these Standalone financial statements.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Group has one Core Investment Company as part of the Group.

(xvii) The Company has not incurred cash losses in the current and preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 36 to the Standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in Note 27(c) to the Standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Act. This matter has been disclosed in Note 27(c) to the Standalone financial statements.

(xxi) The requirement of Clause 3(xxi) of the Order is not applicable to the Standalone financial statements. As regards, remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the Consolidated financial statements, refer the Independent Auditor's Report on Consolidated financial statements.

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

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 25213935BMOZUI5217

Place of Signature: Pune
Date: May 9, 2025

Annexure 2 as referred to in paragraph 2(h) under heading "Report on Other Legal and Regulatory Requirements" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Thermax Limited

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

We have audited the internal financial controls with reference to Standalone financial statements of Thermax Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Standalone financial statements.

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

A company's internal financial controls with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 25213935BMOZUI5217

Place of Signature: Pune
Date: May 9, 2025

STANDALONE BALANCE SHEET

as at March 31, 2025

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

	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
I. Non-current assets			
Property, plant and equipment	4 (a)	888.64	661.26
Capital work-in-progress	4 (a)	81.59	107.23
Right-of-use assets	4 (b)	65.07	66.55
Intangible assets	4 (c)	23.06	21.70
Intangible assets under development	4 (c)	1.12	4.38
Investments in subsidiaries	5 (a)	1,352.44	1,024.88
Investments in associates	5 (b)	10.00	20.00
Financial assets:			
(a) Investments	6 (a)	47.65	382.58
(b) Trade receivables	7 (a)	142.46	140.08
(c) Loans	8 (a)	11.67	7.98
(d) Other financial assets	9 (a)	9.39	8.52
Deferred tax assets (net)	10	90.64	52.49
Income tax assets (net)		90.81	151.01
Other assets	11 (a)	54.49	53.27
Total non-current assets		**2,869.03**	**2,701.93**
II. Current assets			
Inventories	12	383.05	397.33
Financial assets:			
(a) Investments	6 (b)	1,295.40	965.79
(b) Trade receivables	7 (b)	1,651.55	1,501.64
(c) Cash and cash equivalents	13 (a)	118.18	263.62
(d) Bank balances other than (c) above	13 (b)	2.12	83.14
(e) Loans	8 (b)	48.20	183.80
(f) Other financial assets	9 (b)	382.08	139.39
Other assets	11 (b)	486.14	510.73
Total current assets		**4,366.72**	**4,045.44**
III. Assets classified as held for sale	5 (b)	10.00	-
Total assets		**7,245.75**	**6,747.37**
Equity and liabilities			
IV. Equity			
Equity share capital	14	23.83	23.83
Other equity	15	3,943.93	3,512.87
Total equity		**3,967.76**	**3,536.70**
V. Non-current liabilities			
Financial liabilities:			
(a) Borrowings	20 (a)	25.18	-
(b) Lease liabilities	30 C	3.67	4.29
(c) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16 (a)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	16 (a)	52.52	43.83
Provisions	18 (a)	26.82	26.15
Total non-current liabilities		**108.19**	**74.27**
VI. Current liabilities			
Financial liabilities:			
(a) Borrowings	20 (b)	59.33	307.80
(b) Lease liabilities	30 C	1.62	1.59
(c) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16 (b)	472.00	451.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	16 (b)	633.31	621.73
(d) Other financial liabilities	17 (a)	120.72	111.18
Provisions	18 (b)	233.46	194.28
Income tax liabilities (net)		65.47	20.06
Other liabilities	19 (a)	1,583.89	1,428.66
Total current liabilities		**3,169.80**	**3,136.40**
Total equity and liabilities		**7,245.75**	**6,747.37**
Summary of material accounting policies	2		
Summary of significant accounting estimates and judgements	3		
The accompanying notes are an integral part of these financial statements.			

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

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

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

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2025

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

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	21	6,254.07	5,821.93
Other income	22	202.53	193.49
Total income (I)		**6,456.60**	**6,015.42**
Expenses			
Cost of raw materials and components consumed	23	3,305.85	3,115.66
Purchase of traded goods		189.36	161.49
Decrease in inventories of finished goods, work-in-progress and traded goods	24	16.27	10.69
Employee benefits expense	25	764.31	683.61
Finance costs	26	31.40	23.84
Depreciation and amortisation expense	4 (d)	78.39	72.74
Other expenses	27 (a)	1,451.61	1,369.41
Total expenses (II)		**5,837.19**	**5,437.44**
Profit before exceptional items and tax (III) = (I-II)		**619.41**	**577.98**
Exceptional items [gain/(loss)] (IV)	40	93.73	2.08
Profit before tax (V) = (III - IV)		**713.14**	**580.06**
Tax expenses	10		
Current tax		177.96	145.83
Deferred tax		(36.96)	(3.21)
Total tax expenses (VI)		**141.00**	**142.62**
Profit for the year (VII) = (V - VI)		**572.14**	**437.44**
Other comprehensive income (OCI)			
A. Items that will not be reclassified subsequently to profit or loss	29		
Re-measurement gain/(loss) of defined benefit plan		(6.50)	(4.72)
Less: Income tax effect		1.64	1.19
		(4.86)	**(3.53)**
B. Items that will be reclassified subsequently to profit or loss	29		
Net gain/(loss) on cash flow hedge		1.79	(0.91)
Less: Income tax effect		(0.45)	0.23
		1.34	**(0.68)**
Net other comprehensive income for the year (net of tax)		**(3.52)**	**(4.21)**
Total comprehensive income for the year		**568.62**	**433.23**
Earnings per equity share [Nominal value per share Rs. 2/- each (March 31, 2024: Rs. 2/-)]	28		
Basic		48.02	36.71
Diluted		48.02	36.71
Summary of material accounting policies	2		
Summary of significant accounting estimates and judgements	3		
The accompanying notes are an integral part of these financial statements.			

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

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

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

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2025

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

A Equity Share Capital^

	Note	No. of Shares	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	14	119,156,300	23.83	23.83
Changes in equity shares capital during the year	14	-	-	-
Balance at the end of the year	**14**	**119,156,300**	**23.83**	**23.83**

B Other Equity^ (Refer note 15)

	Reserves and Surplus						Other reserves	
	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Securities premium	Share options outstanding account	Cash flow hedge reserve	Total other equity
As at April 1, 2024	**50.34**	**1.92**	**429.14**	**2,963.25**	**62.55**	**5.97**	**(0.30)**	**3,512.87**
Profit for the year	-	-	-	572.14	-	-	-	**572.14**
Other Comprehensive Income (net)	-	-	-	(4.86)	-	-	1.34	**(3.52)**
Total comprehensive income	**-**	**-**	**-**	**567.28**	**-**	**-**	**1.34**	**568.62**
Dividends paid	-	-	-	(142.99)	-	-	-	**(142.99)**
Share based payments	-	-	-	-	-	5.43	-	**5.43**
Exercise of share options	-	-	-	-	5.49	(5.49)	-	**-**
As at March 31, 2025	**50.34**	**1.92**	**429.14**	**3,387.54**	**68.04**	**5.91**	**1.04**	**3,943.93**
As at April 1, 2023	**50.34**	**1.92**	**429.14**	**2,648.50**	**61.13**	**2.52**	**0.38**	**3,193.93**
Profit for the year	-	-	-	437.44	-	-	-	**437.44**
Other Comprehensive Income (net)	-	-	-	(3.53)	-	-	(0.68)	**(4.21)**
Total comprehensive income	**-**	**-**	**-**	**433.91**	**-**	**-**	**(0.68)**	**433.23**
Dividends paid	-	-	-	(119.16)	-	-	-	**(119.16)**
Share based payments	-	-	-	-	-	4.87	-	**4.87**
Exercise of share options	-	-	-	-	1.42	(1.42)	-	**-**
As at March 31, 2024	**50.34**	**1.92**	**429.14**	**2,963.25**	**62.55**	**5.97**	**(0.30)**	**3,512.87**

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

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

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

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DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2025

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

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
A) Cash flows from operating activities			
Profit before tax (after exceptional item)		713.14	580.06
Adjustments to reconcile profit before tax to net cash flows from operations			
Depreciation/amortisation on property, plant and equipment, right-of-use assets and intangible assets	4 (d)	78.39	72.74
Provision for impairment allowance of financial assets (net)	27 (a)	36.93	39.14
Provision for advances (net)	27 (a)	5.97	(2.69)
(Reversal)/provision on account of impairment of investments in subsidiaries	40	(93.73)	73.41
Provision related to litigation	40	-	50.63
Gain on sale of property, plant and equipment	40	-	(126.12)
Interest expenses	26	24.96	18.06
Unwinding of discount on provisions	26	6.44	5.78
Unrealised foreign exchange loss		3.51	1.16
Interest income	22	(48.97)	(67.42)
Dividend income	22	(25.00)	(4.50)
Liabilities no longer required written back	22	(9.02)	(9.78)
Fair value gain on financial instrument at fair value through profit and loss (net)	22	(86.81)	(69.58)
Loss on sale/discard of assets (net)	27 (a)	2.71	0.35
Share based payment expenses	25	5.43	3.94
Working capital adjustments			
(Increase) in trade receivables		(193.51)	(358.35)
Decrease/(increase) in inventories		14.28	(6.55)
(Increase)/decrease in other financial assets		(241.85)	77.82
Decrease/(increase) in other assets		19.18	(186.62)
Increase in trade payables		50.75	53.87
Increase in other liabilities		155.23	20.41
Increase in provisions		26.91	28.36
(Decrease)/increase in other financial liabilities		(5.02)	19.76
Cash generated from operations		**439.92**	**213.88**
Direct taxes paid (net of refunds received)		(65.75)	(123.09)
Net cash flows from operating activities		**374.17**	**90.79**
B) Cash flows (used in)/from investing activities			
Purchase of property, plant and equipment, right of use assets, intangible assets (including capital advances) and capital work-in-progress		(269.84)	(151.37)
Sale of property, plant and equipment, right-of-use assets and intangible assets		2.08	121.80
Investment in subsidiaries		(229.93)	(317.15)
Investment in associates	5(b)	-	(3.50)
Proceeds from redemption of Preference shares in subsidiary (Including dividend)		78.00	-
Loans given to subsidiaries		(380.04)	(552.02)
Loans repaid by subsidiaries		511.30	536.30

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2025

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

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Investment in fixed deposits		(1.54)	(200.00)
Redemption of fixed deposits		77.23	624.69
Purchase of investments		(2,976.00)	(2,537.77)
Proceeds from sale of investments		2,986.80	2,505.61
Interest received		51.00	72.30
Dividend received		25.00	4.50
Net cash flows (used in)/from investing activities		**(125.94)**	**103.39**
C) Cash flows (used in) financing activities			
Proceeds from borrowings		554.81	449.80
Repayment of borrowings		(778.10)	(362.00)
Interest paid		(25.95)	(18.06)
Dividend paid		(142.95)	(119.32)
Payment of lease liability	30 C(ii)	(1.48)	(1.80)
Net cash flows (used in) financing activities		**(393.67)**	**(51.38)**
Net (decrease)/increase in cash and cash equivalents		**(145.44)**	**142.80**
Cash and cash equivalents at the beginning of the year		263.62	120.82
Cash and cash equivalents at the end of the year		**118.18**	**263.62**

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

	Notes	As at March 31, 2025	As at March 31, 2024
Balances with banks	13(a)		
- in current accounts		49.26	102.71
- Exchange Earners Foreign Currency (EEFC) account		17.89	0.55
- in deposits with original maturity of less than three months		50.89	160.04
Cheques, drafts on hand	13(a)	-	0.20
Cash on hand	13(a)	0.14	0.12
Balances as per cash flow statement		**118.18**	**263.62**

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

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

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

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DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

1 Corporate Information

Thermax Limited ('the Company'), is a leading energy and environment solutions provider headquartered in Pune, India. Its business includes manufacture, installations, sale and services related to:

- **Industrial Products -** Boilers & Heating equipment (small capacity), Absorption Chillers/Heat Pumps, Air Pollution Control Equipment/Systems, Water & Waste Recycle including associated services and engineering, procurement and construction (EPC) and specialised services;
- **Industrial Infra -** EPC of Power Plants, Boiler & Heater (high capacity) plants, Infra projects, Flue Gas Desulphurisation projects including associated services; and
- **Chemicals -** Ion Exchange Resins, Performance Chemicals, Construction Chemicals, Water Treatment Chemicals, Oil Field Chemicals, Paper Chemicals and Construction Chemicals and related services.

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

2 Material Accounting Policies

2.1 Basis of preparation and measurement

a. Basis of preparation

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

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

The employee welfare trusts (including an ESOP trust) being separate legal entities, are not considered for the purpose of consolidation in the standalone financial statements. However, these trusts have been consolidated in the consolidated financial statements under Ind AS 110 - "Consolidated Financial Statements".

b. Basis of measurement

The standalone financial statements have been prepared on the accrual and going concern basis under historical cost convention except the following:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans whereby the plan assets are measured at fair value; and
- Equity settled ESOP at grant date fair value at each reporting date.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025

The accounting policies and related notes further described the specific measurements applied for each of the assets and liabilities.

2.2 Summary of material accounting policies

a. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's standalone financial statements are prepared in Indian Rupees (Rs.), which is also the functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. The Company applies fair value measurement when an Ind AS requires or permits fair value measurement or disclosures about fair value measurements except for Ind AS which prescribe measurement and disclosures with these standards such as:

a) Share based payment transactions covered by Ind AS 102 - "Share based payments";

b) Leasing transactions covered by Ind AS 116 - "Leases".

In such cases, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In addition or further, fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- **Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- Quantitative disclosures of fair value measurement hierarchy (Refer note 34);
- Financial instruments (including those carried at amortised cost) (Refer note 34).

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

d. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. For all subsequent measurements financial assets are classified in following categories by the Company:

(i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(ii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI is classified as FVTPL (refer note 6).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

(iii) Equity investments

All equity investments in scope of Ind AS 109 - "Financial Instruments", are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are provided in the following notes:

- **Trade receivables -** Refer note 7;
- **Loans** - Refer note 8;
- **Contract assets and Other Financial Assets** - Refer note 9.

Expected Credit Loss (ECL): In accordance with Ind AS 109 "Financial Instruments", the Company applies ECL model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortised costs e.g. loans, trade receivables, contractual receivables and contract assets and financial assets (reference of notes give above). The Company follows 'simplified approach' for recognition of impairment allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment allowance based on 12-month ECL. The Company considers current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

ECL impairment allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss under the head 'other expenses'. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and Loss or at amortised cost.

All changes in fair value of financial liabilities classified as FVTPL is recognised in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognised in Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part on EIR. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

e. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025

risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as "Cash flow hedges" when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated Hedges that meet the strict criteria for hedge accounting are accounted for, as cash flow hedge.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of Profit and Loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in statement of Profit and Loss. Amounts recognised in OCI are transferred to the Statement of Profit and Loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

f. Employee stock option and share based payments

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the Company recognises employee compensation expense, using the grant date fair value in accordance with Ind AS 102 - "Share Based Payment (SBP)", on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. Employees (senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The Company initially measures the cost of transactions with employees using a Black Scholes Options Pricing model to determine the fair value of the liability incurred.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model and the performance of the Company, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 38.

2.3 Changes in accounting policies and disclosures

(a) New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 01, 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117- "Insurance Contracts"

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117-"Insurance Contracts", vide notification dated August 12, 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after April 01, 2024.

Ind AS 117 "Insurance Contracts" is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104-"Insurance Contracts". Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have material impact on the Company standalone financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendments to Ind AS 116-"Leases" – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116-"Leases", with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after April 01, 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have a material impact on the Company's financial statements.

(b) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

disclosed below. The Company will adopt this new and amended standard, when it become effective.

Lack of exchangeability – Amendments to Ind AS 21

The Ministry of Corporate Affairs notified amendments to Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

2.4 Climate-related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.

3 Significant Accounting Estimates and Judgements

In the application of the Company's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving significant estimates or judgements are:

a. Estimates and assumptions related to useful lives and impairment of Property, Plant and Equipment (PPE) (Refer note 4);

b. Estimations used for impairment of financial assets (Refer note 7);

c. Estimates and assumptions for income taxes (Refer note 10);

d. Estimates and assumptions related to provisions (Refer note 18);

e. Estimates, judgements and assumptions used for revenue from operations (Refer note 21);

f. Estimates and judgements used for contingent liabilities, commitments and leasing arrangements (Refer note 30);

g. Judgements related to segment reporting (Refer note 33);

h. Estimations used for fair value measurement (Refer note 34);

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

4 Property, Plant and Equipment (PPE)

Accounting policy

Property, plant and equipment (PPE) are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any. All significant costs relating to the acquisition and installation of PPE are capitalised. Subsequent costs/replacement costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the financial year in which they are incurred.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation on PPE is calculated on a straight line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain classes of assets. The following useful lives are adopted by the management:

Assets category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Factory buildings	15 to 30	30
Other buildings	15 to 58	60
Plant and equipment	3 to 25	15 to 20
Roads	5 to 30	5 to 10
Office equipment	15	15
Furniture and fixtures	15	10
Computers and data processing units	4 to 6	3 to 6
Vehicles	5 to 8	8

The residual values, useful lives and method of depreciation of PPE are reviewed on a regular basis and changes in estimates, when relevant, are accounted for on a prospective basis.

Estimates and assumptions:

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives periodically and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Accounting policy

Impairment of PPE

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the Statement of profit or loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is

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for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase, if applicable.

Estimates and assumptions

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years as approved by the Management and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the terminal growth rate used.

