45th ANNUAL REPORT
2025-2026

THERMAX



business with a purpose

years

business with a purpose



Our ethos of being a 'business with a purpose' dates back to our beginnings as a small boiler manufacturer. As Thermax marks 60 years, this belief stands reaffirmed, guiding not only what we do, but how we do it.

Over the decades, as we have evolved into a global energy and environment solutions company, our conviction has remained constant: business can, and must, be a force for good.

Today, this philosophy shapes how we serve industries across the world. Through our integrated portfolio, we enable customers to meet their energy and resource needs while advancing environmental responsibility, delivering clean air, clean energy and clean water. Innovation remains central to this journey. From biofuels, green hydrogen and carbon capture to advanced water and wastewater solutions and digital enablement, we are helping industries grow while transitioning towards more sustainable pathways.

This progress is anchored in the trust of our customers, the support of our partners and suppliers, and the commitment of our people. Together, we are building an ecosystem rooted in responsible practices, collaboration and shared value creation.

Beyond business, we remain committed to creating a broader societal impact. Through our CSR initiatives, we focus on education, skill development and community well-being, ensuring that the benefits of our work extend far beyond our operations.

As we celebrate this milestone year, we look ahead with both gratitude and resolve. Thermax at 60 is not just a reflection of our journey so far, but a renewed commitment to shaping a more purposeful and sustainable future, for industry, society and the planet.

Contents

About this Integrated Report 02

Understanding Thermax

Stakeholder-Wise Highlights 04
Corporate Overview 06
The Journey of Thermax 08
Geographical Presence 10

Year in a Review

Message from the Chairperson 12
Message from the MD & CEO 16
Key Performance Indicators 20
Awards and Accolades 22

Governance

Board of Directors 24
Executive Leadership 26

Strategy

Value Creation Model 28
Strategic Objectives 30
Risk Management 32

Stakeholder Value Creation

Owners and Shareholders 36
Customers 38
Employees 44
Vendors and Business Partners 50
Communities and Academic Groups 54
Planet 60
Government Authorities 64
Corporate Information 67

Statutory Reports

Management Discussion and Analysis 68
Directors' Report 122
Corporate Governance Report 133
Business Responsibility and Sustainability Report 160
Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo 206
Report on CSR Activities and CSR Policy 209
Secretarial Audit Report – Thermax Limited 211
Secretarial Audit Report – Thermax Babcock & Wilcox Energy Solutions Limited 215

Financial Statements

Consolidated Financial Statements 218
Standalone Financial Statements 344

Scan the QR code to read this report online or to download, please visit us at https://www.thermaxglobal.com/investors/annual-reports

About this Integrated Report

We are pleased to present the Integrated Report for FY 2025-26, outlining how Thermax Limited (Thermax) and its group of companies create value for stakeholders in the short, medium, and long term. The report provides a comprehensive overview of our financial and non-financial performance, strategic priorities, governance framework, operating context and the key risks and opportunities shaping our future.

In line with SEBI regulations, we also publish our Business Responsibility and Sustainability Report (BRSR) for Thermax Limited, which details our stakeholder-relevant performance. To enhance clarity and avoid duplication, we have combined the Integrated Report and the BRSR into a single, cohesive document that delivers a balanced and concise perspective for all our stakeholders.

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

Framework, Guidelines and Standards

This Report has been developed in alignment with the Integrated Reporting (<IR>) framework issued by the International Financial Reporting Standards (IFRS) Foundation, a global non-for-profit organisation, which promotes high-quality, globally accepted standards for financial and sustainability reporting. The non-financial disclosures contained herein are prepared with reference to the Global Reporting Initiative (GRI) Standards 2021.

The Report complies with 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

The Report also outlines Thermax's contribution towards the United Nations Sustainable Development Goals (UN SDGs), reflecting our alignment with global sustainability priorities.

Boundary and Scope of Reporting

This Report encompasses information relating to the manufacturing facilities, products and solutions, operations and maintenance activities, and office locations of the Thermax Limited and its Group companies. The disclosures pertain to the period from April 1, 2025 to March 31, 2026, unless stated otherwise.

Responsibility Statement

The management, in its capacity as Those Charged With Governance (TCWG), has reviewed the contents of this Report and confirms, to the best of its knowledge, that it presents a fair and accurate account of the Company's performance and disclosures. The Board approved the publication of this Report on May 07, 2026.

Forward-Looking Statements

This Report contains certain forward-looking statements concerning Thermax's business operations. While these statements reflect our expectations, actual outcomes may differ materially due to various risks, uncertainties, and other key factors.

External Assurance

M/s. Price Waterhouse Chartered Accountants LLP has conducted reasonable assurance on the core KPIs of BRSR for the reporting year. This assurance has been conducted in accordance with:

- **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 201, outlines the subject matter assessed, applicable criteria, procedures performed and the reasonable assurance opinion.