(a) Property, Plant and Equipment

Description	Freehold land	Buildings	Plant and equipment	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work-in-progress#
Gross carrying amount as at April 1, 2023*	**7.21**	**472.01**	**503.31**	**22.68**	**64.47**	**30.41**	**15.10**	**1,115.19**	**44.91**
Additions	-	23.36	54.32	1.50	9.53	2.47	7.84	**99.02**	161.34
Disposals	-	(0.15)	(2.29)	(1.10)	(1.73)	(0.77)	(3.94)	**(9.98)**	(99.02)
Gross carrying amount as at March 31, 2024	**7.21**	**495.22**	**555.34**	**23.08**	**72.27**	**32.11**	**19.00**	**1,204.23**	**107.23**
Additions	-	106.95	161.47	2.16	17.70	3.76	5.99	298.03	272.39
Disposals	-	(0.87)	(5.78)	(0.55)	(9.03)	(0.45)	(2.45)	**(19.13)**	(298.03)
Gross carrying amount as at March 31, 2025	**7.21**	**601.30**	**711.03**	**24.69**	**80.94**	**35.42**	**22.54**	**1,483.13**	**81.59**
Accumulated depreciation as at April 1, 2023*	**-**	**144.60**	**265.94**	**12.51**	**40.53**	**18.85**	**6.93**	**489.36**	**-**
Charge for the year	-	15.42	30.93	1.68	7.64	1.42	3.03	**60.12**	-
Disposals	-	(0.15)	(1.47)	(0.66)	(0.68)	(0.62)	(2.93)	**(6.51)**	-
Accumulated depreciation as at March 31, 2024	**-**	**159.87**	**295.40**	**13.53**	**47.49**	**19.65**	**7.03**	**542.97**	**-**
Charge for the year	-	15.49	34.68	1.54	9.47	1.65	3.45	66.28	-
Disposals	-	(0.16)	(3.96)	(0.36)	(8.33)	(0.12)	(1.83)	**(14.76)**	-
Accumulated depreciation as at March 31, 2025	**-**	**175.20**	**326.12**	**14.71**	**48.63**	**21.18**	**8.65**	**594.49**	**-**
Net block as at March 31, 2025	**7.21**	**426.10**	**384.91**	**9.98**	**32.31**	**14.24**	**13.89**	**888.64**	**81.59**
Net block as at March 31, 2024	**7.21**	**335.35**	**259.94**	**9.55**	**24.78**	**12.46**	**11.97**	**661.26**	**107.23**

**The Company had elected to continue with the carrying value of property, plant and equipment and intangible assets as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition to Ind AS (i.e. April 1, 2015). The Company has disclosed the gross block and accumulated depreciation above, for information purpose only.*

The Company does not have any charges against PPE.

The title deeds of immovable properties are held in the name of the Company.

The Company has given certain part of its office building on lease to group companies, the value of the same cannot be determined and the amounts are not significant (Refer note 30 C).

 # Capital work in progress largely includes expenditure towards extension of manufacturing facilities.

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Capital Work-in-Progress ('CWIP')

Accounting policy

The Company recognises capital work in progress at cost, net of accumulated impairment loss, if any.

Ageing of CWIP*:

Description		Amount in CWIP for a period of			Total CWIP
		Less than 1 year	1-2 years	2-3 years	
Project in progress	March 31, 2025	40.63	40.96	-	**81.59**
	March 31, 2024	*96.91*	*9.26*	*1.06*	***107.23***
Projects temporarily suspended	March 31, 2025	-	-	-	-
	March 31, 2024	-	-	-	-
Total Capital work-in-progress	**March 31, 2025**	**40.63**	**40.96**	**-**	**81.59**
	March 31, 2024	***96.91***	***9.26***	***1.06***	***107.23***

**For CWIP, there are no projects except mentioned below whose completion date is overdue or exceeded its cost as compared to its original plan for the year ended and as at March 31, 2025 and March 31, 2024.*

CWIP includes Plant and equipments for manufacturing facility overdue for pending trials Rs. 33.55 and was expected to be completed by Q2 FY 2025-26.

Plant and equipment for manufacturing facility was overdue for pending trials as at march 31, 2024 (2-3 years - Rs. 1.06) has been completed and capitalised during the year.

(b) Right-of-Use (ROU) Assets

Accounting policy

The Company recognises ROU assets at cost at the commencement date of the lease. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. After the commencement date, ROU assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated remaining useful lives of the assets, as follows:

Assets category	Company's estimate of useful life (years)
Leasehold Land	1 to 99
Buildings	5 to 58
Vehicles	5 to 8

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for the year ended March 31, 2025

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Description	Leasehold Land*	Building	Vehicles	Total ROU
Gross carrying amount as at April 1, 2023	**70.86**	**7.39**	**0.91**	**79.16**
Additions	-	6.70	-	**6.70**
Disposals	(1.64)	(6.73)	-	**(8.37)**
Gross carrying amount as at March 31, 2024	**69.22**	**7.36**	**0.91**	**77.49**
Additions	-	0.90	-	**0.90**
Disposals	(0.19)	(0.43)	-	**(0.62)**
Gross carrying amount as at March 31, 2025	**69.03**	**7.83**	**0.91**	**77.77**
Accumulated depreciation as at April 1, 2023	**7.65**	**3.56**	**0.91**	**12.12**
Charge for the year	0.97	1.30	-	**2.27**
Disposals	(0.21)	(3.24)	-	**(3.45)**
Accumulated depreciation as at March 31, 2024	**8.41**	**1.62**	**0.91**	**10.94**
Charge for the year	0.88	1.50	-	**2.38**
Disposals	(0.19)	(0.43)	-	**(0.62)**
Accumulated depreciation as at March 31, 2025	**9.10**	**2.69**	**0.91**	**12.70**
Net block as at March 31, 2025	**59.93**	**5.14**	**-**	**65.07**
Net block as at March 31, 2024	**60.81**	**5.74**	**-**	**66.55**

**The Company has taken certain assets on lease which has been accounted in accordance with Ind AS 116 - "Leases" under right of use assets. Refer note 30C for further disclosure on leases.*

(c) Intangible Assets

Accounting policy

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life subject to a maximum of ten years. Amortisation is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

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(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

A summary of amortisation rates applied to the Company's intangible assets are as below:

Assets category	Life (years)
Technical know-how	3 to 6
Computer software	3 to 10

Description	Computer Software	Technical Know-how	Total intangible assets	Intangible assets under development^
Gross carrying amount as at April 1, 2023*	**75.92**	**69.42**	**145.34**	**-**
Additions	11.35	-	11.35	4.38
Disposals	(13.56)	-	(13.56)	-
Gross carrying amount as at March 31, 2024	**73.71**	**69.42**	**143.13**	**4.38**
Additions	10.16	1.35	11.51	0.17
Disposals	(0.82)	-	(0.82)	(3.43)
Gross carrying amount as at March 31, 2025	**83.05**	**70.77**	**153.82**	**1.12**
Accumulated amortisation as at April 1, 2023	**60.27**	**64.14**	**124.41**	**-**
Charge for the year	6.91	3.44	10.35	-
Disposals	(13.33)	-	(13.33)	-
Accumulated amortisation as at March 31, 2024	**53.85**	**67.58**	**121.43**	**-**
Charge for the year	7.71	2.02	9.73	-
Disposals	(0.40)	-	(0.40)	-
Accumulated amortisation as at March 31, 2025	**61.16**	**69.60**	**130.76**	**-**
Net block as at March 31, 2025	**21.89**	**1.17**	**23.06**	**1.12**
Net block as at March 31, 2024	**19.86**	**1.84**	**21.70**	**4.38**

**The Company had elected to continue with the carrying value of property, plant and equipment and intangible assets as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition to Ind AS (i.e. April 1, 2015). The Company has disclosed the gross block and accumulated amortisation above, for information purpose only.*

There are no internally developed assets except in Technical Know-how with net block of Rs. Nil (March 31, 2024 Rs. 2.01).

^Ageing of intangible assets under development

Description		Amount in intangible assets under development for a period of			Total intangible assets under development
		Less than 1 year	1-2 years	2-3 years	
Project in progress	March 31, 2025	0.27	0.85	-	1.12
	March 31, 2024	*4.38*	*-*	*-*	*4.38*
Projects temporarily suspended	March 31, 2025	-	-	-	-
	March 31, 2024	*-*	*-*	*-*	*-*
Total intangible asset under development	**March 31, 2025**	**0.27**	**0.85**	**-**	**1.12**
	March 31, 2024	***4.38***	***-***	***-***	***4.38***

^For intangible assets under development, there are no projects whose completion date is overdue or exceeded its cost as compared to its original plan for the year ended and as at March 31, 2025 and March 31, 2024.

Intangible asset under development is on account of warehouse management system [1-2 years - Rs. 0.85 (March 31, 2024 Rs. Nil)] and is expected to be completed by FY 26.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(d) Depreciation and Amortisation Expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (note 4 (a))	66.28	60.12
Depreciation of right-of-use assets (note 4 (b))	2.38	2.27
Amortisation of intangible assets (note 4 (c))	9.73	10.35
Total	**78.39**	**72.74**

(e) Capitalisation of Expenses

During the year, the Company has capitalised the following expenses of revenue nature to the cost of Property, plant and equipment/intangible assets. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages (Refer note 25)	4.18	0.86
Interest expenses (Refer note 26)	0.99	-
Other expenses (Refer note 27(a))	3.02	0.57
Total	**8.19**	**1.43**

5

(a) Investments in Subsidiaries

Accounting policy

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the Statement of Profit and Loss.

	Face value per share	Number of shares		Amount	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Investments in Equity Instruments:					
Investments valued at cost (Fully paid)					
Equity shares in Subsidiaries (Unquoted)					
Thermax Engineering Construction Company Limited	Rs. 10	4,500,000	4,500,000	4.50	4.50
Thermax Instrumentation Limited	Rs. 10	9,000,000	9,000,000	6.06	6.06
Thermax Onsite Energy Solutions Limited	Rs. 10	108,280,000	108,280,000	108.28	108.28
Thermax Europe Limited	GBP 1	200,000	200,000	1.17	1.17
Thermax International Limited	USD 1	1,695,000	1,695,000	8.22	8.22
Thermax Netherlands B.V.	EUR 1	32,710,000	32,410,000	233.88	231.15
Rifox-Hans Richter GmbH Spezialarmaturen	EUR 1	716,469	716,469	12.04	12.04
Thermax Engineering Singapore Pte. Ltd.	USD 1	32,104,356	27,484,356	229.08	190.49
First Energy Private Limited	Rs. 10	419,316,365	403,986,365	426.79	411.47
Thermax Sustainable Energy Solutions Limited#	Rs. 10	4,750,000	4,750,000	-	-

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(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	Face value per share	Number of shares		Amount	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Thermax do Brasil - Energia e Equipamentos Ltda.#	Real 1	1,087,130	1,087,130	-	-
Thermax Babcock & Wilcox Energy Solutions Limited	Rs. 10	628,222,500	628,222,500	374.35	374.35
Thermax Cooling Solutions Limited	Rs. 5*	20,000,000	20,000,000	0.20	0.20
Thermax Bioenergy Solutions Private Limited	Rs. 10	16,250,000	3,250,000	16.25	3.25
TSA Process Equipment Pvt. Ltd.^	Rs. 10	697,680	-	64.10	-
Thermax Chemical Solutions Pvt Ltd	Rs. 10	14,899,999	-	14.90	-
Buildtech Products India Private Limited^	Rs. 10	1,520,999	-	77.20	-
Share application money (Unquoted):					
First Energy Private Limited	Rs. 10	10,000,000	-	10.00	-
Thermax Netherlands B.V.	EUR 1	-	300,000	-	2.73
Investments in Preference Shares:					
Investments valued at cost (Fully paid)					
Preference shares in Subsidiaries (Unquoted)					
Thermax International Ltd., Mauritius (6% Redeemable with conversion option)	USD 1	1,747,300	1,747,300	7.87	7.87
Thermax Instrumentation Limited, India (10% Redeemable non-cumulative)	Rs. 100	1,700,000	1,700,000	10.00	10.00
Investments in Equity Instruments				-	-
Investments valued at Fair Value Through Profit and Loss (Fully paid) (Unquoted)					
First Energy Nine Private Limited	Rs. 10	720,000	-	0.72	-
Total value of investments (A)				**1,605.61**	**1,371.78**
Less: Impairment in value of investments					
Thermax Netherlands B.V. (refer note 40)				107.33	201.06
First Energy Private Limited				32.94	32.94
Thermax Engineering Singapore Pte. Ltd. (refer note 40)				112.90	112.90
Total impairment in value of investments (B)				**253.17**	**346.90**
Investments in Subsidiaries (net) (A-B)				**1,352.44**	**1,024.88**
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				1,605.61	1,371.78
Aggregate amount of impairment in the value of investments				253.17	346.90

 # Deemed cost is considered to be Rs. Nil as on April 1, 2015.

**Face value of share has reduced from Rs. 10 to Rs. 5 on account share capital reduction in Thermax Cooling Solutions Limited during the year 2023-24.*

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(b) Investment in Associates

Accounting policy

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining whether significant influence exists are similar to those necessary to determine control over the subsidiaries. The Company's investments in its associates are accounted at cost.

	Face value per share	Number of shares		Amount	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Investments in Associates (At cost)					
Cumulative Convertible Preference shares in Associates (Unquoted):					
ExactSpace Technologies Private Limited (15.17%; March 31, 2024: 15.17%)	Rs. 10	1,921	1,921	10.00	10.00
Covacsis Technologies Private Limited (16.67%, March 31, 2024: 16.67%)	Rs. 10	43,192	43,192	10.00	10.00
Less: Classified as held for sale*				(10.00)	-
Total investment in Associates				**10.00**	**20.00**
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				10.00	20.00
Aggregate amount of impairment in the value of investments				-	-

**The Company had acquired 16.67% share in Covacsis Technologies Private Limited (Covacsis) on July 22, 2022, which is involved in business of developing digital enabled service solutions with respect to process improvement, through-put enhancement, specific energy consumption reduction.*

The Company has entered into an agreement dated March 26, 2025 to dispose of its entire investment in Covacsis Technologies Private Limited (Covacsis), an associate in which the Company held 16.67% of the equity share capital. The sale is expected to be completed within the next 12 months and is considered highly probable. Accordingly, the investment in Covacsis has been classified as non-current assets held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

The Company had also acquired 15.71% share in ExactSpace Technologies Private Limited (ExactSpace) on January 25, 2022, which is involved in business of developing artificial intelligence solutions.
The Company has right to participate in policy-making decision as well as a director representing the Company in the Board of Directors of Covacsis and ExactSpace. As a result, the Company holds significant influence in Covacsis and ExactSpace and the interest in Covacsis and ExactSpace.

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6 Investments

(a) Non-Current Investments

	Face value per share	Number of shares		Amount	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Investments at fair value through profit and loss:					
Investments in Equity Shares:					
Unquoted equity shares (Fully paid up)					
Sicom Limited #	Rs. 10	10,000	10,000	-	-
Total investment in Equity Shares				-	-
Investment in Preference Shares:					
Unquoted preference shares in Subsidiaries (Fully paid up, redeemable)					
Thermax Sustainable Energy Solutions Limited (6%, Cumulative) #	Rs. 10	4,000,000	4,000,000	-	-
Total investment in Preference Shares					
Fund Of Funds (FOF)				-	80.62
Exchange Traded Funds (ETF) & Index Funds				47.65	88.69
Floater Funds				-	63.96
Total value of investments (Quoted)				**47.65**	**233.27**
Investments at amortised cost					
Investments in Corporate Bonds (Unquoted)				-	149.31
Total non-current investments				**47.65**	**382.58**
Aggregate amount of quoted investments				47.65	233.27
Aggregate amount of unquoted investments				-	149.31

 # Deemed cost is considered to be Nil as on April 1, 2015.

Investments at fair value through profit or loss reflect investment in quoted and unquoted equity and debt securities. Refer note 34 for determination of their fair values.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Current Investments

	Face value per share	Number of shares As at March 31, 2025	Number of shares As at March 31, 2024	Amount As at March 31, 2025	Amount As at March 31, 2024
Investments at fair value through profit and loss:					
Investment in Preference Shares:					
Unquoted preference shares in Subsidiaries (Fully paid up, redeemable)					
Thermax Babcock & Wilcox Energy Solutions Limited (8%, Cumulative, Redeemable) (Net)	Rs. 10	-	52,700,000	-	76.67
Total investment in Preference Shares		**-**	**52,700,000**	**-**	**76.67**
Investments in Mutual Funds:					
Units of Mutual Funds (Quoted)				1,145.05	682.18
Investments at amortised cost:					
Investments in Corporate Bonds (Unquoted)				150.35	74.00
Investments in Corporate Fixed Deposits (Unquoted)				-	132.94
Total value of investments				**1,295.40**	**965.79**
Aggregate amount of quoted investments and market value thereof				1,145.05	682.18
Aggregate amount of unquoted investments				150.35	283.61

Investments at fair value through profit or loss reflect investment in quoted and unquoted equity and debt securities. Refer note 34 for determination of their fair values.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

7 Trade Receivables - At Amortised Cost

Accounting policy

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(a) Non-Current Trade Receivables

	As at March 31, 2025	As at March 31, 2024
Trade receivables from:		
i) Related parties (Refer note 32)	-	-
ii) Others	142.46	140.08
Total	**142.46**	**140.08**
Sub-classification of trade receivables		
Secured, considered good	-	-
Unsecured, considered good	163.06	152.52
	163.06	**152.52**
Less: impairment allowance	(20.60)	(12.44)
Total	**142.46**	**140.08**

The ageing of non-current trade receivables:

Description		Not due	Outstanding for the following period from due date of payments: Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables-considered good	March 31, 2025	163.06	-	-	-	-	-	**163.06**
	March 31, 2024	*152.52*	-	-	-	-	-	***152.52***
Less: Impairment allowance	March 31, 2025	-	-	-	-	-	-	**(20.60)**
	March 31, 2024	-	-	-	-	-	-	***(12.44)***
Total	**March 31, 2025**							**142.46**
	March 31, 2024							***140.08***

The above ageing includes retention receivables which are classified as due or not due on the basis of the contractual terms with respective customers.

(b) Current Trade Receivables

	As at March 31, 2025	As at March 31, 2024
Trade receivables from:		
i) Related parties (Refer note 32)	201.14	93.12
ii) Others	1,450.41	1,408.52
Total	**1,651.55**	**1,501.64**
Sub-classification of trade receivables		
Secured, considered good	81.02	198.83
Unsecured, considered good	1,798.11	1,519.51
Trade receivables which have significant increase in credit risk	8.04	11.47
Trade receivables - Credit impaired	25.79	27.77
	1,912.96	**1,757.58**
Less: impairment allowance	261.41	(255.94)
Total	**1,651.55**	**1,501.64**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 32.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The ageing of current trade receivables:

Description		Not due	Outstanding for the following period from due date of payments: Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables - Considered good	March 31, 2025	1,064.54	514.24	122.77	78.68	33.25	65.65	**1,879.13**
	March 31, 2024	*881.15*	*500.01*	*96.60*	*128.42*	*36.05*	*66.94*	***1,709.17***
(ii) Undisputed trade receivables - Which have significant increase in credit risk	March 31, 2025	-	-	-	-	-	8.04	**8.04**
	March 31, 2024	-	-	-	-	*0.22*	*11.25*	***11.47***
(iii) Undisputed trade receivables - Credit impaired	March 31, 2025	6.35	3.33	4.13	7.12	1.27	2.40	**24.6**
	March 31, 2024	*0.65*	*5.88*	*2.10*	*7.09*	*5.14*	*5.72*	***26.58***
(iv) Disputed trade receivables - Considered good	March 31, 2025	-	-	-	-	-	-	**-**
	March 31, 2024	-	-	-	-	-	*9.17*	***9.17***
(v) Disputed trade receivables - Which have significant increase in credit risk	March 31, 2025	-	-	-	-	-	-	**-**
	March 31, 2024	-	-	-	-	-	-	**-**
(vi) Disputed trade receivables - Credit impaired	March 31, 2025	-	-	-	1.19	-	-	**1.19**
	March 31, 2024	-	-	*1.19*	-	-	-	***1.19***
Sub-total	March 31, 2025	**1,070.89**	**517.57**	**126.90**	**86.99**	**34.52**	**76.09**	**1,912.96**
	March 31, 2024	***881.80***	***505.89***	***99.89***	***135.51***	***41.41***	***93.08***	***1,757.58***
Less: Impairment allowance*	March 31, 2025							**(261.41)**
	March 31, 2024							***(255.94)***
Total	**March 31, 2025**							**1,651.55**
	March 31, 2024							***1,501.64***

**Includes provision of Rs. 8.04 (March 31, 2024: Rs. 11.47) for trade receivables which have significant increase in credit risk and provision of Rs. 25.79 (March 31, 2024: Rs. 27.77) for trade receivables which are credit impaired.*

The above ageing includes retention receivables which are classified as due or not due on the basis of the contractual terms with respective customers.

(c) Expected Credit Loss (ECL)

Estimates and assumptions

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and timing of cash flows. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

As a practical expedient, the Company uses a provision matrix to determine ECL impairment allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates a default rate of total revenue for trade receivables and contract revenue for contract assets. The Company follows provisioning norms based on ageing of receivables to estimate the impairment allowance under ECL. For retention receivables, the Company additionally categorises the receivables due from Public Sector Undertakings (PSUs) and Non-PSUs and follows a wider aged bucket provisioning norms as the performance guarantee tests require certain time period after the supplies are completed.

The following table summarises the change in impairment allowance measured using the life time ECL model (Pursuant to Ind AS 109):

	Provision on trade receivables: As at March 31, 2025	Provision on trade receivables: As at March 31, 2024	Provision on unbilled revenue (contract assets) (Refer note 9(b)): As at March 31, 2025	Provision on unbilled revenue (contract assets) (Refer note 9(b)): As at March 31, 2024
At the beginning of the year	268.38	250.81	15.74	13.04
Less: Bad debts/write off	(23.82)	(18.87)	-	-
	244.56	**231.94**	**15.74**	**13.04**
Add: Provision made during the year	86.34	97.78	1.40	2.70
Less: Utilised/reversed during the year	(48.89)	(61.34)	(1.92)	-
Net charge to Statement of Profit and Loss	37.45	36.44	(0.52)	2.70
At the end of the year	**282.01**	**268.38**	**15.22**	**15.74**

Also refer note 32 for impairment provision on related party balances.

8 Loans - At Amortised Cost

(a) Non-Current Loans

	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Loan to related parties (Refer note 32)#	9.62	5.97
Loan to employees	2.05	2.01
Total	**11.67**	**7.98**
Classification of above is as follows:		
Loans receivables - Considered good - Unsecured	11.67	7.98
Total	**11.67**	**7.98**

Details of non-current loans to Promoters, Directors, Key Management Personnel and related parties

Type of borrower	As at March 31, 2025: Amount of loan or advance in the nature of loan outstanding Rs.	As at March 31, 2025: Percentage to the loan or advance in the nature of loan %	As at March 31, 2024: Amount of loan or advance in the nature of loan outstanding Rs.	As at March 31, 2024: Percentage to the loan or advance in the nature of loan %
Promoters	-	-	-	-
Directors	-	-	-	-
Key Management Personnel	-	-	-	-
Related parties	-	-	-	-
Gross	13.74	100%	10.09	100%
Net	9.62	100%	5.97	100%

#Loans to related party is disclosed net of impairment allowance of Rs. 4.12 (March 31, 2024: Rs. 4.12).

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Current Loans

	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Loan to related parties (Refer note 32)	47.42	183.07
Loan to employees	0.78	0.73
Total	**48.20**	**183.80**
Classification of above is as follows:		
Loans receivables - Considered good - Unsecured	48.20	183.80
Total	**48.20**	**183.80**

Details of current loans to Promoters, Directors, Key Management Personnel and related parties

Type of borrower	As at March 31, 2025		As at March 31, 2024	
	Amount of loan or advance in the nature of loan outstanding Rs.	Percentage to the loan or advance in the nature of loan %	Amount of loan or advance in the nature of loan outstanding Rs.	Percentage to the loan or advance in the nature of loan %
Promoters	-	-	-	-
Directors	-	-	-	-
Key Management Personnel	-	-	-	-
Related parties	-	-	-	-
Gross	47.42	100%	183.07	100%
Net	47.42	100%	183.07	100%

Loans are various kinds of non-derivative financial assets which generate fixed interest income for the Company. The tenure of such loans has different time range based on employee's eligibility.

No loans are due from directors or Key Managerial Personnel of the Company either severally or jointly with any other person or from private companies or firms in which any director is a partner, a director or a member respectively.

For terms and conditions relating to loans given to related parties, refer note 32.

9 Other Financial Assets

Accounting policy

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before invoicing is done, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing. Contract assets are recorded in balance sheet as unbilled revenue.

(a) Other Non-Current Financial Assets

	As at March 31, 2025	As at March 31, 2024
Security Deposits	9.39	8.52
Total	**9.39**	**8.52**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) OTHER CURRENT FINANCIAL ASSETS

	As at March 31, 2025	As at March 31, 2024
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	1.69	0.72
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	9.79	1.35
At amortised cost		
Export incentive receivable	6.44	6.93
Unbilled revenue (Contract assets)^	336.43	104.34
Security Deposits*	4.19	3.40
Others receivables**	23.54	22.65
Total	**382.08**	**139.39**

**Includes lease deposits given to directors of Rs. 0.53 (March 31, 2024: Rs. 0.18). The maximum amount due from directors during the year amounted to Rs. 0.53 (March 31, 2024: Rs. 0.18). This also includes deposits given to various other parties for rent, utilities etc. Refer note 32 for transactions / balances of related parties.*

***Refer note 32 for transactions / balances of related parties.*

Financial assets at fair value through other comprehensive income reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales and purchases in various foreign currencies.

^Unbilled revenue is disclosed net of impairment allowance of Rs. 15.22 (March 31, 2024: Rs. 15.74) for contract assets.

10 Income Taxes

Accounting policy

Tax expense comprises of current tax expense and deferred tax.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised either in OCI or in equity, in correlation to the underlying transaction. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity), in correlation to the underlying transaction.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity (or each tax Company of entities when applicable) and the same taxation authority.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments.

Estimates and assumptions

Recoverability of Deferred tax assets:

At each balance sheet date, the Company assesses whether the realisation of future tax benefits is sufficiently probable to recognise deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted.

The major components of income tax expense for the year ended March 31, 2025 and March 31, 2024 are:

Statement of Profit and Loss	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	177.96	145.83
Deferred tax	(36.96)	(3.21)
Income tax expense reported in the Statement of Profit and Loss	**141.00**	**142.62**

Other comprehensive income	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax related to items recognised in other comprehensive income during the year		
Net (gain) or loss on revaluation of cash flow hedge	0.45	(0.23)
Net (gain) on remeasurements of defined benefit plans	(1.64)	(1.19)
Deferred tax credited in other comprehensive income	**(1.19)**	**(1.42)**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting profit before tax (after exceptional items)	713.14	580.06
Exceptional items gain	93.73	2.08
Accounting profit before tax (before exceptional items)	**619.41**	**577.98**
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17% (March 31,2024: 25.17%)	155.91	145.48
- Dividend income	(6.29)	(1.13)
- Tax expenses for earlier years	2.10	-
- Deferred tax on account of utilisation of losses of previous year(s)	(4.11)	(6.20)
- Tax rate difference on Long Term Capital Gains	(9.75)	-
- Other permanent differences	3.14	4.47
At the effective income tax of 22.76% (March 31, 2024: 24.68%)	**141.00**	**142.62**
Total income tax expense reported in the Statement of Profit and Loss	**141.00**	**142.62**

Deferred tax

Statement of Profit and Loss	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	3.18	1.34
Employee benefit obligations	(2.32)	(2.26)
Provision for doubtful debts and liquidated damages	(6.57)	(17.24)
Temporary differences in accounting treatment as required by Income tax standards	(3.82)	(2.61)
Items allowed on payment basis/temporary disallowances	(30.86)	(3.05)
Others (mainly includes impact on account of deferred tax asset on brought forward losses)	3.43	20.61
Deferred tax expense/(income) in the Statement of Profit and Loss	**(36.96)**	**(3.21)**

Balance Sheet	As at March 31, 2025	As at March 31, 2024
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(58.30)	(55.12)
Revaluation of cash flow hedges	(0.37)	0.08
Employee benefit obligations	17.84	13.88
Provision for doubtful debts and liquidated damages	94.93	88.36
Items allowed on payment basis/temporary disallowances	38.83	7.97
Temporary differences in accounting treatment as required by Income tax standards	7.78	3.96
Others (mainly includes impact on account of deferred tax asset on brought forward losses)	(10.07)	(6.64)
Net deferred tax assets	**90.64**	**52.49**

Reconciliation of deferred tax assets (net)	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance as at April 1	**52.49**	**47.86**
Tax (expense)/income during the period recognised in profit or loss	36.96	3.21
Tax Income during the period recognised in other comprehensive income - Items that will not be reclassified subsequently to profit or loss	1.64	1.19
Tax (expense)/income during the period recognised in other comprehensive income - Items that will be reclassified subsequently to profit or loss	(0.45)	0.23
Closing balance as at March 31	**90.64**	**52.49**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The Company offsets tax assets and liabilities of current tax if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and if, of defer tax, the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During previous year, the Company had not recognised deferred tax asset of Rs. 18.48 on provision of impairment in subsidiaries of Rs. 73.41.

The Company has tax losses (of capital in nature) of Rs. Nil (March 31, 2024: Rs. 47.87) that are available for offsetting for future taxable capital profits. Brought forward losses will expire by March 2029. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable capital profits elsewhere in the Company as there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs. Nil (March 31, 2024: Rs. 10.95).

11 Other Assets

(a) Other Non-Current Assets

	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Capital advance (includes advance to related party Rs. Nil (March 31, 2024: Rs. 0.65)) (Refer note 32)	5.13	10.39
Balances with government authorities	26.33	28.40
Prepayments	23.03	14.48
Total	**54.49**	**53.27**

(b) Other Current Assets

	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Advance to suppliers	115.00	170.22
Advance to employees	4.96	7.94
Advance to related parties (Refer note 32)	24.90	29.53
Prepayments	19.48	21.31
Balances with government authorities	96.66	58.34
Deposit against litigation (Refer note 30 (A) (c))	218.45	218.45
Others (includes recovery of other expenses)	6.69	4.94
Total	**486.14**	**510.73**

There were no advances due by directors or officers of the Company or any of them severally or jointly with any other persons or amounts due by firms or private companies respectively in which such director is a partner or a member.

For terms and conditions relating to loans given to related parties, refer note 32.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

12 Inventories

Accounting policy

Inventories are stated at the lower of cost and net realisable value (NRV). Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of all classes of inventories are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Write down of inventories are calculated based on an analysis of foreseeable changes in demand, technology, market conditions and ageing of inventories.

	As at March 31, 2025	As at March 31, 2024
Raw materials, components and bought-outs*	225.86	226.28
Work-in-progress	100.13	132.49
Finished goods**	28.29	24.90
Stores and spares	7.12	4.71
Traded goods	21.65	8.95
Total	**383.05**	**397.33**

includes goods in transit Rs. 4.85 (March 31, 2024: Rs. 18.48)

***includes goods in transit Rs. 12.48 (March 31, 2024: Rs. 17.22)*

For the year ended March 31, 2025 Rs. 0.19 (March 31, 2024: Rs. (6.47)) was recognised (net of reversals) as an expense for inventories carried at net realisable value. These were recognised as expense during the year and included in cost of raw materials and components consumed in the Statement of Profit and Loss.

13

(a) Cash and Cash Equivalents

Accounting policy

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

	As at March 31, 2025	As at March 31, 2024
Balances with banks^		
- in current accounts	49.26	102.71
- in Exchange Earners Foreign Currency (EEFC) account	17.89	0.55
- in deposits with original maturity of less than three months*	50.89	160.04
Cheques, drafts on hand	-	0.20
Cash on hand	0.14	0.12
Total	**118.18**	**263.62**

**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.*

^ Out of cash and cash equivalents balance as at March 31, 2025: Rs. 1.13 (March 31, 2024: Rs. 13.09) held as security against import commitments.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Other Bank Balances - At Amortised Cost

	As at March 31, 2025	As at March 31, 2024
Bank deposits with original maturity more than three months and remaining maturity less than twelve months	1.55	82.53
Unpaid dividend account (restricted)#	0.57	0.61
Total	**2.12**	**83.14**

#The Company can utilise these balances only towards settlement of unclaimed dividend.

(c) Changes in Liabilities Arising from Financing Activities

	Borrowings	Unpaid dividend	Lease liabilities
As at April 1, 2023	220.00	0.69	4.17
Cash flow	87.80	(0.08)	(1.80)
New leases	-	-	6.53
Discontinuation of lease	-	-	(3.02)
As at March 31, 2024	**307.80**	**0.61**	**5.88**
Cash flow	(223.29)	(0.04)	(1.48)
New leases	-	-	0.89
As at March 31, 2025	**84.51**	**0.57**	**5.29**

14 Share Capital

Accounting policy

Equity shares issued to shareholders are classified as equity. Incremental costs directly attributable to the issue of new equity shares are recognised as a deduction from equity, net of any related income tax effects.

	As at March 31, 2025	As at March 31, 2024
Authorised shares (Nos)		
375,000,000 (March 31, 2024: 375,000,000) equity shares of Rs. 2/- each	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid share capital (Nos)		
119,156,300 (March 31, 2024: 119,156,300) equity shares of Rs. 2/- each	23.83	23.83
Total issued, subscribed and fully paid-up share capital	**23.83**	**23.83**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	No. of shares	Amt
Equity share of Rs. 2 each issued, subscribed and fully paid		
As at April 1, 2023	119,156,300	23.83
Changes during the year	-	-
As at March 31, 2024	**119,156,300**	**23.83**
Changes during the year	-	-
As at March 31, 2025	**119,156,300**	**23.83**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by Holding Company

	As at March 31, 2025	As at March 31, 2024
Holding company		
RDA Holdings Private Limited	12.87	12.87
64,328,500 (March 31, 2024: 64,328,500) equity shares of Rs. 2/- each fully paid		

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company (refer note (f) below)

	As at March 31, 2025	As at March 31, 2024
RDA Holdings Private Limited, India		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
ARA Trusteeship Company Private Limited, India		
%	7.99	7.99
No. of shares	9,520,805	9,520,805
SBI Energy Opportunities Fund		
%	6.03	3.37
No. of shares	7,184,525	4,011,857
Nalanda India Equity Fund Ltd.		
%	5.13	6.86
No. of shares	6,118,073	8,176,668
Kotak Mahindra Mutual Fund		
%	3.92	6.37
No. of shares	4,667,472	7,586,103

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownerships of shares.

(e) Details of equity shares held by promoters in the Holding Company (refer note (f) below)

	As at March 31, 2025	As at March 31, 2024
RDA Holding Private Limited, India		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
% of change during the year	-	-
ARA Trusteeship Company Private Limited, India		
%	7.99	7.99
No. of shares	9,520,805	9,520,805
% of change during the year	-	-
Mr. Pheroz Pudumjee		
%	**	**
No. of shares	6,000	6,000
% of change during the year	-	-

***Represents less than 0.01%*

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(f) The Company has several trusts (73 nos) set up for welfare of employees and an ESOP Trust named Thermax Employee ESOP and Welfare Trust. Such trusts together hold 6,516,354 (March 31, 2024: 6,535,552) equity shares representing 5.47% (March 31, 2024: 5.48%) of equity share in the Company.

(g) There were no issue of bonus shares/buy back of shares/issue of shares for consideration other than cash during the period of five years immediately preceding the reporting date.

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(a) Other Equity

	As at March 31, 2025	As at March 31, 2024
Reserves and surplus		
Capital redemption reserve	50.34	50.34
Capital reserve	1.92	1.92
General reserve	429.14	429.14
Retained earnings		
Opening balance	2,963.25	2,648.50
Add: Profit for the year	572.14	437.44
Less: Final dividend paid	142.99	119.16
Movement during the year	429.15	318.28
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement (loss) on defined benefit plans, net of tax Rs. 1.64 (March 31, 2024: Rs. 1.19)	(4.86)	(3.53)
Net surplus in the Statement of profit and loss	**3,387.54**	**2,963.25**
Securities premium		
Opening balance	62.55	61.13
Add: Exercise of share options	5.49	1.42
Closing balance	**68.04**	**62.55**
Share options outstanding account		
Opening balance	5.97	2.52
Add: Compensation option granted during the year	5.43	4.87
Less: Exercise of share options	5.49	1.42
Closing balance	**5.91**	**5.97**
Total Reserves and Surplus	**3,942.89**	**3,513.17**
Other Reserves		
Cash flow hedge reserve		
Opening balance	(0.30)	0.38
Add: Movement during the year (net)	1.79	(0.91)
Less: Tax on movement during the year	(0.45)	0.23
Closing balance	**1.04**	**(0.30)**
Total	**3,943.93**	**3,512.87**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Nature and purpose of reserves

Capital redemption reserve

Pertains to reserve created towards redemption of debentures and can be utilised in accordance with the provisions of the Act.

Capital reserve

Pertains to reserves arising on amalgamations in the past which is required to be maintained as per statute and cannot be distributed to the shareholders.

General reserve

Represents amounts transferred from retained earning.

Retained earnings

The profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

Share options outstanding account

The Company has established equity-settled share based payment plan for certain categories of employees of the Company. Refer note 38 for further details.

Cash flow hedge reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedge instruments related to hedged transactions that have not yet occurred.

Defined benefit obligation

Following are the movement of amounts recognised in the statement of other comprehensive income on account of defined benefit obligation:

	As at March 31, 2025	As at March 31, 2024
Opening balance	27.65	22.93
Add: Total remeasurements cost for the year recognised in OCI	6.50	4.72
Closing balance	**34.15**	**27.65**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Distribution Made and Proposed Dividend

Accounting policy

Dividend to equity shareholders is recognised as a liability in the period in which the dividends are approved by the equity shareholders. Interim dividends that are declared by the Board of Directors without the need for equity shareholders' approvals are recognised as a liability and deducted from shareholders' equity in the year in which the dividends are declared by the Board of Directors.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash dividend on Equity shares declared and paid:		
Final dividend for the year 2023-24: Rs. 12 per share (2022-23: Rs. 10/- per share)	142.99	119.16
	142.99	**119.16**
Proposed dividend on Equity shares:		
Proposed dividend for the year 2024-25: Rs. 14 per share (2023-24: Rs. 12/- per share)	166.82	142.99

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at the reporting date.