Value Creation Model

What We Depend On

- 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 Academic 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

Alignment with Sustainable Development Goals



Delivering Value Across Our Ecosystem





Owners and Shareholders

Rs. 10,694 crore
Total Revenue

Rs. 20
Dividend Declared per Share (Including a Special Dividend of Rs. 6 per Share to Commemorate Thermax's 60th Anniversary)

Rs. 720 crore
Profit After Tax

Customers

Rs. 13,871 crore
Order Book

Rs. 13,604 crore
Order Balance

Rs. 3,084 crore
International Revenue

Employees

5,832
Permanent Employees

10.5%
Gender Ratio

10.5%
Attrition Rate

Vendors and Business Partners

147
No. of Channel Partners

5,001
No. of Orders Placed through Channel Business

7,174
No. of MSMEs

Communities and Academia Groups

Rs. 14 crore
CSR Expenditure

65,000
Students Reached Indirectly Through the Akanksha Foundation and iTeach

17,763
Individual Worker Beneficiaries

Planet

14,717 tCO_2e
Reduction in Carbon Emissions

2,29,485 m^3
Water Reused and Recycled

13,694
Trees (Saplings) Planted

Government Authorities

Rs. 532 crore
Taxes Paid





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

Understanding Thermax

Headquartered in Pune, Thermax Limited (NSE: THERMAX) has been at the forefront of the energy and environment sector since 1966. As a trusted partner in the global energy transition, we deliver sustainable solutions to industries across heating, cooling, power generation, and air pollution control.

Our expertise in water and wastewater treatment and recycling enables customers to optimise resource efficiency, while our range of chemicals is engineered to deliver high performance across diverse applications.

Driven by our commitment to clean air, clean energy, and clean water, we provide integrated, future-ready solutions supported by strategic partnerships and a strong culture of innovation.

16
Manufacturing Facilities
(12 Domestic, 4 International)

51
Subsidiaries (29 Domestic,
22 International)

90+
Countries Served

5,832
Permanent Employees

Key Highlights of FY 2025-26

Financials

Thermax recorded a consolidated revenue of Rs. 10,694 crore in FY 2025-26, up 3.1% as compared to Rs. 10,369 crore in FY 2024-25. Consolidated PAT stood at Rs. 720 crore, up 14.9% from Rs. 627 crore in the previous year. Order booking grew 34.2% to Rs. 13,871 crore, compared to Rs. 10,337 crore in FY 2024-25.

30 Years of Listing on the National Stock Exchange

In 2025, Thermax marked 30 years since its listing on the National Stock Exchange (NSE) with a ceremonial bell-ringing event in Mumbai. Hosted by the NSE, the occasion was attended by members of the promoter family, the Managing Director & CEO, former and current Board members, senior leaders, customers, and long-standing stakeholders who have contributed to the Company's growth and evolution over the past three decades.

Major Project Win

Thermax Babcock & Wilcox Energy Solutions Limited (TBWES) secured a breakthrough boiler package supply order valued at approximately Rs. 1,600 crore from a leading thermal power projects company in Central India for a 1 x 800 MW ultra-supercritical thermal power plant.

Strategic Partnership in Green Hydrogen

Thermax entered into a strategic partnership with HydrogenPro for its proven alkaline electrolyser technology. Under this collaboration, Thermax will have exclusive rights in India for the supply, installation, commissioning, and lifecycle support of HydrogenPro's electrolyser systems, further strengthening its capabilities in the green hydrogen ecosystem.

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 Heat Solutions
- Water and Waste Solutions
- Specialised Services

Read more on page 72

45% Share of Total Revenue

Green Solutions

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

Read more on page 91

7% Share of Total Revenue

Industrial Infra

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

Read more on page 84

41% Share of Total Revenue

Chemicals

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

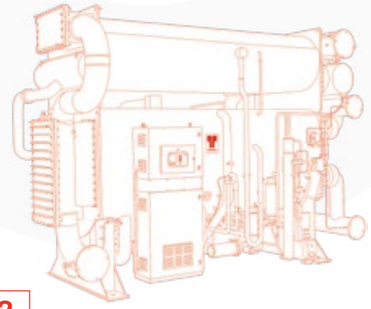
Read more on page 98

7% Share of Total Revenue

Industries Served

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

Timeless Thermax



1966

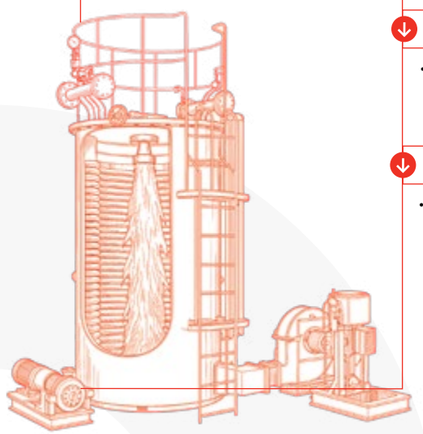
- With an equity capital of Rs. 3 lakh, a 5,000 sq. ft. shed, and a team of 50-odd enthusiastic people, A. S. Bhathena led Wanson (India) started its operations in Mumbai, Maharashtra, India.
- In collaboration with Wanson (Belgium), we started manufacturing small coil-type packaged boilers (Vaporax).
- In the first year, our Company employed 145 people and posted a turnover of Rs. 20 lakh.
- A. S. Bhathena was appointed as the Managing Director.