16 Trade Payables - At Amortised Cost

(a) Non-Current Trade Payables

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
(i) Related parties (Refer note 32)	-	-
(ii) Others	52.52	43.83
Total	**52.52**	**43.83**

The ageing of non-current trade payables:

Description		Not due	Outstanding for the following period from due date of payments: Less than a year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-
(ii) Other than micro enterprises and small enterprises	March 31, 2025	52.52	-	-	-	-	**52.52**
	March 31, 2024	*43.83*	-	-	-	-	***43.83***
(iii) Disputed dues - Micro enterprises and small enterprises	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-
(iv) Disputed dues - Others	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-
Total	**March 31, 2025**	**52.52**	-	-	-	-	**52.52**
	March 31, 2024	***43.83***	-	-	-	-	***43.83***

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Current Trade Payables

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	472.00	451.10
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
(i) Related parties (Refer note 32)	43.55	85.81
(ii) Others	589.76	535.92
Total	**1,105.31**	**1,072.83**

For terms and conditions with related parties, refer note 32.
Trade payables are non-interest bearing and are generally on terms of 30 to 90 days.

The ageing of current trade payables which are due for payment:

Description		Not due	Outstanding for the following period from due date of payments: Less than a year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	March 31, 2025	415.69	37.75	8.68	3.22	6.66	**472.00**
	March 31, 2024	*401.17*	*34.72*	*6.38*	*3.49*	*5.34*	***451.10***
(ii) Other than micro enterprises and small enterprises	March 31, 2025	307.89	134.19	10.36	6.53	21.72	**480.69**
	March 31, 2024	*311.86*	*84.65*	*15.25*	*8.71*	*17.09*	***437.56***
(iii) Disputed dues - Micro enterprises and small enterprises	March 31, 2025	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-
(iv) Disputed dues - Others	March 31, 2025	-	-	-	-	0.51	**0.51**
	March 31, 2024	-	-	-	*0.27*	*0.24*	***0.51***
Subtotal	**March 31, 2025**	**723.58**	**171.94**	**19.04**	**9.75**	**28.89**	**953.20**
	March 31, 2024	***713.03***	***119.37***	***21.63***	***12.47***	***22.67***	***889.17***
Unbilled trade payables (Includes year end accruals)	March 31, 2025						**152.11**
	March 31, 2024						***183.66***
Total	**March 31, 2025**						**1,105.31**
	March 31, 2024						***1,072.83***

(c) DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

	As at March 31, 2025	As at March 31, 2024
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount outstanding (whether due or not) to micro enterprises and small enterprises*	471.79	450.96
- Interest due thereon	0.21	0.14
ii) The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of payment made to the supplier beyond the appointed day during the year.	548.06	486.04
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	3.84	3.37
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	4.05	3.51
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	7.56	3.51

**Information in this regard is on basis of intimation received, on requests made by the Company, with regards to registration of vendors under the said Act.*

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

17 Financial Liabilities

(a) Other Current Financial Liabilities

	As at March 31, 2025	As at March 31, 2024
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	0.10	1.05
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	5.34	2.24
Put option liability (Refer note 44)	0.98	-
At amortised cost		
Employee related payables	84.87	91.87
Payables for property, plant & equipment's and intangible assets	13.83	9.27
Unpaid dividend	0.57	0.61
Liability towards employee separation scheme	0.61	1.50
Other payables*	14.42	4.64
Total	**120.72**	**111.18**

includes dealer deposits, security deposits, purchase consideration held back, etc.

18 Provisions

Accounting policy

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is reviewed annually. For EPC contracts, warranty provision is recorded basis significant progress.

Provision for onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Provision for litigation

Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

Decommissioning liability

The Company records a provision for decommissioning costs of its manufacturing facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

(a) The date of the plan amendment or curtailment; and

(b) The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Estimates and assumptions

- **Provision for onerous contracts:** The Company provides for future losses on EPC contracts where it is considered highly probable that the contract costs are likely to exceed revenues in future years. Estimating these future losses involves a number of assumptions about the achievement of contract performance targets and the likely levels of future cost escalation over time.

  A provision for expected loss on construction contracts is recognised when it is probable that the contracts costs will exceed total contract revenue. For all other contracts, provision is made when the unavoidable costs of meeting the obligation under the contract exceed the estimated economic benefits. The timing of cash outflows in respect of such provision is over the contract period.

- **Warranty provision:** The Company generally offers warranty for its various products. Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of warranty costs. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives. Warranty provisions are discounted using a pre-tax discount rate which reflects current market assessments of time value of money and risks specific to the liability.

  Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of such costs. It is expected that this expenditure will be incurred over the contracted warranty period ranging up to 2 years. If warranty claim costs vary by 10% from management's estimate, the warranty provisions would be an estimated Rs. 9.70 higher or lower (March 31, 2024: Rs. 9.12).

- **Defined benefit plan - Gratuity:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(a) Non-Current Provisions

	As at March 31, 2025	As at March 31, 2024
Other provisions		
Provision for warranties	15.01	14.91
Provision for decommissioning liability	11.81	11.24
Total	**26.82**	**26.15**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Current Provisions

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for leave encashment	55.96	46.34
Provision for gratuity	12.14	4.88
	68.10	**51.22**
Other provisions		
Provision for onerous contracts	32.75	16.10
Provision for warranties	81.98	76.33
Provision for litigation	50.63	50.63
	165.36	**143.06**
Total	**233.46**	**194.28**

Movement in provisions

For the year ended March 31, 2025:	Provision for Litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
Balance as at April 1, 2024	50.63	16.10	91.24	11.24
Additional provision recognised	-	18.55	23.39	-
Unused amounts reversed	-	(0.97)	(21.56)	-
Unwinding of discount	-	-	5.23	0.57
Utilised during the year	-	(0.93)	(1.31)	-
Balance as at March 31, 2025	**50.63**	**32.75**	**96.99**	**11.81**
Details of provisions:				
Current	50.63	32.75	81.98	-
Non-current	-	-	15.01	11.81
Total	**50.63**	**32.75**	**96.99**	**11.81**

For the year ended March 31, 2024	Provision for litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
Balance as at April 1, 2023	-	6.55	80.73	10.12
Additional provision recognised	50.63	11.76	30.19	-
Unused amounts reversed	-	(0.74)	(22.84)	-
Unwinding of discount	-	-	4.66	1.12
Utilised during the year	-	(1.47)	(1.50)	-
Balance as at March 31, 2024	**50.63**	**16.10**	**91.24**	**11.24**
Details of provisions:				
Current	50.63	16.10	76.33	-
Non-current	-	-	14.91	11.24
Total	**50.63**	**16.10**	**91.24**	**11.24**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(c) Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure at 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an insurance Company. The fund has formed a trust and it is governed by the Board of Trustees.

The fund is subject to risks such as asset volatility, changes in assets yields and asset liability mismatch risk. In managing the plan assets, Board of Trustees review and manage these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset-liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk-averse markets). The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

I Changes in the net benefit obligation and fair value of plan assets are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2023	**82.53**	**(87.28)**	**(4.75)**
Current service cost	9.72	-	9.72
Interest expense/(income)	6.02	(6.23)	(0.21)
Total amount recognised in Profit and Loss (Refer Note 25)	**15.74**	**(6.23)**	**9.51**
Experience adjustments	3.14	-	3.14
Actuarial loss from change in financial assumptions	1.03	-	1.03
Actuarial loss from demographic adjustments	-	-	-
Return on plan assets (income)	-	0.55	0.55
Total amount recognised in Other Comprehensive (Income)/Loss	**4.17**	**0.55**	**4.72**
Employer contributions	-	(2.00)	(2.00)
Benefits paid	(8.37)	5.09	(3.28)
Transfer (out)/in	0.68	-	0.68
For the year ended March 31, 2024	**94.75**	**(89.87)**	**4.88**
Current service cost	12.27	-	12.27
Interest expense/(income)	6.52	(6.52)	-
Total amount recognised in Profit and Loss (Refer Note 25)	**18.79**	**(6.52)**	**12.27**
Experience adjustments	3.43	-	3.43
Actuarial loss from change in financial assumptions	2.99	-	2.99
Return on plan assets (income)	-	0.08	0.08
Total amount recognised in Other Comprehensive (Income)/Loss	**6.42**	**0.08**	**6.50**
Employer contributions	-	(1.00)	(1.00)
Benefits paid	(11.39)	-	(11.39)
Transfer (out)/in	1.64	(0.76)	0.88
For the year ended March 31, 2025	**110.21**	**(98.07)**	**12.14**

II The net liability disclosed above relates to funded plans which are as follows:

	As at March 31, 2025	As at March 31, 2024
Present value of funded obligation	110.21	94.75
Fair value of plan assets	(98.07)	(89.87)
Surplus of funded plan	**12.14**	**4.88**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

III Significant assumptions

The principal actuarial assumptions were as follows:

	As at March 31, 2025	As at March 31, 2024
Discount rate	6.70%	7.20%
Future salary growth rate	7.00%	7.00%
Normal retirement age	60 years	60 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Employee turnover	5% to 12%	5% to 12%

IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumptions	Impact on defined benefit obligation	
	As at March 31, 2025	As at March 31, 2024
Discount rate		
1.00% increase	Decrease by 5.83	Decrease by 4.93
1.00% decrease	Increase by 6.50	Increase by 5.48
Future salary increase		
1.00% increase	Increase by 5.37	Increase by 4.54
1.00% decrease	Decrease by 4.92	Decrease by 4.17
Attrition rate		
1.00% increase	Decrease by 0.09	Decrease by 0.05
1.00% decrease	Increase by 0.10	Increase by 0.06

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous periods.

The following are the expected cash flows/contribution to the defined benefit plan in future years:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Within next 12 months	19.25	16.92
Between 2-5 years	61.09	55.29
Next 5 years	86.80	73.31

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.92 years (March 31, 2024: 9 years).

The Company expects to contribute Rs. 1 to gratuity fund in the next year (March 31, 2024: Rs. 2).

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

V The major categories of plan assets are as follows:

	As at March 31, 2025	As at March 31, 2024
Investments with Insurer (LIC of India)	100.00%	100.00%

19 Other Liabilities

Accounting policy

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company satisfies the performance obligation. Contract liabilities are recorded in balance sheet as unearned revenue or customer advances as the case may be.

(a) Other Current Liabilities

	As at March 31, 2025	As at March 31, 2024
Unearned revenue (Contract liabilities)	710.05	613.62
Customer advances (Contract liabilities)		
(i) Related Parties (Refer note 32)	20.47	25.59
(ii) Others	807.96	753.22
Statutory dues and other liabilities*	45.41	36.23
Total	**1,583.89**	**1,428.66**

**mainly includes tax deducted at source, GST, provident fund, ESIC etc.*

For terms and conditions with related parties, refer note 32.

20 Borrowings - At Amortised Cost

(a) Non-current borrowings

	As at March 31, 2025	As at March 31, 2024
Unsecured loans from banks#	25.18	-
Total	**25.18**	**-**

 # Unsecured loans pertains to term loan for capital expenditure carrying an interest rate of 8.30% (March 31, 2024: Nil) due for repayment within 6 years (March 31, 2024: Nil) from the date of disbursement.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Current borrowings

	As at March 31, 2025	As at March 31, 2024
Secured loans from banks*	33.43	90.00
Unsecured loans from banks#	25.90	217.80
Total	**59.33**	**307.80**

**Secured loans pertains to packing credit that are payable by the Company within 270 days (March 31, 2024: 180-360 days) from the invoice date.*
These loans were secured by hypothecation of present and future stock of all inventories, stores and spares not related to plant and equipment, book debts and other moveable assets as at the Balance Sheet date.

 # Unsecured loans pertains to packing credit of Rs. 25.90 (March 31, 2024: Rs. 217.80) carries an interest rate of 6.86% (March 31, 2024: 5.5% to 5.75%) due for repayment within 90 days (March 31, 2024: 180-360 days) from date of disbursement or expected shipment date whichever is earlier.

During the year the Company has taken a loan of Rs. 345 from related party i.e. Thermax Babcock & Wilcox Energy Solutions Limited (TBWES) for working capital requirement which carries an interest rate of 7.90% and the tenure of loan is 182 days. The said loan has repaid during the year (Refer note 32).

21 Revenue from Operations

Accounting policy

Revenue from contracts with customers: Revenue from contracts with customers: Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The Company collects goods and services tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The Company has following streams of revenue:

- **Revenue from Engineering, Procurement and Construction contracts**

  Engineering, Procurement and Construction (EPC) contracts are contracts (or a Company of contracts secured together) specifically negotiated for the construction of an asset which refers to any project for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods. The Company identifies distinct performance obligations in each contract. For most of the project contracts, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

  The Company may promise to provide distinct goods or services within a contract, in which case the Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. The Company uses the expected cost plus a margin approach to estimate the standalone selling price of each performance obligation in case of contracts with

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

more than one distinct performance obligations.
The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognised over a period of time if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs; or

(b) The customer controls the work-in-progress; or

(c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

The Company recognises revenue over time as it performs because of continuous transfer of control to the customers. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customers typically control the work in process as evidenced either by contractual termination clauses or by the rights of the Company to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use.

The Company uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred.

The Company estimates variable consideration amount which it expects to be entitled under the contract and includes it in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur and when the uncertainty associated with it is subsequently resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Costs associated with bidding for contracts are charged to the Statement of Profit and Loss when they are incurred. Costs that relate directly to a contract and are incurred in securing the contract are included as part of the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

Contract modification, when approved by both the parties to the contract, are considered as modification, if it creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are not distinct from the existing contract due to the significant integration service provided under the contract prior to modifications and are therefore, accounted for as part of the existing contract. The effect of a contract modification is recognised as an adjustment to revenue on a cumulative catch-up basis.

When it becomes probable that the total contract costs will exceed the total contract revenue, the Company recognises the expected losses from onerous contract as an expense immediately. Penalties for any delay or improper execution of a contract are recognised as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

- **Revenue from sale of goods**

  If the criteria for revenue under over-a-period of time as mentioned above are not met, the Company recognises revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The Company provides for warranty provision for general repairs up to 18 – 24 months on its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. The Company does not provide any extended warranties.

- **Revenue from sale of services**

  Revenue in respect of operation and maintenance contract, awarded on a standalone basis or included in long term contracts and identified as a separate performance obligation, is recognised on a time proportion basis under the contracts.

EPC contracts:

Estimates and assumptions

- **Provisions for liquidated damages claims (LDs):** The Company provides for LD claims to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This requires an estimate of the amount of LDs payable under a claim which involves a number of management judgements and assumptions regarding the amounts to be recognised;
- **Project cost to complete estimates:** At each reporting date, the Company is required to estimate costs to complete on fixed-price contracts. Estimating costs to complete on such contracts requires the Company to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate will impact revenues, cost of sales, work-in-progress, billings in excess of costs, estimated earnings and accrued contract expenses;
- **Recognition of contract variations:** The Company recognises revenues and margins from contract variations where it is considered probable that they will be awarded by the customer and this requires management to assess the likelihood of such an award being made by reference to customer communications and other forms of documentary evidence.

Judgments

A significant portion of the Company's business relates to EPC contracts which is accounted using cost-based input method, recognising revenue as the performance on the contract progresses. This requires management to make judgement with respect to identifying contracts for which revenue need to be recognised over a period of time, depending upon when the customer consumes the benefit, when the control is passed to customer, whether the asset created has an alternative use and whether the Company has right to payment for performance completed till date, either contractually or legally. The input method requires management to make significant judgements of the extent of progress towards completion including accounting of multiple contracts which need to be combined and considered as a single contract.

(a) Revenue from Contract with Customers

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from projects and products	5,517.20	5,040.56
Revenue from services	716.47	742.03
Total revenue from contracts with customers (a)	**6,233.67**	**5,782.59**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Other Operating Revenue

	For the year ended March 31, 2025	For the year ended March 31, 2024
Export incentives	15.52	20.19
Sale of Scrap	12.39	14.28
Commission income	3.40	3.09
Exchange fluctuation gain/(loss) (net)*	(14.21)	(1.14)
Royalty income	3.30	2.92
Total other operating revenue (b)	**20.40**	**39.34**
Total revenue from operations (a+b)	**6,254.07**	**5,821.93**

Includes mark to market gain/(loss) on forward contracts not subjected to hedge accounting Rs. 4.45 (March 31, 2024: Rs. (0.44)).

(c) Disclosure Pursuant to IND AS 115: Revenue from Contract with Customers

i) By category of contracts

	For the year ended March 31, 2025	For the year ended March 31, 2024
Over a period of time basis	3,633.74	3,388.58
At a point-in-time basis	2,599.93	2,394.01
Total revenue from contracts with customers	**6,233.67**	**5,782.59**

Revenue by geographical market:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	5,052.27	4,705.81
Outside India	1,181.40	1,076.78
Total revenue from contracts with customers	**6,233.67**	**5,782.59**

Revenue by segment:

	For the year ended March 31, 2025			
	Industrial Products	Industrial Infra	Chemicals	Total
Revenue from contracts with customers				
External revenue	3,874.12	1,774.59	707.46	6,356.17
Less: Inter segment	(109.55)	(0.51)	(12.44)	(122.50)
Total revenue from contracts with customers	**3,764.57**	**1,774.08**	**695.02**	**6,233.67**
Other operating revenue	14.73	(0.99)	6.66	20.40
Total revenue from operations	**3,779.30**	**1,773.09**	**701.68**	**6,254.07**

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025
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	For the year ended March 31, 2024			
	Industrial Products	Industrial Infra	Chemicals	Total
Revenue from contracts with customers				
External revenue	3,466.94	1,890.60	617.29	5,974.83
Less: Inter segment	(183.96)	(0.60)	(7.68)	(192.24)
Total revenue from contracts with customers	**3,282.98**	**1,890.00**	**609.61**	**5,782.59**
Other operating revenue	31.01	1.76	6.57	39.34
Total revenue from operations	**3,313.99**	**1,891.76**	**616.18**	**5,821.93**

ii) Contract balances

The following table provides information about contract balances from contracts with customers as at the reporting date:

	As at March 31, 2025	As at March 31, 2024
Trade receivables (Refer note 7)	1,794.01	1,641.72
Unbilled revenue (Contract asset) (Refer note 9(b))	336.43	104.34
Unearned revenue (Contract liability) (Refer note 19)	710.05	613.62
Customer advances (Contract liability) (Refer note 19)	828.43	778.81

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date from projects and customised contracts. The contract assets are transferred to trade receivables on completion of milestones and its related invoicing.

The contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised, with no impact on the Company's cash positions on specific projects.

iii) Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

	As at March 31, 2025	As at March 31, 2024
Unearned revenue	412.24	338.93
Customer advance	549.26	617.68

iv) Changes in unbilled revenue and unearned revenue for the year:

The explanation of the significant changes in the unbilled and unearned balances during the reporting period is presented in the table below:

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2024
Opening unbilled revenue (Refer note 9(b))	**104.34**		**180.96**	
Opening unearned revenue (Refer note 19)	**613.62**	**(509.28)**	**466.83**	**(285.87)**
- Transfer of contract assets to receivable from opening unbilled revenue	(94.12)		(167.60)	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	412.24		338.93	
- Transfer of contract assets to receivables	(3,421.55)		(3,452.58)	
- Increase in revenue as a result of changes in the measure of progress	3,221.50		3,049.65	
- Others*	17.59	**135.66**	8.19	**(223.41)**
Closing unbilled revenue (Refer note 9(b))	**336.43**		**104.34**	
Closing unearned revenue (Refer note 19)	**710.05**	**(373.62)**	**613.62**	**(509.28)**

**includes adjustments on account of onerous contracts, impairment allowance on contract assets, etc.*

v) Performance obligations

Performance obligation in a project or a group of projects which are contracted at or near same time with the same or related parties and negotiated simultaneously, are combined for the purpose of evaluation. The Company has estimated that multiple commitments pertaining to engineering, procurement and commissioning of such projects is a single performance obligation which is spread over different accounting periods.

Performance obligation for products are evaluated on standalone basis, recognised at a point in time. Generally, performance obligations for such contracts have an original expected duration of one year or less.

There are no major contracts with customers which have significant financing component included within them and therefore there is no difference between the timing of satisfaction of performance obligation vis-a-vis the timing of the payment.

Remaining performance obligations:

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

The Company applies practical expedient included in para 121 of Ind AS 115 - "Revenue from Contracts with Customers" and does not disclose information about its remaining performance obligations for contracts that have an original expected duration of one year or less.

	As at March 31, 2025	As at March 31, 2024
Amount of revenue yet to be recognised for contracts in progress	2,365.80	2,901.39

The Company expects that a significant portion of the remaining performance obligation will be completed in next 1 to 2 years. However, the contracts with customers for supply of utilities are for a longer period.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025
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22 Other Income

Accounting policy

i) Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss.

ii) Dividend

Dividend is recognised when the Company's right to receive the payment is established.

iii) Rental income

Rental income from operating leases (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income from financial assets carried at amortised cost		
Loans to subsidiary	18.58	15.99
Bank and other deposits	22.74	46.40
Interest income from financial assets at fair value through profit and loss		
Loan to subsidiary (preference shares)	1.05	4.21
Other interest income	6.60	0.82
Dividend income from equity investments carried at cost	25.00	4.50
Fair value gain on financial instrument at fair value through profit and loss (net)	86.81	69.58
Liabilities no longer required written back	9.02	9.78
Miscellaneous income^^	32.73	42.21
Total	**202.53**	**193.49**

^^Includes rent income of Rs. 4.74 (March 31, 2024: Rs 5.36); refer note 30 C (i)

23 Cost of Raw Material and Components Consumed

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year	226.28	209.89
Add: Purchases	3,305.43	3,132.05
	3,531.71	**3,341.94**
Less: Inventories at the end of the year	(225.86)	(226.28)
Total	**3,305.85**	**3,115.66**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

24 Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year		
Work-in-progress	132.49	136.57
Finished goods	24.90	32.66
Traded goods	8.95	7.80
	166.34	**177.03**
Less: Inventories at the end of the year		
Work-in-progress	100.13	132.49
Finished goods	28.29	24.90
Traded goods	21.65	8.95
	150.07	**166.34**
Total	**16.27**	**10.69**

25 Employee Benefit Expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages*	662.12	594.28
Employee share-based payment expenses (Refer note 38)	5.43	3.94
Contribution to provident and other funds	46.54	39.62
Gratuity expenses (Refer note 18 (c))	12.27	9.51
Staff welfare expenses	42.13	37.12
	768.49	**684.47**
Less: capitalised during the year (refer note 4 (e))	(4.18)	(0.86)
Total	**764.31**	**683.61**

Salaries and wages includes director sitting fees

26 Finance Costs

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expenses - On account of loan taken from a Subsidiary	6.19	-
Interest expenses - Others	19.76	18.06
Unwinding of discount	6.44	5.78
Total	**32.39**	**23.84**
Less: capitalised during the year (refer note 4 (e))	(0.99)	-
Total	**31.40**	**23.84**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

27

(a) Other Expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spare parts	64.84	63.50
Power and fuel	48.23	43.77
Freight and forwarding charges (net of recovery)	120.95	108.68
Site expenses and contract labour charges	753.12	728.87
Drawing, design and technical service charges	30.20	37.39
Sales commission	27.98	22.15
Advertisement and sales promotion	20.39	19.96
Rent (Refer note 30 C (ii))	8.98	8.87
Rates and taxes	7.69	7.91
Insurance	8.53	9.14
Repairs and maintenance:		
Plant and equipment	18.17	17.96
Buildings	8.51	5.25
Others	68.68	50.78
Travelling and conveyance	74.67	66.72
Legal and professional fees (includes payment to auditor; refer note 27 (b))	77.91	80.96
Provision for doubtful advances (net)	5.97	(2.69)
Provision for impairment allowance of financial assets (net)	36.93	39.14
Warranty expenses (net) (Include free of cost supply)	18.83	26.64
Loss on sale/discard of assets (net)	2.71	0.35
Expenditure on Corporate Social Responsibility (note 27 (c))	7.49	5.93
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	43.85	28.70
	1,454.63	**1,369.98**
Less: capitalised during the year (refer note 4 (e))	(3.02)	(0.57)
Total	**1,451.61**	**1,369.41**

(b) Payment to Auditors

	For the year ended March 31, 2025	For the year ended March 31, 2024
As auditor		
Audit and limited review fee	2.61	2.63
In other capacity		
Other services	0.08	0.08
Reimbursement of expenses	0.08	0.08
Total	**2.77**	**2.79**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(c) Corporate Social Responsibility (CSR)

	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Gross amount required to be spent by the Company during the year	7.49	5.93
(b) Amount approved by the Board to be spent during the year	7.49	5.93
(c) Amount spent during the year	7.49	5.93

During the year ended March 31, 2025	In Cash	Yet to spend in cash	Total
a. Construction/acquisition of any asset	-	-	-
b. On purposes other than (a) above^	7.49	-	7.49
	7.49	**-**	**7.49**

During the year ended March 31, 2024	In Cash	Yet to spend in cash	Total
a. Construction/acquisition of any asset	-	-	-
b. On purposes other than (a) above^	5.93	-	5.93
	5.93	**-**	**5.93**

	For the year ended March 31, 2025	For the year ended March 31, 2024
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	NA	NA
(g) Nature of CSR activities	Education, Skill Development, Rural Development	Education, Skill Development, Rural Development
(h) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

^The amount is contributed to Thermax Foundation, India (Refer note 32) which is engaged in education of economically underprivileged children by addressing social discrimination through affirmative actions, skill development and employability initiatives.

There is no provision for CSR expenditure as at March 31, 2025 and March 31, 2024.

28 Earnings Per Share (EPS)

Accounting policy

The Company presents the basic and diluted EPS data for its equity shares.

(i) **Basic EPS** is computed by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year;

(ii) **Diluted EPS** is computed by adjusting the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares considered for deriving basic EPS for the effects of all the equity shares that could have been issued upon conversion of all dilutive potential equity shares (which includes the various stock options granted to employees).

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Net profit after tax attributable to the Equity shareholders	572.14	437.44
Weighted average number of Equity shares of Rs. 2/- each	119,156,300	119,156,300
Basic earnings per share	48.02	36.71
Diluted earnings per share	48.02	36.71

29 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

For the year ended March 31, 2025	Cash flow hedge reserve	Retained earnings	Total
Reclassified to Statement of Profit and Loss (net)	1.34	-	1.34
Re-measurement gains on defined benefit plans	-	(4.86)	(4.86)
Total	**1.34**	**(4.86)**	**(3.52)**

For the year ended March 31, 2024	Cash flow hedge reserve	Retained earnings	Total
Reclassified to Statement of Profit and Loss (net)	(0.68)	-	(0.68)
Re-measurement gains on defined benefit plans	-	(3.53)	(3.53)
Total	**(0.68)**	**(3.53)**	**(4.21)**

30 Contingent Liabilities and Commitments

A Contingent Liabilities

Accounting policy

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Judgements

Tax and legal contingencies

The Company has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and provides provisions for probable losses including the estimate of legal expense to resolve such matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

a) Taxes*

	As at March 31, 2025	As at March 31, 2024
Excise, Customs Duty and Service tax	4.43	6.02
Local Body Tax	78.06	-
Goods and Service tax	58.98	13.26
Sales tax	16.35	16.56
Income tax demands disputed in appellate proceedings#^	65.06	64.45
References/appeals preferred by the Income tax department in respect of which, should the ultimate decision be unfavourable to the Company	16.36	16.36
Others	0.25	0.22

**Excluding of interest and penalty thereon.*

#The above excludes the effects of similar disallowances, if any, for any subsequent period that are pending for open assessments.

^ Against income tax disputed demand, the Company has received favourable ITAT orders in earlier years (similar issues) for Rs. 55.56 (March 31, 2024: Rs. 72.96).

b) Guarantees on behalf of subsidiaries

	As at March 31, 2025	As at March 31, 2024
Counter corporate guarantees issued to banks (Refer note 31(A)(b))	235.73	357.40
Indemnity bonds, letter of support/comfort and corporate guarantees (Refer note 31(A)(c))	574.83	935.64

The Company has issued various guarantees for performance, deposits, tender money, advances, etc. The management has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here.

c) Others^

	As at March 31, 2025	As at March 31, 2024
Liability for export obligations	0.68	3.08
Claims against the Company not acknowledged as debt*	177.28	177.18

The timing and amount of the cash flow which will arise from these matters, will be determined by the relevant authorities on settlement of the cases or on receipt of claims from customers.

^Excluding of interest and penalty thereon.

**Includes a case against the Company in dispute with customer amounting to Rs. 167.82 (March 31, 2024: Rs. 167.82) whereby in June 2023, an arbitrator ruled against the Company in a dispute with a customer who had been supplied Gas Turbo Generators (GTGs) procured from a third party as part of a composite contract. The GTGs had failed and the arbitrator ruled that Company must repair and restore them and bear other related costs, estimated in aggregate as Rs. 218.45 (March 31, 2024: Rs. 218.45), including interest. The award has been appealed by the Company in the Bombay High Court. A stay has been granted, for which Company has deposited with the customer Rs. 218.45 (March 31, 2024: Rs. 218.45). The deposit is refundable, with interest, depending on the outcome of the case. The final hearings challenging the award is in progress before the Bombay High Court.*

Pursuant to an independent legal opinion, the Company had made a provision of Rs. 50.63 (March 31, 2024: Rs. 50.63) and for the balance amount, no provision had been considered necessary. The Company is reasonably confident of the issue being ultimately decided in its favour.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

d) During earlier years, the Company had received demand notices from the Excise department covering period from October 2006 to September 2012 for Rs. 146.62 (March 31, 2024: Rs. 146.62). These demands are of excise duty payable on inclusion of the cost of bought out items in the assessable value of certain products manufactured, though such duty paid bought out items are directly dispatched by the manufacturers thereof to the ultimate customer, without being received in the factories. The Company had filed an appeal against the same before CESTAT, Mumbai which was allowed in favour of the Company during the financial year 2022-23.

Subsequently, the Commissioner of CGST & CE, Pune – I has filed an appeal before the Hon'ble Supreme Court of India challenging CESTAT order and appeal was admitted on July 10, 2024. Based on an independent legal advice, the Company is confident of the issue being ultimately decided in its favour and accordingly, no provision has been considered necessary.

B Capital and Other Commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 28.99 (March 31, 2024: Rs. 60.73).

b) Parent unconditional support letter given to Thermax Bioenergy Solutions Private Limited during the year (March 31, 2024: Rs. 13).

c) Estimated amounts of contract remaining to be executed as part of Other commitments is Rs. 21.62 (March 31, 2024: Rs. Nil)

C Lease Commitments

Accounting policy

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Operating lease

i) Where the Company is Lessor:

Accounting policy

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

The Company has leased certain parts of its surplus office and buildings. The tenure of such lease agreements ranges from 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. For nature of assets refer note 4(b).

	As at March 31, 2025	As at March 31, 2024
Lease rental received for the year	4.74	5.36

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

ii) Where the Company is Lessee:

Accounting policy

The Company lease asset classes primarily consist of leases for land, office buildings, guest house and other office equipment, etc. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(1) The contract involves the use of an identified asset;

(2) The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and

(3) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at present value of the future lease payments. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a practical expedient, Ind AS 116 - "Property, plant and equipment", permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Details of Leases:

The Company has taken land, office buildings, factory sheds, guest house, warehouse, vehicles, printers and other office equipment's on lease for a tenure of 1 to 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. However, Company has sub-leased some portion of its land and building to its subsidiary. There are no variable lease payments and residual value guarantees for these leases. The leases are renewable on mutually agreeable terms. At the expiry of the lease term, either party has an option to terminate the agreement or extend the term by giving notice in writing. The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Carrying amounts of lease liabilities and the movements during the year:

	As at March 31, 2025	As at March 31, 2024
At the beginning of the year	5.88	4.17
Additions	0.89	6.53
Discontinuation of lease	-	(3.02)
Payments made	(1.48)	(1.80)
Total^	**5.29**	**5.88**
Current portion	1.62	1.59
Non-current portion	3.67	4.29
Total^	**5.29**	**5.88**

^ Pertains to offices and vehicles taken on lease.

Details of amounts recognised in statement of Profit and Loss

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use assets	2.38	2.27
Expense relating to short-term leases#	8.88	8.33
Expense relating to leases of low-value assets (included in other expenses)#	0.10	0.54
Total amount recognised in statement of Profit and Loss	**11.36**	**11.14**

#Included in travel and conveyance and staff welfare.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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(A) Disclosure Required Under Section 186(4) of Companies Act, 2013

a) Loans to related parties include loans given to subsidiaries. The particulars of which are disclosed below as required by Sec 186(4) of the Act:

Name of the party	Rate of interest (p.a.)	Due date and amount payable	Purpose	As at March 31, 2025	As at March 31, 2024
First Energy Private Limited*	Interest rate based on comparative quotes taken from bank on case to case basis. Currently for short term loan it is between range of 8.15% p.a.to 8.95% p.a and for long term loan it is between 8.6% p.a. to 9.0% p.a.	The loan shall be repaid within a year in case short term loan and 2 to 5 years in case Long term loan.	The loan has been granted to the subsidiary for working capital requirements.	61.16	193.16

**Before impairment allowance of Rs. 4.12 (March 31, 2024: Rs. 4.12).*

b) Bank guarantees and letters of credit issued favouring end customers on behalf of the subsidiaries. Details are as below:

Name of the party	As at March 31, 2025		As at March 31, 2024	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount
First Energy Private Limited^	-	37.50	-	35.00
First Energy 3 Private Limited^	-	1.60	-	-
First Energy 4 Private Limited^	-	-	-	1.15
First Energy 5 Private Limited^	-	19.79	-	102.55
First Energy 6 Private Limited^	-	7.38	-	7.60
First Energy 7 Private Limited^	-	-	-	16.71
First Energy 8 Private Limited^	-	166.88	-	170.78
Thermax Babcock & Wilcox Energy Solutions Limited	USD 0.0282	0.24	USD 1.99	16.56
Thermax Babcock & Wilcox Energy Solutions Limited	-	2.34	-	7.05
Total		**235.73**		**357.40**

Purpose: Bank guarantees issued favouring end customers on behalf of the subsidiaries.

^ The Company has issued an overall limit of non funding facilities to First Energy Private Limited and its Subsidiaries Rs. 1,285 (March 31, 2024: Rs. 415).

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

c) The Company has issued letter of support/comfort and corporate guarantees on behalf of subsidiaries. Details are given below:

Name of the party	As at March 31, 2025		As at March 31, 2024	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount
Thermax Instrumentation Limited	-	10.00	-	80.00
Thermax Babcock & Wilcox Energy Solutions Limited	-	200.00	-	505.00
Thermax Cooling Solutions Limited	-	-	-	12.00
Thermax Engineering Singapore Pte. Ltd.	USD 10	85.48	USD 10	83.41
Danstoker A/S	USD 14.4	123.09	USD 14.4	120.11
Thermax Onsite Energy Solutions Limited	-	-	-	10.00
PT Thermax International Indonesia	USD 10.95	93.60	USD 11.4	95.09
Thermax SDN BHD, Malaysia	USD 0.93	7.95	USD 1.1	9.18
Thermax (Thailand) Ltd., Thailand	USD 6.17	54.71	USD 2.5	20.85
Total		**574.83**		**935.64**

The above guarantees have been issued for the purpose of various banking facilities for the subsidiaries.

(B) Disclosure of Ultimate Beneficiaries

For March 31, 2025:

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited.	April 2, 2024	Loan	0.25	First Energy TN1 Private Limited	April 3, 2024	Loan	0.25
Thermax Engineering Singapore Pte Ltd	April 3, 2024	Equity	USD 1.32 Million (Rs. 11.01 crs)	PT Thermax International Indonesia	September 11, 2024	Equity	USD 0.32 Million (Rs. 2.74 crs)
				PT Thermax International Indonesia	December 10, 2024	Equity	USD 0.5 Million (Rs. 4.27 crs)
				PT Thermax International Indonesia	March 11, 2025	Equity	USD 0.5 Million (Rs. 4.27 crs)
First Energy Private Limited.	April 8, 2024	Loan	2.60	First Energy 5 Private Limited	April 8, 2024	Loan	2.60
First Energy Private Limited.	April 10, 2024	Loan	2.69	First Energy 7 Private Limited	April 10, 2024	Loan	2.69
First Energy Private Limited.	April 15, 2024	Loan	2.51	First Energy Nine Private Limited	April 15, 2024	Loan	1.10
				First Energy TN1 Private Limited	April 15, 2024	Loan	1.41

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited.	April 18, 2024	Loan	2.46	First Energy 7 Private Limited	April 18, 2024	Loan	2.46
First Energy Private Limited.	April 24, 2024	Loan	5.00	First Energy 7 Private Limited	April 24, 2024	Loan	5.00
First Energy Private Limited.	April 25, 2024	Loan	4.37	First Energy 7 Private Limited	April 25, 2024	Loan	4.37
First Energy Private Limited.	May 10, 2024	Loan	1.80	First Energy 7 Private Limited	May 10, 2024	Loan	1.80
First Energy Private Limited.	May 14, 2024	Equity	12.00	First Energy 8 Private Limited	May 14, 2024	Equity	12.00
First Energy Private Limited.	June 5, 2024	Loan	60.00	First Energy 8 Private Limited	June 5, 2024	Loan	60.00
Thermax Chemical Solutions Private Limited	June 10, 2024	Equity	8.11	Thermax Vebro Polymers India Private Ltd	July 29, 2024	Equity	8.11
Thermax Onsite Energy Solutions Limited	July 17, 2023	Equity	2.00	Enernxt Private Limited	February 14, 2025	Loan	2.00
First Energy Private Limited.	June 10, 2024	Equity	3.30	First Energy Nine Private Limited	June 10, 2024	Equity	3.30
First Energy Private Limited.	June 13, 2024	Equity	0.03	First Energy Nine Private Limited	June 14, 2024	Equity	0.03
First Energy Private Limited.	June 18, 2024	Loan	17.30	First Energy 3 Private Limited	June 18, 2024	Loan	17.30
First Energy Private Limited.	June 25, 2024	Loan	32.15	First Energy 8 Private Limited	June 25, 2024	Loan	32.15
First Energy Private Limited.	July 3, 2024	Loan	48.22	First Energy 8 Private Limited	July 3, 2024	Loan	48.22
First Energy Private Limited.	July 16, 2024	Loan	34.15	First Energy 8 Private Limited	July 16, 2024	Loan	34.15
First Energy Private Limited.	July 29, 2024	Loan	2.49	First Energy 8 Private Limited	July 30, 2024	Loan	2.49
First Energy Private Limited.	August 6, 2024	Loan	1.60	First Energy TN1 Private Limited	August 6, 2024	Loan	1.60
First Energy Private Limited.	August 7, 2024	Loan	1.50	First Energy Nine Private Limited	August 7, 2024	Loan	1.50
First Energy Private Limited.	August 13, 2024	Loan	1.10	First Energy TN1 Private Limited	August 13, 2024	Loan	1.10
First Energy Private Limited.	September 5, 2024	Loan	16.07	First Energy 8 Private Limited	September 5, 2024	Loan	14.87
				First Energy 8 Private Limited	September 6, 2024	Loan	1.20
First Energy Private Limited.	September 25, 2024	Loan	0.50	First Energy Nine Private Limited	September 25, 2024	Loan	0.50
First Energy Private Limited.	September 26, 2024	Loan	43.41	First Energy 8 Private Limited	September 26, 2024	Loan	43.41
Thermax Engineering Singapore Pte Ltd	September 24, 2024	Equity	USD 3.021 Million (Rs. 25.80 crs)	Thermax (Thailand) Ltd., Thailand	October 23, 2024	Equity	USD 0.001 Million (Rs. 0.80 crs)
				Thermax (Thailand) Ltd., Thailand	October 25, 2024	Equity	USD 2.96 Million (Rs. 25.3 crs)
				Thermax (Thailand) Ltd., Thailand	February 14, 2025	Equity	USD 0.06 Million (Rs. 0.49 crs)
First Energy Private Limited.	October 1, 2024	Loan	1.00	First Energy TN1 Private Limited	October 1, 2024	Loan	1.00
First Energy Private Limited.	October 8, 2024	Loan	2.60	First Energy 6 Private Limited	October 8, 2024	Loan	2.60
First Energy Private Limited.	October 16, 2024	Loan	1.00	First Energy Nine Private Limited	October 16, 2024	Loan	1.00
First Energy Private Limited.	October 21, 2024	Loan	1.00	First Energy 8 Private Limited	October 21, 2024	Loan	1.00
First Energy Private Limited.	October 22, 2024	Loan	2.00	First Energy TN1 Private Limited	October 22, 2024	Loan	2.00
First Energy Private Limited.	October 29, 2024	Loan	20.80	First Energy 4 Private Limited	October 29, 2024	Loan	4.80
				First Energy TN1 Private Limited	October 29, 2024	Loan	16.00
First Energy Private Limited.	October 30, 2024	Loan	3.00	First Energy 6 Private Limited	October 30, 2024	Loan	3.00
First Energy Private Limited.	November 7, 2024	Loan	1.90	First Energy 8 Private Limited	November 8, 2024	Loan	1.40
				First Energy Nine Private Limited	November 8, 2024	Loan	0.50
First Energy Private Limited.	November 15, 2024	Loan	2.00	First Energy 8 Private Limited	November 15, 2024	Loan	2.00
First Energy Private Limited.	November 18, 2024	Loan	3.18	First Energy Nine Private Limited	November 18, 2024	Loan	3.18
First Energy Private Limited.	November 22, 2024	Loan	4.20	First Energy 3 Private Limited	November 22, 2024	Loan	3.84
				First Energy 4 Private Limited	November 22, 2024	Loan	0.36

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for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited.	November 28, 2024	Loan	1.00	First Energy 5 Private Limited	November 28, 2024	Loan	1.00
First Energy Private Limited.	December 11, 2024	Loan	0.11	First Energy 10 Private Limited	December 11, 2024	Loan	0.11
First Energy Private Limited.	December 16, 2024	Loan	0.80	First Energy Nine Private Limited	December 16, 2024	Loan	0.40
				First Energy 3 Private Limited	December 16, 2024	Loan	0.40
First Energy Private Limited.	December 20, 2024	Loan	4.50	First Energy 8 Private Limited	December 20, 2024	Loan	4.50
First Energy Private Limited.	December 23, 2024	Loan	1.40	First Energy 4 Private Limited	December 23, 2024	Loan	0.70
				First Energy 6 Private Limited	December 23, 2024	Loan	0.70
First Energy Private Limited.	December 30, 2024	Loan	9.02	First Energy TN1 Private Limited	December 30, 2024	Loan	0.36
				First Energy 4 Private Limited	December 30, 2024	Loan	0.50
				First Energy 5 Private Limited	December 30, 2024	Loan	3.76
				First Energy 8 Private Limited	December 30, 2024	Loan	4.40
First Energy Private Limited.	January 29, 2025	Loan	9.25	First Energy 5 Private Limited	January 30, 2025	Loan	3.00
				First Energy 4 Private Limited	January 30, 2025	Loan	0.50
				First Energy 8 Private Limited	January 30, 2025	Loan	5.00
				First Energy 6 Private Limited	January 30, 2025	Loan	0.75
First Energy Private Limited.	February 10, 2025	Loan	4.28	First Energy 8 Private Limited	February 10, 2025	Loan	2.00
				First Energy 6 Private Limited	February 10, 2025	Loan	2.00
				First Energy Nine Private Limited	February 10, 2025	Loan	0.28
First Energy Private Limited.	February 12, 2025	Loan	1.20	First Energy 8 Private Limited	February 13, 2025	Loan	1.20

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for the year ended March 31, 2025
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Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited.	February 19, 2025	Loan	9.62	First Energy 6 Private Limited	February 19, 2025	Loan	0.55
				First Energy 8 Private Limited	February 19, 2025	Loan	8.00
				First Energy 4 Private Limited	February 19, 2025	Loan	1.07
First Energy Private Limited.	February 25, 2025	Loan	8.00	First Energy 5 Private Limited	February 25, 2025	Loan	8.00
First Energy Private Limited.	March 7, 2025	Equity	9.99	First Energy 10 Private Limited	March 7, 2025	Equity	9.99
First Energy Private Limited.	March 27, 2025	Loan	1.45	First Energy 4 Private Limited	March 27, 2025	Loan	0.25
				First Energy TN1 Private Limited	March 27, 2025	Loan	0.20
				First Energy 6 Private Limited	March 28, 2025	Loan	1.00

For March 31, 2024:

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited.	April 29, 2023	Equity	20.00	First Energy 4 Private Limited	April 30, 2023	Equity	20.00
First Energy Private Limited.	May 23, 2023	Equity	30.71	First Energy 4 Private Limited	May 24, 2023	Equity	30.71
First Energy Private Limited.	June 1, 2023	Equity	56.00	First Energy 5 Private Limited	June 1, 2023	Equity	39.50
				First Energy 6 Private Limited	June 1, 2023	Equity	16.50
First Energy Private Limited.	June 2, 2023	Equity	30.00	First Energy 5 Private Limited	June 6, 2023	Equity	30.00
First Energy Private Limited.	August 29, 2023	Equity	0.60	First Energy 5 Private Limited	August 29, 2023	Equity	0.60
First Energy Private Limited.	August 29, 2023	Equity	1.50	First Energy 6 Private Limited	August 29, 2023	Equity	1.50
First Energy Private Limited.	September 21, 2023	Equity	1.43	First Energy 3 Private Limited	September 21, 2023	Loan	1.43
First Energy Private Limited.	November 23, 2023	Equity	15.00	First Energy 6 Private Limited	November 24, 2023	Equity	15.00
First Energy Private Limited.	January 11, 2024	Equity	13.38	First Energy 7 Private Limited	January 12, 2024	Equity	13.38
First Energy Private Limited.	January 30, 2024	Equity	65.35	First Energy 8 Private Limited	February 2, 2024	Equity	65.35

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for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
Thermax Engineering Singapore Pte Ltd	December 13, 2023	Equity	USD 3.5 Million (INR 29.19 crs)	PT Thermax International Indonesia	December 20, 2023	Equity	USD 3.5 Million (INR 29.19 crs)
Thermax Onsite Energy Solutions Limited	July 17, 2023	Equity	36.00	Thermax Energy & Environment Srilanka Pvt Ltd	August 30, 2023	Equity	USD 0.528 Million (Rs. 4.374 crs)
				Thermax Energy & Environment Srilanka Pvt Ltd	October 27, 2023	Equity	USD 3.0 Million (Rs. 24.984 crs)
First Energy Private Limited.	February 15, 2023	Loan	3.43	First Energy 6 Private Limited	April 5, 2023	Loan	3.43
First Energy Private Limited.	February 15, 2023	Loan	0.60				
First Energy Private Limited.	March 14, 2023	Loan	0.95	First Energy 5 Private Limited	April 6, 2023	Loan	2.77
First Energy Private Limited.	March 29, 2023	Loan	1.22				
First Energy Private Limited.	March 29, 2023	Loan	1.50	First Energy 5 Private Limited	April 26, 2023	Loan	1.50
First Energy Private Limited.	July 3, 2023	Loan	5.50	First Energy 4 Private Limited	July 3, 2023	Loan	5.50
First Energy Private Limited.	July 5, 2023	Loan	11.00	First Energy 4 Private Limited	July 5, 2023	Loan	11.00
First Energy Private Limited.	July 11, 2023	Loan	27.00	First Energy 4 Private Limited	July 11, 2023	Loan	27.00
First Energy Private Limited.	July 11, 2023	Loan	38.70	First Energy 4 Private Limited	July 11, 2023	Loan	38.70
First Energy Private Limited.	July 27, 2023	Loan	15.50	First Energy 4 Private Limited	August 1, 2023	Loan	15.50
First Energy Private Limited.	August 7, 2023	Loan	10.50	First Energy 4 Private Limited	August 7, 2023	Loan	10.50
First Energy Private Limited.	August 10, 2023	Loan	5.00	First Energy 4 Private Limited	August 11, 2023	Loan	5.00
First Energy Private Limited.	September 4, 2023	Loan	0.20	First Energy 4 Private Limited	September 5, 2023	Loan	0.20
First Energy Private Limited.	August 11, 2023	Loan	18.50	First Energy 4 Private Limited	August 11, 2023	Loan	18.50
First Energy Private Limited.	August 29, 2023	Loan	4.50	First Energy 6 Private Limited	August 29, 2023	Loan	4.50
First Energy Private Limited.	September 5, 2023	Loan	14.30	First Energy 6 Private Limited	September 5, 2023	Loan	14.30
First Energy Private Limited.	September 11, 2023	Loan	17.20	First Energy 6 Private Limited	September 11, 2023	Loan	17.20

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for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited.	September 13, 2023	Loan	74.14	First Energy 6 Private Limited	September 14, 2023	Loan	11.74
				First Energy 5 Private Limited	September 14, 2023	Loan	62.40
First Energy Private Limited.	September 21, 2023	Loan	2.50	First Energy 3 Private Limited	September 21, 2023	Loan	2.50
First Energy Private Limited.	September 28, 2023	Loan	1.00	First Energy 2 Private Limited	September 28, 2023	Loan	1.00
First Energy Private Limited.	October 4, 2023	Loan	3.50	First Energy 6 Private Limited	October 4, 2023	Loan	3.50
First Energy Private Limited.	October 9, 2023	Loan	1.50	First Energy 6 Private Limited	October 9, 2023	Loan	1.50
First Energy Private Limited.	October 11, 2023	Loan	6.50	First Energy 6 Private Limited	October 11, 2023	Loan	6.50
First Energy Private Limited.	October 3, 2023	Loan	39.40	First Energy 5 Private Limited	October 4, 2023	Loan	17.20
				First Energy 6 Private Limited	October 4, 2023	Loan	22.20
First Energy Private Limited.	October 30, 2023	Loan	0.40	First Energy 4 Private Limited	October 30, 2023	Loan	0.40
First Energy Private Limited.	November 6, 2023	Loan	5.84	First Energy 6 Private Limited	November 6, 2023	Loan	5.84
First Energy Private Limited.	November 15, 2023	Loan	8.00	First Energy 5 Private Limited	November 15, 2023	Loan	8.00
First Energy Private Limited.	November 23, 2023	Loan	14.35	First Energy 7 Private Limited	November 23, 2023	Loan	8.58
				First Energy TN1 Private Limited	November 24, 2023	Loan	5.77
First Energy Private Limited.	November 23, 2023	Loan	0.77	First Energy TN1 Private Limited	November 24, 2023	Loan	0.77
First Energy Private Limited.	December 13, 2023	Loan	1.00	First Energy 5 Private Limited	December 13, 2023	Loan	1.00
First Energy Private Limited.	December 21, 2023	Loan	8.75	First Energy 5 Private Limited	December 21, 2023	Loan	8.75
First Energy Private Limited.	December 26, 2023	Loan	5.25	First Energy 5 Private Limited	December 26, 2023	Loan	5.25
First Energy Private Limited.	December 28, 2023	Loan	3.50	First Energy 5 Private Limited	December 28, 2023	Loan	3.50

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited.	January 29, 2024	Loan	1.30	First Energy 4 Private Limited	January 29, 2024	Loan	1.30
First Energy Private Limited.	February 6, 2024	Loan	2.10	First Energy TN1 Private Limited	February 7, 2024	Loan	2.10
First Energy Private Limited.	February 8, 2024	Loan	4.62	First Energy 5 Private Limited	February 8, 2024	Loan	2.62
				First Energy 6 Private Limited	February 8, 2024	Loan	2.00
First Energy Private Limited.	March 1, 2024	Loan	13.00	First Energy 5 Private Limited	March 1, 2024	Loan	13.00
First Energy Private Limited.	March 5, 2024	Loan	14.80	First Energy 5 Private Limited	March 5, 2024	Loan	14.80
First Energy Private Limited.	March 12, 2024	Loan	14.70	First Energy 5 Private Limited	March 12, 2024	Loan	14.70
First Energy Private Limited.	March 19, 2024	Loan	4.35	First Energy 5 Private Limited	March 19, 2024	Loan	4.35
First Energy Private Limited.	March 19, 2024	Loan	3.10	First Energy 6 Private Limited	March 19, 2024	Loan	3.10
First Energy Private Limited.	March 21, 2024	Loan	4.35	First Energy 5 Private Limited	March 21, 2024	Loan	4.35
First Energy Private Limited.	March 28, 2024	Loan	17.40	First Energy 5 Private Limited	March 28, 2024	Loan	17.40

Other than as disclosed above, 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. The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

32 Related Party Disclosures

A Subsidiaries

Unless otherwise stated, the subsidiaries have share capital consisting solely of equity shares that are held directly or indirectly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Sr. No.	Name of the entity	Place of business/Country of incorporation	Ownership interest As at March 31, 2025	Ownership interest As at March 31, 2024
1	Thermax Onsite Energy Solutions Limited	India	100%	100%
2	Thermax Instrumentation Limited	India	100%	100%
3	Thermax Engineering Construction Company Limited	India	100%	100%
4	Thermax Sustainable Energy Solutions Limited#	India	NA	NA
5	Thermax International Limited	Mauritius	100%	100%
6	Thermax Europe Ltd.	United Kingdom	100%	100%
7	Thermax Inc.*	U.S.A.	100%	100%
8	Thermax do Brasil Energia-e Equipamentos Ltda.	Brazil	100%	100%
9	Thermax Netherlands B.V.	Netherlands	100%	100%
10	Thermax Denmark ApS*	Denmark	100%	100%
11	Danstoker A/S*	Denmark	100%	100%
12	Ejendomsanp artsselskabet Industrivej Nord 13*	Denmark	100%	100%
13	Boilerworks A/S*	Denmark	100%	100%
14	Danstoker Poland S.p.Z.o.o.*	Poland	100%	100%
15	Rifox-Hans Richter GmbH Spezialarmaturen	Germany	100%	100%
16	Thermax SDN. BHD*	Malaysia	100%	100%
17	Thermax Engineering Singapore Pte. Ltd.	Singapore	100%	100%
18	PT Thermax International Indonesia*	Indonesia	100%	100%
19	Thermax Senegal S.A.R.L.*^	Senegal	NA	NA
20	First Energy Private Limited	India	100%	100%
21	First Energy TN 1 Private Limited*	India	74%	74%
22	First Energy 2 Private Limited*	India	74%	74%
23	First Energy 3 Private Limited*	India	74%	74%
24	First Energy 4 Private Limited*	India	74%	74%
25	First Energy 5 Private Limited*	India	74%	74%
26	First Energy 6 Private Limited*	India	74%	74%
27	First Energy 7 Private Limited*	India	71%	71%
28	First Energy 8 Private Limited*	India	100%	100%
29	First Energy Nine Private Limited*	India	100%	100%
30	First Energy 10 Private Limited*	India	100%	100%
31	First Energy 11 Private Limited*	India	100%	-
32	Jalansar Wind Energy Private Limited*	India	74%	74%
33	Kanakal Wind Energy Private Limited*	India	74%	74%
34	Thermax Bioenergy Solutions Private Limited	India	65%	65%

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Sr. No.	Name of the entity	Place of business/Country of incorporation	Ownership interest As at March 31, 2025	Ownership interest As at March 31, 2024
35	Thermax Energy and Environment Philippines Corporation*	Philippines	100%	100%
36	Thermax Energy & Environment Lanka (Private) Limited*	Sri Lanka	100%	100%
37	Thermax Nigeria Limited*	Nigeria	100%	100%
38	Thermax Babcock & Wilcox Energy Solutions Limited (TBWES)	India	100%	100%
39	Thermax Cooling Solutions Limited	India	100%	100%
40	Thermax Engineering Construction FZE*	Nigeria	100%	100%
41	Thermax International Tanzania Limited*	Tanzania	100%	100%
42	Thermax (Thailand) Limited*	Thailand	100%	100%
43	Enernxt Private Limited*	India	100%	100%
44	Thermax Chemical Solutions Private Limited	India	100%	-
45	Thermax Vebro Polymers India Private Limited*	India	50.1%	-
46	Buildtech Products India Private Limited	India	100%	-
47	Thermax Chemical Europe A/s*	Denmark	100%	-
48	TSA Process Equipments Private Limited	India	51%	-
49	Thermax Employee ESOP and Welfare Trust**	India	-	-

**Held indirectly*

^Liquidated during the year FY 22-23.