1967

- Introduced the Indian industry to the concept of thermal oil heating with Thermopac – a generic name for thermal oil heaters in India today.

1975

- Triggered by a fuel shift due to a rise in crude oil prices, Wanson (India) developed Multitherm, India's first packaged water tube boiler for Indian coal.



1975

- Entered the water treatment business to complement the boiler business and subsequently introduced new technologies.

1976

- Acquired Tulsi Fine Chemicals, which went on to become the Chemical division of our Company.

1979

- In a synergistic move, we started the Enviro division for air pollution control equipment.

1980

- With the end of the collaboration, Wanson India became Thermax Pvt. Ltd. with 'Conserving Energy, Preserving the Environment' being adopted as the corporate vision.

1981

- R. D. Aga (son-in-law of A. S. Bhathena) was appointed as the Chairman and Managing Director of Thermax Pvt. Ltd.
- Expanded the energy portfolio and laid the foundation for the cogeneration business by reusing combustible waste gases to generate energy.

1987

- Thermax introduced vapour absorption machines in collaboration with Sanyo, Japan.

1989

- Our Company formed the joint venture – Thermax Babcock & Wilcox Pvt. Ltd. for building higher capacity boilers to acquire larger EPC turnkey projects.

1992

- Combined Heating and Power Group (CHAP) was formed, which later became the Cogen division.

1993

- Initiated in-house R&D for vapour absorption machines after ending the collaboration with Sanyo.

1994

- Inception of the Power division.

1995

- Became a publicly listed company.

1996

- Entered into a technical collaboration with Kawasaki, Japan, for direct-fired chillers.
- In February, Anu Aga was appointed as the Executive Chairperson after R. D. Aga's sudden demise due to a heart attack.
- Abhay Nalawade appointed as the MD & CEO.

2000

- Acquired the boiler company, M E Engineering Ltd. in the UK.
- Received ISO 14001 certification for its manufacturing facility at Chinchwad, India.
- Prakash Kulkarni appointed as the MD & CEO.

2001

- Reconstituted the Board with four independent directors, three non-executive promoter directors, and one full-time director.
- Thermax started its subsidiary company, Thermax Inc., in the US for the sale of cooling and chemical solutions.

2004

- The Board appointed Meher Pudumjee as the Chairperson.

2005

- Launched the Power O&M business.
- To achieve synergies in related businesses, our Company's six core businesses were restructured into three groups – Cooling & Heating, Chemicals & Water and Projects.

2006

- Established a manufacturing facility in Savli, Gujarat, India.

2007

- Signed a technology agreement with Balcke-Dürr GmbH, Germany, an air pollution control leader, to access untapped domestic and overseas markets.
- M. S. Unnikrishnan appointed as the MD & CEO.

2008

- Thermax opened its first overseas manufacturing facility in Zhejiang Province, China, in August 2008 for the production of absorption chillers.

2009

- Signed a joint venture with SPX for pollution control equipment to serve India's growing power sector.
- Thermax Onsite Energy Solutions Limited (TOESL) was incepted to offer green utility delivery solutions under the build-own-operate model.

2010

- Signed a technology transfer agreement with Lambion Energy Solutions GmbH, Germany, to generate energy from waste.
- Acquired European boiler maker, Danstoker A/S to reinforce our initiatives in renewable energy.

2012

- Acquired Rifox - Hans Richter GmbH Spezialarmaturen, a German steam products company, a strategic fit for our Company's steam engineering business.

2013

- Commissioned the construction chemicals manufacturing facility at Jhagadia, Gujarat, India.

2016

- Entered the solar PV business.
- Celebrated 50 years of success.

2017

- Inaugurated a new manufacturing facility in Indonesia, expanding our footprint in international markets, especially the ASEAN countries.
- Commenced the commercial production of ion exchange resins at the chemical factory in Dahej, Gujarat, to serve global markets.
- Through its Denmark subsidiary, acquired assets and operations of Barite Investments Sp. Z.o.o in Poland to expand in Eastern Europe.

2018

- Completed the acquisition of the shareholding of Babcock & Wilcox India Holdings Inc. in the joint venture, Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. (TBWES).
- Commenced steam operations at Savli, Gujarat, India.

2019

- Thermax closed down its manufacturing facility in China due to reduced cost competitiveness.
- Inaugurated a state-of-the-art manufacturing facility at Sri City, Andhra Pradesh, India.
- Acquired the entire stake in Thermax SPX Energy Technologies Ltd. (TSPX).