#Liquidated during the year FY 23-24.

***The Company has all ESOP trust and Employee Welfare Trusts set up for the welfare of the employees. Pursuant to the arrangement between the Trusts and the Company, the Company has determined that it has power to direct the relevant activities of the trust while being exposed to variable returns from its involvement with these entities.*

B Holding Company

Sr. No.	Name of the entity	Place of business/Country of incorporation	Ownership interest As at March 31, 2025	Ownership interest As at March 31, 2024
1	RDA Holdings Private Limited	India	53.99%	53.99%

C Associates

Sr. No.	Name of the entity	Place of business/Country of incorporation	Ownership interest As at March 31, 2025	Ownership interest As at March 31, 2024
1	ExactSpace Technologies Private Limited	India	15.17%	15.17%
2	Covacsis Technologies Private Limited (Refer note 5(b))	India	16.67%	16.67%

D Individuals having significant influence over the Company by reason of voting power and their relatives:

1 Mrs. Meher Pudumjee - Chairperson
2 Mrs. Anu Aga - Relative of Director/Chairperson
3 Mr. Pheroz Pudumjee - Director
4 Mr. Zahaan Pudumjee - Relative of Director/Chairperson
5 Ms. Lea Pudumjee - Relative of Director/Chairperson

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

E Key Management Personnel

1 Mr. Ashish Bhandari - Managing Director and Chief Executive Officer
2 Dr. Jairam Varadaraj - Independent Director (ceased w.e.f. July 21, 2024)
3 Mr. Nawshir Mirza - Independent Director (ceased w.e.f. July 21, 2024)
4 Mr. Harsh Mariwala - Independent Director
5 Mr. Sashishekhar Balakrishna (Ravi) Pandit - Independent Director
6 Mrs. Rajani Kesari - Independent Director
7 Mr. Rajendran Arunachalam - Chief Financial Officer
8 Ms. Janhavi Khele - Company Secretary (Resigned w.e.f. April 18, 2025)
9 Mr. Ravi Shankar Gopinath - Independent Director
10 Mr. Shyamak Tata - Independent Director (w.e.f. October 17, 2023)
11 Mr. Parag Shah - Independent Director (w.e.f. December 12, 2024)

F Enterprises with whom transactions have taken place during the year, over which control is exercised by individuals listed in 'D' and 'E' above:

1 Thermax Foundation, India
2 Marico Limited, India
3 Elgi Equipments Limited, India (ceased w.e.f. July 21, 2024)

G Transactions with related parties for the year ended March 31, 2025:

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the Company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the Company mentioned in E	Total
a. Transactions during the year					
Revenue from contracts with customers	387.75	-	0.99	-	**388.74**
Miscellaneous income	6.70	-	-	-	**6.70**
Interest income	18.58	-	-	-	**18.58**
Finance cost	6.19	-	-	-	**6.19**
Dividend income	25.00	-	-	-	**25.00**
Recovery of expenses	101.49	-	-	-	**101.49**
Purchase of raw material and components	60.08	-	0.88	-	**60.96**
Purchase of PPE/CWIP	0.23	-	-	-	**0.23**
Site expenses and contract labour charges	23.94	-	-	-	**23.94**
Reimbursement of expenses	35.84	-	-	-	**35.84**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the Company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the Company mentioned in E	Total
Power and fuel	9.55		-	-	**9.55**
Other expenses	1.17	2.71	-	-	**3.88**
Remuneration to Key Management Personnel*	-	-	-	11.06	**11.06**
Remuneration to individuals having significant influence over the Group by reason of voting power, and their relatives	-	-	-	0.64	**0.64**
CSR expenditure	-	-	7.49	-	**7.49**
Share-based payment to Key Management Personnel	-	-	-	4.74	**4.74**
Investment in equity/preference shares	233.83	-	-	-	**233.83**
Loans given	380.04	-	-	-	**380.04**
Loan Recovered	511.30	-	-	-	**511.30**
Loan taken#	345.00	-	-	-	**345.00**
Loan repaid#	345.00	-	-	-	**345.00**
Director's sitting fees	-	-	-	0.92	**0.92**
Commission paid	-	-	-	7.61	**7.61**
Rent paid	0.66	-	-	0.60	**1.26**
Redemption of 8% cumulative preference shares (Including dividend)	78.00	-	-	-	**78.00**

*Does not include gratuity and leave encashment since the same is calculated for all employees of the company as a whole.

The loans pertains to working capital requirements which has been taken from one of the subsidiary and also repaid the same to the subsidiary during the year carries interest of 7.90% p.a.

The above table excludes dividend paid to RDA Holdings Private Limited, India Rs. 77.20 and to Employee Welfare and ESOP Trust Rs. 7.84.

Transactions carried out in the capacity of agent with TBWES:

Description	As at March 31, 2025
Revenue from contracts with customers	-
Purchase of raw material and components	120.85

Receivables and payables arising in the capacity of agent with TBWES have been presented on a net basis in the standalone financial statements.

During the year, the Company got reimbursement of employee cost from TBWES amounting to Rs. 1.73.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the Company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the Company mentioned in E	Total
b. Balances as at reporting date					
Trade receivables^	201.01	-	0.13	-	**201.14**
Advances given	24.90	-	-	-	**24.90**
Loans given*	61.16	-	-	-	**61.16**
Trade payables	43.55	-	-	-	**43.55**
Commission payable	-	-	-	2.41	**2.41**
Customer advances received	20.44	-	0.03	-	**20.47**
Security deposits given	-	-	-	0.53	**0.53**
Other financial assets	3.99				**3.99**
Guarantee/letter of comfort given on behalf of subsidiaries	810.56	-	-	-	**810.56**

^Before impairment provision Rs. 2.32

**Before impairment provision Rs. 4.12*

H Transactions with related parties for the year ended March 31, 2024:

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the Company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the Company mentioned in E	Total
a. Transactions during the year					
Revenue from contracts with customers	342.56	-	0.42	-	**342.98**
Miscellaneous income	8.18	-	-	-	**8.18**
Interest income	15.98	-	-	-	**15.98**
Dividend income	4.50	-	-	-	**4.50**
Recovery of expenses	80.36	-	-	-	**80.36**
Purchase of raw material and components	131.41	-	0.89	-	**132.30**
Purchase of PPE/ CWIP	2.06	-	-	-	**2.06**
Site expenses and contract labour charges	36.82	-	-	-	**36.82**
Reimbursement of expenses	36.94	-	-	-	**36.94**
Power and fuel	5.11		-	-	**5.11**
Other expenses	0.51	3.35	-	-	**3.86**
Remuneration to Key Management Personnel*	-	-	-	9.49	**9.49**
CSR expenditure	-	-	5.93	-	**5.93**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the Company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the Company mentioned in E	Total
Investment in equity/preference shares	318.08	3.50	-	-	**321.58**
Loans given	552.02	-	-	-	**552.02**
Loan Recovered	536.30	-	-	-	**536.30**
Director's sitting fees	-	-	-	1.15	**1.15**
Commission paid	-	-	-	6.79	**6.79**
Rent paid	0.83	-	-	0.60	**1.43**

**Does not include gratuity and leave encashment since the same is calculated for all employees of the company as a whole.*

The above table excludes dividend paid to RDA Holdings Private Limited, India Rs. 64.33 and to Employee Welfare and ESOP Trust Rs. 6.54.

Transactions carried out in the capacity of agent with TBWES:

Description	As at March 31, 2024
Revenue from contracts with customers	0.06
Purchase of raw material and components	194.22

Receivables and payables arising in the capacity of agent with TBWES have been presented on a net basis in the financial statements.

During the year, the Company got reimbursement of employee cost from TBWES amounting to Rs. 0.70.

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having Significant influence over the company and Key Management Personnel	Key Management Personnel and Individuals having Significant influence over the company mentioned in E	Total
b. Balances as at reporting date					
Trade receivables^	93.12	-	-	-	**93.12**
Advances given#	30.17	-	-	-	**30.17**
Loans given*	193.16	-	-	-	**193.16**
Trade payables	85.81	-	-	-	**85.81**
Commission payable	-	-	-	1.79	**1.79**
Customer advances received	25.59	-	-	-	**25.59**
Security deposits given	-	-	-	0.18	**0.18**
Guarantee /letter of comfort given on behalf of subsidiaries	1,293.04	-	-	-	**1,293.04**

^ Before impairment provision Rs. 3.34

**Before impairment provision Rs. 4.12*

 # Includes capital advances of Rs. 0.65

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

I Related party transactions include transactions pertaining to the following parties with whom the transactions are considered to be individually significant (percentage of the transactions being 10% or more of the total of transactions given in note 'G' and 'H' above):

	March 2025		March 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Transactions during the year				
Revenue from contracts with customers				
Thermax Inc., U.S.A.	143.23		125.97	
Thermax Babcock & Wilcox Energy Solutions Limited	66.29		44.80	
Thermax Onsite Energy Solutions Limited	29.12		89.10	
Thermax Bioenergy Solutions Private Limited	62.66		1.94	
Sub-total- individually significant parties		**301.30**		**261.81**
Others		87.44		81.17
Total		**388.74**		**342.98**
Miscellaneous income				
Thermax Babcock & Wilcox Energy Solutions Limited	5.51		7.99	
PT Thermax International, Indonesia	0.93		0.19	
Sub-total- individually significant parties		**6.44**		**8.18**
Others		0.26		-
Total		**6.70**		**8.18**
Interest income				
First Energy Private Limited	18.58		15.99	
Total		**18.58**		**15.99**
Dividend income				
Thermax Instrumentation Limited	25.00		4.50	
Total		**25.00**		**4.50**
Finance cost				
Thermax Babcock & Wilcox Energy Solutions Limited	6.19		-	
Total		**6.19**		**-**
Recovery of expenses				
Thermax Babcock & Wilcox Energy Solutions Limited	56.43		52.60	
Thermax Inc., U.S.A.	14.2		9.96	
Sub-total- individually significant parties		**70.63**		**62.56**
Others		30.86		17.80
Total		**101.49**		**80.36**
Redemption of 8% cumulative preference shares (Including dividend)				
Thermax Babcock & Wilcox Energy Solutions Limited	78.00		-	
Total		**78.00**		**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	March 2025		March 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Purchase of raw material and components				
Thermax Babcock & Wilcox Energy Solutions Limited	57.94		129.24	
Sub-total- individually significant parties		**57.94**		**129.24**
Others		3.02		3.07
Total		**60.96**		**132.31**
Purchase of PPE/CWIP				
First Energy Private Limited	0.23		2.06	
Total		**0.23**		**2.06**
Site expenses and contract labour charges				
Thermax Instrumentation Limited	22.77		35.47	
Sub-total- individually significant parties		**22.77**		**35.47**
Others		1.17		1.35
Total		**23.94**		**36.82**
Reimbursement of expenses				
Thermax (Thailand) Limited, Thailand	14.51		14.57	
Thermax Inc., U.S.A.	3.9		4.92	
Sub-total- individually significant parties		**18.41**		**19.49**
Others		17.43		17.45
Total		**35.84**		**36.94**
Power and fuel				
Thermax Onsite Energy Solutions Limited	9.55		5.11	
Total		**9.55**		**5.11**
Other expenses				
ExactSpace Technologies Private Limited	2.67		2.96	
First Energy Private Limited	0.69		0.01	
Thermax Babcock & Wilcox Energy Solutions Limited	0.34		0.54	
Sub-total- individually significant parties		**3.36**		**3.51**
Others		0.52		0.35
Total		**3.88**		**3.86**
Remuneration to Key Management Personnel, excluding commission and share-based payment				
Mr. Ashish Bhandari	7.64		6.70	
Mr. Rajendran Arunachalam	2.85		2.30	
Ms. Janhavi Khele	0.57		0.49	
Total		**11.06**		**9.49**

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	March 2025		March 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Share-based payments to Key Management Personnel				
Mr. Ashish Bhandari	4.45		-	
Mr. Rajendran Arunachalam	0.29		-	
Total		**4.74**		**-**
Remuneration to individuals having significant influence over the Company by reason of voting power, and their relatives				
Mr. Zahaan Pudumjee	0.46		-	
Ms. Lea Pudumjee	0.18		-	
Total		**0.64**		**-**
CSR expenditure				
Thermax Foundation	7.49		5.93	
Total		**7.49**		**5.93**
Investment in equity shares				
Buildtech Products India Private Limited	77.20		-	
TSA Process Equipment Pvt. Ltd.	64.10		-	
Thermax Engineering Singapore Pte. Ltd.	38.59		29.19	
First Energy Private Limited	25.32		250.59	
Thermax Onsite Energy Solutions Limited	-		36.00	
Sub-total- individually significant parties		**205.21**		**315.78**
Others		28.62		5.80
Total		**233.83**		**321.58**
Loans given				
First Energy Private Limited	380.04		552.02	
Total		**380.04**		**552.02**
Loans recovered				
First Energy Private Limited	511.30		536.30	
Total		**511.30**		**536.30**
Loans taken				
Thermax Babcock & Wilcox Energy Solutions Limited	345.00		-	
Total		**345.00**		**-**
Loans repaid				
Thermax Babcock & Wilcox Energy Solutions Limited	345.00		-	
Total		**345.00**		**-**
Directors sitting fees				
Mrs. Meher Pudumjee	0.11		0.10	

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	March 2025		March 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Mr. Pheroz Pudumjee	0.14		0.13	
Mr. Ravi Shankar Gopinath	0.10		0.31	
Dr. Jairam Varadaraj	0.04		0.11	
Mr. Nawshir Mirza	0.04		0.12	
Mr. Ravi Pandit	0.11		0.09	
Mr. Harsh Mariwala	0.08		0.06	
Mrs. Rajani Kesari	0.12		0.11	
Mr. Shyamak Tata	0.13		0.05	
Mr. Parag Shah	0.04		-	
Total		**0.91**		**1.10**
Commission paid				
Mr. Ashish Bhandari	5.20		5.00	
Mrs. Meher Pudumjee	0.53		0.46	
Mr. Pheroz Pudumjee	0.25		0.18	
Mr. Ravi Shankar Gopinath	0.30		-	
Dr. Jairam Varadaraj	-		0.18	
Mr. Nawshir Mirza	-		0.38	
Mr. Harsh Mariwala	0.30		0.23	
Mr. Ravi Pandit	0.30		0.18	
Mrs. Rajani Kesari	0.25		0.18	
Mr. Shyamak Tata	0.40		-	
Mr. Parag Shah	0.08		-	
Total		**7.61**		**6.79**
Rent paid				
Thermax Instrumentation Limited	0.66		0.63	
Mrs. Anu Aga	0.60		0.60	
Thermax Babcock & Wilcox Energy Solutions Limited	-		0.20	
Total		**1.26**		**1.43**

	As at March 31, 2025		As at March 31, 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Balances as at year end				
Trade receivables				
Thermax Bioenergy Solutions Private Limited	45.97		0.59	
Thermax Babcock & Wilcox Energy Solutions Limited	44.87		16.62	
Thermax Inc., U.S.A.	42.82		22.98	
Sub-total- individually significant parties		133.66		40.19
Others		67.48		52.93
Total		**201.14**		**93.12**
Advances given				
Thermax Babcock & Wilcox Energy Solutions Limited	21.00		18.99	
Thermax Instrumentation Limited	3.88		10.52	
Sub-total- individually significant parties		**24.88**		**29.51**
Others		0.02		0.66
Total		**24.90**		**30.17**
Loans given				
First Energy Private Limited	61.16		193.16	
Total		**61.16**		**193.16**
Trade payables				
Thermax Babcock & Wilcox Energy Solutions Limited	15.19		54.73	
Thermax Instrumentation Limited	9.48		14.36	
Thermax Inc., U.S.A.	6.11		1.74	
Sub-total- individually significant parties		**30.78**		**70.83**
Others		12.77		9.37
Total		**43.55**		**80.20**
Advances received				
Thermax Babcock & Wilcox Energy Solutions Limited	12.38		4.80	
Thermax Inc., U.S.A.	5.14		0.01	
Thermax Onsite Energy Solutions Limited	1.63		6.30	
Sub-total- individually significant parties		**19.15**		**11.11**
Others		1.32		14.48
Total		**20.47**		**25.59**
Security deposits placed				
Mrs. Anu Aga	0.53		0.18	
Total		**0.53**		**0.18**
Commission Payable				
Mrs. Meher Pudumjee	0.53		0.46	
Mr. Pheroz Pudumjee	0.25		0.18	
Mr. Ravi Shankar Gopinath	0.30		-	
Dr Jairam Varadaraj	-		0.18	
Mr. Nawshir Mirza	-		0.38	
Mr. Harsh Mariwala	0.30		0.23	
Mr. Ravi Pandit	0.30		0.18	
Mrs. Rajani Kesari	0.25		0.18	
Mr. Shyamak Tata	0.40		-	
Mr. Parag Shah	0.08		-	

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	As at March 31, 2025		As at March 31, 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Total		**2.41**		**1.79**
Other financial assets				
Thermax Vebro Polymers India Private Limited	2.78		-	
Buildtech Products India Private Limited	0.55		-	
Thermax Onsite Energy Solutions Limited	0.65		-	
Sub-total- individually significant parties		3.98		-
Others		0.01		-
Total		**3.99**		**-**

For details of guarantee/letter of comfort given as at the closing date on behalf on subsidiaries, refer note 31 (A)(b).

J Loans and advances in the nature of loans given to subsidiaries

	As at March 31, 2025	As at March 31, 2024
First Energy Private Limited		
Balance outstanding	61.16	193.16
Maximum amount outstanding during the year	349.19	290.34

K Terms and conditions of related party transactions

The revenues and purchases from related parties are assessed to be at arm's length transactions by the management. Outstanding balances at the year-end are unsecured and interest free except loans given and settlement occurs in cash. Refer note 31(A)(a) for terms and conditions for loans to related parties.
There have been no guarantees provided or received for any related party receivables or payables except as disclosed in Note 31.