2020

- Ashish Bhandari appointed as the MD & CEO.

2021

- Expanded the renewable energy business to offer solutions in solar, wind, hybrid and storage batteries, on an opex basis under First Energy Pvt. Ltd. (FEPL).



2022

- Formed Thermax Bioenergy Solutions Pvt. Ltd. (TBSPL) to offer bio-CNG turnkey projects.
- Launched Thermax EDGE Live® - an IIoT based digital platform powered by AI, ML and Thermax engineered algorithms for asset enhancement.

2023

- Forayed into green hydrogen.
- Thermax repositioned itself as a 'Trusted Partner in Energy Transition'.

2024

- Thermax strengthened its chemicals business through strategic partnerships and acquisitions, including a partnership with Vebro Polymers for flooring solutions, a collaboration with OCQ for high-performance acrylic resins and polymers, and the acquisition of Buildtech Products to expand its construction chemicals portfolio.
- Acquired TSA Equipments for high-purity water systems.
- Commissioned a new manufacturing facility for the Water & Waste Solutions (WWS) business in Pune, Maharashtra, India.
- Laid the foundation stone for a new chemical factory (450 sq. m) at the existing Cilegon site near Jakarta, Indonesia.
- Partnered with Ceres Power for green hydrogen production and SOEC technology.

2025

- Thermax completed 30 years of listing on the National Stock Exchange (NSE).
- Partnered with HydrogenPro for indigenous alkaline electrolyser systems.
- Formed Thermax Chemical Europe to strengthen our ion exchange resins and water treatment chemicals businesses in the region.

2026

- Marking 60 years milestone of Thermax.

Operating across Borders

Domestic (India)

Manufacturing Unit	Offerings	Manufacturing Capacity
Paudh, Maharashtra	Chemicals and ion exchange resins	**5,000** metric tonnes of chemicals **5,000** cubic metres of ion exchange resins
Jhagadia, Gujarat	Chemicals and ion exchange resins	**~70,000** metric tonnes of chemicals **~10,000** cubic metres of ion exchange resins
Dahej, Gujarat	Ion exchange resins	**~20,000** cubic metres
Solapur, Maharashtra	Air pollution control systems	**8,000** metric tonnes of fabrication
Pune, Maharashtra	Water and wastewater solutions	**360** units of RO (reverse osmosis) **240** units of UF (ultrafiltration) **2,400** units of softeners and DM (demineralisation) vessels **24** units of MVR (mechanical vapour recompression)
Sri City, Andhra Pradesh	Chillers and heat pumps	**450+** units
Chinchwad, Maharashtra	Air pollution control systems, boilers, heaters and fuel cells	**1,00,000** filter bags **130** units of large boilers and heaters **2,100** units of process heating equipment **50** units of fuel cells
Savli, Gujarat	Boilers, heaters, and steam accessories	**78** units of large boilers and heaters **430** units of process heating equipment **10,000** steam accessories
Shirwal, Maharashtra	Boilers and heaters	**80** units of large boilers and heaters
Mundra, Gujarat	Boilers and heaters	**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
Alwar, Rajasthan	Construction chemicals	**~15,000** metric tonnes
Palghar, Maharashtra	High purity water solutions	**112** units of water systems **48** units of vessels **43** units of pure steam generators and multi-column distillation plants **11** units of autoclave



*Map not to scale.

International

Manufacturing Unit	Offerings	Manufacturing Capacity
Danstoker A/S, Denmark	Boilers	**120+** boilers and pressure parts
Danstoker, Poland Sp. Z O.O.	Boilers	**160+** boilers and pressure parts
Rifox, Germany	Steam accessories	**3,500** units
PT Thermax International, Indonesia	Boilers, chemicals	**40** units of process heating equipment **~4,000** metric tonnes of chemicals

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

A Legacy of Purpose, A Future of Possibilities



> Amidst global uncertainty, India's economic trajectory remained a source of confidence. Real GDP growth held at approximately 7.6%, supported by the government's continued commitment to infrastructure investment, clean energy acceleration and industrial decarbonisation. Policy frameworks around bioenergy adoption, green hydrogen mobilisation, emission reduction norms and energy-efficient manufacturing continue to create direct and specific demand for energy and environmental solutions.

My Dear Shareholders,

Sixty Years of Building with Purpose

The year under review holds special significance for all of us at Thermax. In 2026, we complete 60 years as an institution shaped by purpose, resilience, passion and the collective efforts of generations of Thermaxians and all our stakeholders. More than a milestone of longevity, it is an opportunity to reflect on the values that have guided us since the beginning — integrity, respect, responsible growth and creating value for every stakeholder.

This year also marked 30 years of Thermax's listing on the National Stock Exchange. The bell-ringing ceremony at the NSE was both nostalgic and humbling. It reminded me of my grandfather, Adi Bhathena, who laid the foundation of this institution; my father, Rohinton Aga, the visionary, who expanded and grew the portfolio and took the Company public in 1995; and my mother, Anu Aga, who steered Thermax through one of its most difficult phases with courage and conviction. It was also a reminder of the many people (both past and present) who have made this journey possible, with their passion and trust — our customers who believe in us, giving us an opportunity to improve their business; our vendors who have partnered with us in building solutions; our channel partners who have grown with us, carrying the Thermax brand; our communities that ground us in purpose; our shareholders who have placed their confidence and trust in us and our Board members, whose wisdom has guided us over the years.

Thank you all from the bottom of my heart.

Operating in a Changing Global Landscape

The year under review unfolded against a backdrop of considerable geopolitical uncertainty. Ongoing conflicts across regions, particularly in the Middle East, disrupted trade flows, impacted commodity prices and created volatility across logistics and global supply chains. These developments affected industries worldwide and had implications for some of Thermax's businesses, especially those dependent on international sourcing and exports to the Middle East.

At the same time, these uncertainties have reinforced an important reality. For India, 'energy security' has moved beyond economic necessity, to become a strategic imperative. The real challenge is to achieve energy security while accelerating energy transition and meeting decarbonisation goals. This is where Thermax believes it can create the most meaningful impact.

Amidst global uncertainty, India's economic trajectory remained a source of confidence. Real GDP growth held at approximately 7.6%, supported by the government's continued commitment to infrastructure investment, clean energy acceleration and industrial decarbonisation. Policy frameworks around bioenergy adoption, green hydrogen mobilisation, emission reduction norms and energy-efficient manufacturing continue to create direct and specific demand for energy and environmental solutions.

Business Performance and Strategic Progress

Despite the challenging global environment, the year was marked by steady progress across several areas of our business. We maintained healthy order inflows and built a robust order backlog of Rs. 13,604 crore with a marked improvement in the quality of orders. Although revenue growth was subdued at Rs. 10,694 crore, our profit after tax grew substantially to Rs. 720 crore. The Board has recommended a total dividend of Rs. 20 per equity share, which includes a one-time special dividend of Rs. 6 per share, to mark the Company's 60th anniversary.

Our Industrial Products business continued to build strong momentum through innovative solutions in process heating, water and wastewater and air pollution control. Our engineering legacy of six decades gives us a deep understanding of industrial process realities. Products that enhance efficiency using AI-based controllers for boilers and heaters, are the natural evolution of that institutional knowledge, combining decades of application expertise with the possibilities of modern data science. Across our businesses, our EDGE Live platform monitors a number of customer assets across geographies, creating value for our customers through digital innovation.

> We maintained healthy order inflows and built a robust order backlog of Rs. 13,604 crore with a marked improvement in the quality of orders.

The Water and Waste Solutions (WWS) business strengthened its position through new-age solutions in desalination, water recycling, zero liquid discharge and brine recovery, reflecting our focus on sustainable water management and the circular economy.

The entry of Cooling & Heating business into the US and India data centre markets, driven by the explosion in AI infrastructure demand, opens a new growth frontier. Our Air Pollution Control business also continued to strengthen its presence with multiple installations across international markets.

Industrial Infra received a landmark boiler package supply order of approximately Rs. 1,600 crore for a 1 × 800 MW ultra-supercritical thermal power plant in Central India, reinforcing the engineering credentials of the Company at the highest levels of complexity. We are also looking to establish India's first green methanol facility at Deendayal Port, Kandla, Gujarat, turning agricultural waste and local biomass into cleaner shipping fuels.

Part of our Green Solutions portfolio continued to strengthen during the year with TOESL (utilities on hire) leading the way. This vertical also forged through strategic partnerships and new initiatives that directly address India's energy challenges. Our recent collaboration with Norway-based HydrogenPro ASA enables us to offer market-ready alkaline electrolyser solutions in India.

Chemicals faced significant headwinds during the year — geopolitical disruptions, volatility in raw material prices, a constrained demand that has only recently begun to recover, and higher costs due to low capacity utilisation at a new plant. The Fortmax brand, born from our alliance with Oswaldo Cruz Química (OCQ), represents a move to high-performance speciality chemicals, where production has just commenced.

Navigating Challenges with Discipline

Amongst our Green Solutions vertical, First Energy Private Limited (FEPL) – a 100% subsidiary providing green power on solar and wind projects to the commercial and industrial segment, has not been performing as planned. Alongside the external environment, we continued to navigate operational complexities and execution challenges. The Company is implementing corrective measures to strengthen execution and improve delivery timelines. Thermax Bioenergy Solutions Private Limited (TBSPL), our bio-CNG business is in the process of commissioning and handing over plants across India. Although challenging, we have had significant learnings that can be applied to new orders going forward.