As at year ended March 31, 2025, the Company has recorded an impairment of receivables amounting to Rs. 2.32 (March 31, 2024: Rs. 3.34) and impairment of loan amounting to Rs. 4.12 relating to amounts owed by related parties (March 31, 2024: Rs. 4.12). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

33 Segment Information

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company has identified the Managing Director and Chief Executive Officer as the chief operating decision maker of the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Judgments

Ind AS 108 - "Operating Segments", requires Management to determine the reportable segments for the purpose of disclosure in standalone financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgements with respect to aggregation of certain operating segments into one or more reportable segment.

Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Managing Director and Chief Executive Officer to assess performance and allocate resources. The management has determined that some of the segments exhibit similar economic characteristics and meet other aggregation criteria and accordingly aggregated into three reportable segments i.e., Industrial Products, Industrial Infra and Chemicals.

Disclosure of segment information:

In accordance with para 4 of Ind AS 108 - "Operating Segments", the Company has disclosed segment information in the consolidated financial statements.

34 Fair Value Measurements

Estimates and assumptions

Fair value measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of assumption is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

a) Category of financial instruments and valuation techniques

(i) Financial assets

Details of financial assets carried at amortised cost:

	As at March 31, 2025	As at March 31, 2024
Trade receivables	1,794.01	1,641.72
Loans	59.87	191.78
Investments	150.35	356.25
Other financial assets	379.99	145.84
Cash and cash equivalents	118.18	263.62
Bank balances other than cash and cash equivalents (includes fixed deposits with banks)	2.12	83.14
Total	**2,504.52**	**2,682.35**
Current assets	2,341.00	2,525.77
Non-current assets	163.52	156.58
Total	**2,504.52**	**2,682.35**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Details of financial assets carried at fair value through Profit and Loss:

	As at March 31, 2025	As at March 31, 2024
Investments	1,192.70	992.12
Total	**1,192.70**	**992.12**
Current assets	1,145.05	758.85
Non-current assets	47.65	233.27
Total	**1,192.70**	**992.12**

The fair values of the quoted shares are based on price quotations at the reporting date and unquoted mutual funds are based on Net Asset Value as at the reporting date.

Details of derivative assets:

	As at March 31, 2025	As at March 31, 2024
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	1.69	0.72
Derivative not designated as hedges		
Foreign exchange forward contracts	9.79	1.35
Total	**11.48**	**2.07**
Current assets	11.48	2.07
Non-current assets	-	-
Total	**11.48**	**2.07**

(ii) Financial liabilities

Details of financial liabilities carried at amortised cost:

	As at March 31, 2025	As at March 31, 2024
Borrowings	84.51	307.80
Trade payable	1,157.83	1,116.66
Employee related payables	85.48	93.37
Other liabilities	34.11	20.40
Total	**1,361.93**	**1,538.23**
Current liabilities	1,280.56	1,490.11
Non-current liabilities	81.37	48.12
Total	**1,361.93**	**1,538.23**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2025
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Details of derivative liabilities:

	As at March 31, 2025	As at March 31, 2024
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	0.10	1.05
Derivative not designated as hedges		
Foreign exchange forward contracts	5.34	2.24
Put option liability	0.98	-
Total	**6.42**	**3.29**
Current liabilities	6.42	3.29
Non-current liabilities	-	-
Total	**6.42**	**3.29**

The Company enters into derivative financial instruments in the nature of forward exchange contracts with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs which captures credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

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, 2025:

	Date of valuation	Level 1	Level 2	Level 3*
Financial assets				
Investments				
Equity instruments	March 31, 2025	-	-	-
Preference shares	March 31, 2025	-	-	-
Mutual funds	March 31, 2025	1,192.70	-	-
Corporate deposits	March 31, 2025	-	-	-
Derivative financial assets	March 31, 2025	-	11.48	-
Financial liabilities				
Derivative financial liabilities	March 31, 2025	-	6.42	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024:

	Date of valuation	Level 1	Level 2	Level 3*
Financial assets				
Investments				
Equity instruments	March 31, 2024	-	-	-
Preference shares	March 31, 2024	-	-	76.67
Mutual funds	March 31, 2024	915.45	-	-
Corporate deposits	March 31, 2024	-	132.94	-
Derivative financial assets	March 31, 2024	-	2.07	-
Financial liabilities				
Derivative financial liabilities	March 31, 2024	-	3.29	-

There has been no transfer between Level 1 and Level 2 during the year and during the previous year.

Valuation of financial assets in Level 3 has been done based on discounting of future cash flows. There are no transfers into or out of Level 3 of the fair value hierarchy during the year.

**The movement in Level 3 is on account of redemption of preference shares during the year.*

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(a) Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL and amortised cost investments and enters into derivative transactions.

Risk is inherent in the Company's activities but it is managed through a process of on going identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the years ended March 31, 2025 and March 31, 2024. The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

I Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not currently exposed significantly to such risk.

b Foreign currency risk

Foreign exchange risk arises when future commercial transactions and relevant assets and liabilities are denominated in a currency that is not the Company's functional currency. Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk is managed on the basis of limits determined by management and a continuous assessment of current and expected exchange rate movements and entering into derivative contracts (foreign currency forward contracts) that hedge the maximum period of exposure of underlying transactions (i.e., highly probable forecast sales and purchases).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of expected settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, JPY, SEK and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives not designated as cash flow hedge and foreign currency derivatives with underlying foreign currency monetary assets/liabilities designated as cash flow hedge. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	Impact on profit before tax		Impact on other components of equity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
USD Sensitivity				
INR/USD - Increase by 1%	(3.94)	(3.06)	(2.73)	(0.45)
INR/USD - Decrease by 1%	3.94	3.06	2.73	0.45
JPY Sensitivity				
INR/JPY - Increase by 1%	-	0.04	-	-
INR/JPY - Decrease by 1%	-	(0.04)	-	-
SEK Sensitivity				
INR/SEK - Increase by 1%	-	(0.17)	-	(0.01)
INR/SEK - Decrease by 1%	-	0.17	-	0.01
EURO Sensitivity				
INR/EUR - Increase by 1%	(0.77)	(0.19)	-	(0.01)
INR/EUR - Decrease by 1%	0.77	0.19	-	0.01

Favourable impact shown as positive and adverse impact as negative.

The exposure to other foreign currencies is not significant to the Company's financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

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c Price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. These securities are quoted and unquoted. The Company manages the price risk through diversification and by placing limits on individual and total equity/mutual fund instruments. Further, the price risk is also mitigated by switching the investment portfolio between investment in equity/mutual fund instruments and investments in bank deposits. Reports on the investment portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions. The Company is not currently exposed significantly to such risk.

II Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on losses as per historical data. The maximum exposure to credit risk at the reporting date is the carrying value disclosed in notes 7 and 9(b) above. The charge of impairment to Statement of Profit and Loss is disclosed in note 27(a) above. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and bank deposits

Credit risk from balances with banks, mutual funds, loans and other financial assets are managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties having a good market reputation and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for bank balances and deposits as at March 31, 2025 and March 31, 2024 is the carrying amounts as disclosed in note 13, maximum exposure relating to financial guarantees is disclosed in note 31 (A) and financial derivative instruments in notes 9(b) and 17 to the financial statements.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at operating segments level in the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting future cash flows and considering the level of liquid assets necessary to meet these and monitoring balance sheet liquidity ratios against internal requirements.

The tables below summarises the Company's financial liabilities into relevant maturity profile based on contractual undiscounted payments:

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for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

March 31, 2025	< 1 year	1 to 3 years	> 3 years
Non-derivative			
Borrowings	59.33	25.18	-
Trade payables	1,105.31	52.52	-
Other financial liabilities			
Unpaid dividend	0.57	-	-
Lease obligation	1.62	3.67	-
Other payables	113.12	-	-
Liability towards employee separation Scheme	0.61	-	-
Derivatives (net settled)			
Put option liability	0.98		
Foreign exchange forward contracts	5.44	-	-

March 31, 2024	< 1 year	1 to 3 years	> 3 years
Non-derivative			
Borrowings	307.80	-	-
Trade payables	1,072.83	43.83	-
Other financial liabilities			
Unpaid dividend	0.61	-	-
Lease obligation	1.59	4.29	-
Other payables	105.78	-	-
Liability towards employee separation Scheme	1.50	-	-
Derivatives (net settled)			
Foreign exchange forward contracts	3.29	-	-

(b) Hedging Activities and Derivatives

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in USD, EUR, SEK, GBP and forecast purchases in USD, JPY, SEK, GBP, EUR. These forecast transactions are highly probable, and cover the Company's expected future sales and future purchases based on the orders received.

While the Company also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

	As at March 31, 2025		As at March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign exchange forward contracts designated as hedging instruments	11.48	(5.44)	2.07	(3.29)

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss. Notional amounts of hedged instruments mentioned as assets for export transaction and as liabilities for import transactions, are as mentioned below:

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	As at March 31, 2025		As at March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Foreign exchange forward contracts	270.73	-	127.01	(15.77)
Derivatives not designated as hedges				
Foreign exchange forward contracts	779.61	(149.85)	609.77	(78.91)

Majority of the derivative contracts mature within the next 12 months.

The cash flow hedges of the expected future sales and purchases were assessed to be highly effective and following net unrealised gain/(loss) with a deferred tax asset/(liability) relating to the hedging instruments, is included in OCI.

	As at March 31, 2025		As at March 31, 2024	
	Expected future sales	Expected future purchases	Expected future sales	Expected future purchases
Unrealised gain/(loss)	1.79	-	(0.91)	-
Deferred tax asset/(liability)	(0.45)	-	0.23	-
	1.34	**-**	**(0.68)**	**-**

The amounts retained in OCI at March 31, 2025 are expected to mature and affect the statement of Profit and Loss during the year ending March 31, 2026.

Reclassifications to profit or loss during the year gains or losses included in OCI are shown in Note 29.

36 Key Financial Ratios

The following are analytical ratios for the year ended March 31, 2025 and March 31, 2024:

Description	Numerator	Denominator	FY 2024-25	FY 2023-24	Variance
Current ratio	Current assets	Current liabilities	1.38	1.29	7%
Debt-Equity ratio	Total debt (including current maturities of long term borrowings)	Shareholder's Equity	0.02	0.09	(76%)
Debt service coverage ratio	Earnings available for debt service^	Debt service*	5.84	1.60	265%
Return on equity ratio	Profit after tax and exceptional items	Average Shareholder's Equity	15.25%	12.95%	18%
Inventory turnover ratio	Cost of goods sold	Average inventories	9.00	8.34	8%
Debtors turnover ratio	Revenue from contracts with customers	Average trade receivables	3.63	3.90	(7%)
Trade payables turnover ratio	Total supplier purchases	Average trade payables	4.33	4.23	2%
Net capital turnover ratio	Revenue from contracts with customers	Working capital**	5.92	5.96	(1%)
Net profit ratio	Profit after tax and exceptional items	Revenue from contracts with customers	9.18%	7.56%	21%
Return on capital employed (ROCE)	Profit before tax and exceptional items plus finance cost	Capital employed***	16.06%	17.02%	(6%)
Return on investment (ROI)	Realised gains and unrealised gains on investments	Weighted daily timed investments	8.34%	7.86%	6%

Explanations:

Debt-Equity ratio - Debt-Equity ratio has been decreased on account of repayment of short term borrowings for the current year;

Debt service coverage ratio - Debt service coverage ration has increased by 265% on account of repayment of borrowings in the current year;

^ Profit after tax + finance cost + Loss on sale/discard of assets (net) + depreciation and amortisation for the period

**Current and non current borrowings + non-current lease liability + current lease liability + interest & lease payments paid*

***Total current assets - total current liabilities*

****Total equity + non-current borrowings + current borrowings*

37 Transactions with Struck off Companies

There are no shares held in struck off companies. For the year ended March 31, 2025, and March 31, 2024 there are no transactions with struck off companies and no balances are outstanding as on year end.

38 Share Based Payments

Employees Stock Option Plan 2021 (ESOP 2021)

The Board of Directors and the shareholders of the Company approved Employee Stock Option Plan at their meeting in January 2022. Pursuant to this approval, the Company instituted ESOP 2021 Plan in January 2022. The nomination and remuneration committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such option. Option granted under ESOP 2021 shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 3 (Three) years from the date of grant. The vesting of the options is 33%, 33% and 34% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year:

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	As at March 31, 2025		As at March 31, 2024	
	No. of options	Weighted average exercise price per option	No. of options	Weighted average exercise price per option
Options outstanding at the beginning of the year	41,699	15.25	21,609	15.25
Granted during the year	12,898	15.25	28,558	15.25
Forfeited during the year	636	15.25	2,580	15.25
Exercised during the year	19,198	15.25	5,888	15.25
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	34,763	15.25	41,699	15.25
Options exercisable at the end of the year	2,972	15.25	5,079	15.25

The weighted average remaining contractual life is as follows:

Exercise Price per Option	As at March 31, 2025		As at March 31, 2024	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
Rs. 15.25	Ranging between 1.83 - 4.28	34,763	Ranging between 1.83 - 1.90	41,699

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

		As at March 31, 2025	As at March 31, 2024
1.	Exercise price per option (Rs.)	15.25	15.25
2.	Price of the underlying share in market at the time of the option grant (Rs.)	Ranging between 2,139.45 - 4,485.35	Ranging between 2,139.45 - 2,415.85
3.	Weighted average fair value of options granted (Rs.)	Ranging between 2,107.61 - 4,384.98	Ranging between 2,105.39 - 2,379.45
4.	Expected life of the option (years)	3-5	3-5
5.	Risk free interest rate (%)	Ranging between 6.41% - 7.56%	Ranging between 6.53% - 7.05%
6.	Expected volatility (%)	Ranging between 12.86% - 14.09%	Ranging between 12.86% - 13.14%
7.	Dividend yield (%)	Ranging between 0.47% - 0.48%	0.48%

The Company recorded an employee compensation cost of Rs. 5.43 (March 31, 2024: Rs. 3.94) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

39 Capital Management

The Company's objective for capital management is to maximise long term shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long- term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. No changes were made in the objectives, policies or processes during the years ended March 31, 2025 and March 31, 2024. Capital represents equity attributable to equity holders of the Company.

	As at March 31, 2025	As at March 31, 2024
Borrowings	84.51	307.80
Lease liabilities	5.29	5.88
Less: Cash and cash equivalents (includes deposits with maturity of more than 3 months but less than 12 months)	(119.73)	(346.76)
Net (surplus)	**(29.93)**	**(33.08)**
Equity	3,967.76	3,536.70
Capital and net debt	**3,937.83**	**3,503.62**
Gearing ratio	**NA**	**NA**

40 Exceptional Items

	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision related to litigation	-	50.63
Gain on sale of Property, Plant and Equipment	-	(126.12)
Impairment charge/(write back) in subsidiaries*		
Thermax Engineering Singapore Pte. Ltd	-	73.41
Thermax Netherlands B.V.	(93.73)	-
	(93.73)	**(2.08)**

**Considering the current market scenario and performance of certain subsidiaries, the Company has accounted for impairment charge/(write back) on certain investments in subsidiaries.*

41 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property;

(ii) The Company does not have any charges or satisfaction which is yet to be registered with 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 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);

(v) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

42 Compliance with Section 143 (3) for Maintenance of Books of Account

With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of account and other relevant books and papers. Pursuant to this amendment, the Company is required to maintain the books of account which are accessible in India at all times and their backup is to be kept on servers located in India on a daily basis.

The Company has a process to take daily back-up of books of account maintained in electronic mode and along with the logs of the back-up of such books of account.

Requirements u/s 143(3) of the Act	Compliance/remarks
Books of Account maintained on cloud/ servers physically located in India	Yes
Backup maintained in India on daily basis	Yes

43 Compliance with Section 143 (3) for Audit trail

The Company has used accounting software's for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for changes made to master data in four accounting software's and changes made to the underlying database using privileged/administrative access rights. Further no instance of audit trail feature being tampered with was noted in respect of accounting software. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

44 Acquisition of TSA Process Equipment Private Limited (TSA), Buildtech Products India Private Limited (Buildtech) And Oswaldo Cruz Química Indústria E Comércio Ltda, Brazil (OCQ)

(a) The Company had entered into a Share Purchase Agreement ("SPA") and a Shareholders Agreement ("SHA") on February 06, 2024 with TSA Process Equipments Private Limited (TSA) and its shareholders to acquire 51% equity shares of TSA subject to certain conditions precedents to the SPA. The Company had completed the acquisition of 51% equity shares of TSA for a consideration of Rs. 71.14 subject to certain adjustments with effect from April 19, 2024 (date of acquisition). The shareholders of TSA (NCI of the subsidiary) have put option for selling balance stake of 49% to the Company at a value to be determined as per the terms of Shareholders Agreement. Further, the fair value of the put option on the date of acquisition of Rs. 0.98 has been recognised under 'Other expense' during the year.

TSA Process Equipment's Private Limited is engaged in the business of developing, designing, supplying, installing and commissioning of complete turn-key solutions for varied water treatment and distribution needs for high purity plants, reverse osmosis plants, demineralisation plant and sterile ultrafiltration plant of any capacity. With the acquisition of 51% equity stake in TSA, it has become a subsidiary of the Company with effect from the closing date, enabling the Company to take advantage of emerging opportunities in high purity water solutions.

(b) The Company had entered into Share Purchase Agreement ("SPA") with Buildtech Products India Private Limited ("Buildtech") and it's Promoters on October 25, 2024 for acquiring the 100% of the equity share capital of Buildtech. Buildtech is engaged in manufacturing admixtures, accelerators and capsules used in tunnels, infrastructure and railway projects. The Company has completed the acquisition of 100% equity share capital of Buildtech on December 17, 2024 (i.e., the closing date), for a cash consideration of Rs. 77.20

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

subject to completion of certain conditions precedents mentioned in the SPA. Accordingly, Buildtech has become a wholly owned subsidiary of the Company.

(c) On March 10, 2025, Thermax Chemical Solutions Private Limited (TCSPL), a wholly owned subsidiary of the Company, entered into a Share Subscription and Shareholders Agreement with Oswaldo Cruz Química Indústria E Comércio LTDA, Brazil (OCQ). The newly formed entity, Fortmax Chemicals India Private Limited (FCIPL) will engage in the manufacturing, trading, marketing, and sale of specialty chemicals and products within the Permitted Territories. TCSPL will hold a majority stake of 51% in the new company, while OCQ will hold the remaining 49%. On April 11, 2025, FCIPL has been incorporated with Authorised Share Capital of Rs. 15 and paid-up capital of Rs. 4.59.

45 Appointment of Company Secretary

The Company is in process of appointing a Company Secretary as on the date, as the former Company Secretary held the office upto April 18, 2025.

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 09, 2025

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 09, 2025

THERMAX

Corporate Office

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