60 years of building an institution also means 60 years of accountability and responsibility, to every life entrusted to Thermax's care. Despite having strong safety systems and processes in place, we experienced four fatalities during the year — a matter of deep concern for all of us. The Board has discussed a fundamental reassessment of our safety governance structure at the leadership level, apart from continuous safety training and ensuring safety is embedded in our engineering.

Empowering People, Building the Future

At the heart of any enduring institution are its people and the culture they help shape every day. This year, we continued to invest in building our leadership pipeline through various leadership development programmes for our executives, senior and young leaders, building an internal pipeline. In order to listen more deeply, understand what matters to our employees, and act in a more structured manner, we have pivoted to an annual employee survey. Our focus on employee well-being through mental health support, learning opportunities and a culture of open dialogue, reflects our belief that people who feel valued and heard, are the foundation of everything we build. We remain encouraged by the commitment and positive energy we see across the organisation and are deeply grateful for it.

On behalf of our Board, I am pleased to welcome Kavita Singh to our Executive Council as Chief Human Resources Officer and look forward to her leadership in further strengthening our people practices and organisational culture.

Creating Impact Beyond Business

Anu has long believed that "business cannot succeed in a society that fails". At Thermax Foundation, we have carved our work into three verticals: education and skilling (being the largest), agriculture and farming and animal welfare. We strengthened our educational outreach through project SETU with the Akanksha Foundation, scaling effective teaching-learning practices across Pimpri Chinchwad, Pune and Nagpur. We supported 1,484 young people through industry-aligned ITI programmes, each gaining the dignity of skilled work and a pathway to self-reliance.

Through the NGO Manavlok, we enabled 409 small farmers to adopt scientific practices and access export markets. We also embarked on something more ambitious — restoring agricultural land with energy crops across 500 acres, conceived by our late Board member Dr. Ravi Pandit with a clear and meaningful purpose. Through watershed development and sustainable biomass cultivation, we are creating community-led bioenergy value chains, while laying the foundation for biomass-to-green hydrogen opportunities, embodying our conviction that ecological restoration and rural prosperity are at the heart of energy transition.

Through our work in 'Social Compact', we continue to facilitate access to government schemes and social security for the unorganised sector.

Looking ahead, we also intend to extend our community work to animal welfare with a focus on reducing human-animal conflicts and fostering peaceful coexistence in Pune, to begin with.

This year, over 650 Thermaxians volunteered across these programmes, bringing genuine human connection and mentorship.

Through our work in 'Social Compact', we continue to facilitate access to government schemes and social security for the unorganised sector.

Remembering Dr. Ravi Pandit

In early May this year, we lost our highly valued Board member, Dr. Ravi Pandit, whose association with Thermax and contribution to Indian industry left a lasting impact on everyone who had the privilege of knowing him. Ravi embodied humility, wisdom and grace in leadership. He was deeply respected not only for his professional accomplishments, but also for the warmth, simplicity and integrity he brought to every interaction. For many of us, he was a trusted guide, a thoughtful voice and a cherished friend. He will be remembered with great affection and gratitude, and missed not just by Thermax, but by India.

Looking Ahead with Purpose and Confidence

At this year's Board retreat, we spent considerable time discussing how Thermax can move closer to its vision of becoming 'globally respected', through simpler processes, stronger and safer execution, higher quality standards, greater investment in R&D, internationalisation, deeper customer partnerships and development of our people.

As we enter our 60th year, I find myself often thinking about what has made this organisation endure. What is truly distinct about this institution called Thermax? It is not our products, technologies or factories – it is our people.

I would like to express my sincere gratitude to our MD and CEO Ashish Bhandari, our leadership team, Board members, and every Thermaxian, for your unwavering motivation and dedication. My thanks to our customers, vendors, business and channel partners, shareholders, and communities for the trust and support that make 'Thermax' possible. It is this collective commitment that gives me confidence as we look to the future.

I look forward to continuing this journey together with renewed purpose, responsibility and confidence.

Warmly,

Meher Pudumjee
Chairperson

Building Thermax for the Next 30 Years



> FY26 was a good year in many ways. Orders grew from Rs. 10,337 crore to Rs. 13,871 crore, resulting in a healthy order backlog of Rs. 13,604 crore, up 27.2% year-on-year, which will be carried forward to FY27. More importantly, the quality of orders improved and along the lines of our commitments, did not undertake large project orders with long gestation and significant civil and construction scope. International business revenue also continued to grow, reaching Rs. 3,084 crore, up 33.4% in FY26.

Dear Stakeholders,

A Milestone and a Beginning

Last December, I had the privilege of joining several past and present Thermaxians at the National Stock Exchange to commemorate 30 years of Thermax's listing. As we rang the ceremonial bell, it was natural to reflect on the journey that brought us here. The occasion recognised the fortitude of Mr. A. S. Bhathena and Mr. Rohinton Aga, the values and culture nurtured by Anu and Meher, and the contribution of generations of employees who have built Thermax over six decades.

A bell, however, does not only mark a celebration. It also symbolises the starting gun for the path ahead.

This year, Thermax completes 60 years. Our history gives us a strong foundation to build a company that can thrive in this world of change. Energy security has once again become a strategic priority for nations. Climate change, water scarcity and deteriorating air quality are becoming more urgent. Artificial intelligence is reshaping industries while creating unprecedented demand for power, cooling and infrastructure. India must grow rapidly while reducing the resource and environmental intensity of that growth.

These shifts make Thermax more relevant than ever.

Momentum Returned, but More Was Possible

FY26 was a good year in many ways. Orders grew from Rs. 10,337 crore to Rs. 13,871 crore, resulting in a healthy order backlog of Rs. 13,604 crore, up 27.2% year-on-year, which will be carried forward to FY27. More importantly, the quality of orders improved and along the lines of our commitments, we did not undertake large project orders with long gestation and significant civil and construction scope. International business revenue also continued to grow, reaching Rs. 3,084 crore, up 33.4% in FY26.

Our Industrial Infra business secured important orders in India and overseas. These included utility boilers for a refinery project in Nigeria, boilers for a strategic Middle East oil & gas customer, and a supercritical boiler project in India. The business also improved profitability despite lower revenue, supported by a better project mix and improved execution. The supercritical project has been undertaken with careful thought and due resource allocation.

We also made progress in bio-CNG. All 14 plants have now been commissioned. Collectively, these plants produced 19,400 tonnes of compressed biogas during the year and crossed production of 100 tonnes per day in January 2026. The journey has not been easy, and plant availability remains an area of focus, but valuable lessons are being translated into operational improvements. The order for India's first 5 TPD green methanol facility at Kandla Port, Gujarat, is an important example of research moving towards commercial application.

Industrial Products delivered broad-based growth. Our Cooling business secured its first large data centre orders in both India and the United States. Water and Waste Solutions, Air Pollution Control and Process Heat Solutions also recorded growth across domestic and international markets.

Several initiatives that were small or did not exist three years ago are now becoming meaningful businesses. These include zero liquid discharge, waste-to-energy, heat pumps, hybrid CLCTs (closed-loop cooling towers), gas purification & upgradation, urban water solutions, electric boilers, Thermax EDGE Live® (IIoT), and lifecycle services.

In Green Solutions, TOESL continued to perform strongly while expanding internationally. We now operate over 47 plants and source more than 3,500 tonnes of biomass daily, making us one of India's largest organised biomass aggregators. Our Green Hydrogen team is making good progress towards a solid oxide electrolyser demonstration plant, while our partnership with HydrogenPro enables us to offer competitive alkaline electrolyser solutions today.

Our renewable energy business (FEPL) continued to scale, with the total capacity of solar, wind, and wind-solar hybrid projects under open access reaching 235.5 MWp to date. During the year, the growth in revenue was modest, especially given the investments made and the opportunities available to us. Project delays and operational challenges persist, and addressing these remains a clear priority for the team for the year ahead.

> Our Cooling business secured its first large data centre orders in both India and the United States.

In Chemicals, the new resin plant in Jhagadia, Gujarat, has rapidly stabilised. There is progress in our partnerships, Vebro Polymers and OCQ, albeit below our original plans. International growth was also below plan but there were good breakthroughs towards the end of the year. The Ion Exchange Resin business expanded into new application areas, including PFAS removal for water treatment and speciality additives for ceramics, creating avenues for future growth.

There were areas where we could have done better. Revenue and profits were both short of targets as we started the year slow and heavy monsoons impeded project progress for several months. Most projects progressed broadly in line with expectations during the year. However, one large and complex project that was undertaken in FY22 experienced delays arising from design changes, vendor-related disruptions and site execution challenges. Progress at certain bio-CNG sites was also slower than planned, impacting the pace of revenue growth.

Safety is another area where we need to do better. In our efforts to strengthen the safety culture, we undertook several key initiatives under the Behaviour Based Safety (BBS) Programme, with structured implementation across all our plants.

As we enter FY 2026-27, our order backlog provides confidence, but rising commodity prices, weather-related uncertainties, and the impact of the Gulf War on energy prices and global supply chains continue to demand the utmost attention to business operations.

Energy Security and Energy Sustainability

In recent years, the discussion at Thermax has centred more on energy transition. Events of the past year have again highlighted the importance of energy security. Nations and companies need access to energy that is reliable and affordable. At the same time, the environmental consequences of how that energy is produced and consumed cannot be ignored.

Energy security and energy sustainability must therefore progress together. As an example, in India, thermal power is once again on the discussion table with several projects, subcritical and supercritical, being conceptualised by our customers. Similarly, the bio-CNG policy is expected to be revised shortly, creating a fillip to this sector with significant green energy aspirations. Thermax's role is to be the bridge between energy availability and energy sustainability. We must provide solutions that work technically and are commercially viable, while also reducing the environmental impact of growth.

The rise of artificial intelligence and data centres is one example. Data centres require large quantities of reliable power and efficient cooling. Thermax can participate across this value chain through power and heat recovery systems, absorption cooling, water treatment solutions and digital optimisation. Our recent data centre orders in India and the United States are early steps in developing this opportunity.

India's challenge is larger, though. The country needs to expand manufacturing, infrastructure and energy supply while also addressing pollution, water stress and carbon intensity. Renewable electricity is important, but it is only one part of the answer. Industrial heat, energy efficiency, water reuse, clean air, bioenergy, green chemicals and resource conservation will be equally relevant.

Building Thermax for the Next 30 Years

Thermax's growth has mirrored that of India. From a fledgling company that went through highs and lows, we have now emerged with capabilities and strength across sectors and geographies. To build a Thermax for the next 30 years is to build a company that is relevant to the challenges of the coming times and also one that can compete with and be the best globally.

Building and commercialising new technologies and continuous innovation is one key aspect of achieving this vision, but that by itself is not enough.

Thermax's execution and quality must be world-class. The customer experience we currently provide is varied, especially when it comes to site execution and project management. Total System Quality (TSQ) includes a comprehensive look at the quality of our offering in a way that encompasses engineering, sourcing, vendors, manufacturing, construction, commissioning, project management and service. TSQ is a multi-year journey targeting global benchmarks on quality and speed. TSQ is a key aspect of Thermax's planned transformation.

The third is internationalisation. FY 2025-26 provided encouraging proof points across the world, including in the United States, the Middle East, Africa, and Southeast Asia. International business now accounts for 29% of our sales. We will invest more in building capability to support customers locally. This means executing through local legal entities, hiring and training locally, and investing locally in service support.

The fourth is deeper customer partnerships. To be a trusted partner in energy transition, Thermax's customer engagement model must be more integrated. Our Key Account Management (KAM) programme is being rolled out to understand customers' longer-term priorities and work with them on solutions. Lifecycle services will be an important part of these relationships. Our installed base gives us the opportunity to support customers through operations and maintenance, upgrades, retrofits and performance improvement. Thermax EDGE Live®, our digital arm, can strengthen this further by helping customers improve operating performance.

Finally, growing functional expertise on the people front. Building new competencies requires enhanced functional capabilities in multiple areas, including digital, manufacturing, quality, sourcing, and civil and construction. We will develop this expertise through a deliberate mix of targeted training and experienced external hiring.

Closing

In May this year, the world lost Dr. Ravi Pandit, a member of the Thermax Board and a leading light of India. Ravi consistently encouraged Thermax to invest more in R&D and to take on the difficult energy transition problems facing the country. He practised what he preached. His work in hydrogen fuel cells, sodium ion batteries and biofuels reflected a willingness to invest in technologies well before their commercial potential was clear. Thermax's current R&D programme is influenced by his thinking and encouragement.

I thank the Thermax Board for its guidance and trust. I thank our customers, partners, vendors and shareholders for their continued support. Most importantly, I thank my leadership team and Thermax employees across our offices, factories and project sites.

The NSE bell commemorated an important milestone in Thermax's history. It also marked the beginning of the next phase—to build a Thermax that can thrive for the next 30 years.

Best regards,

Ashish Bhandari

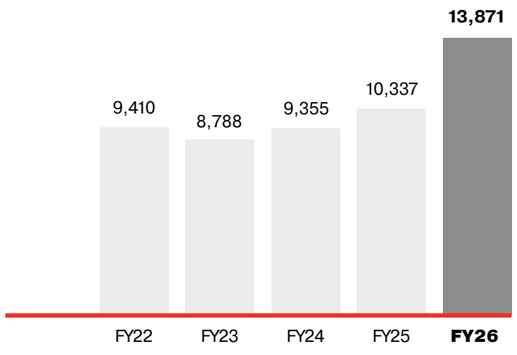
MD & CEO

> Our Key Account Management (KAM) programme is being rolled out to understand customers' longer-term priorities and work with them on solutions.

Measuring Performance Through Key Metrics

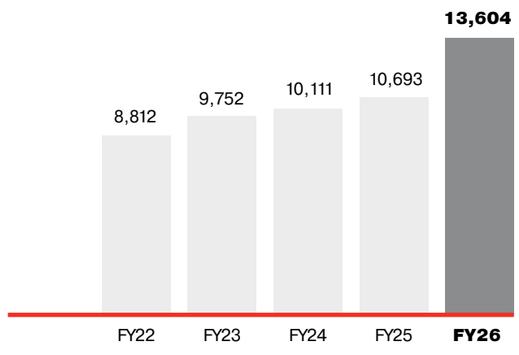
Order Booking (in Rs. crore)

CAGR (Five-year) 8%



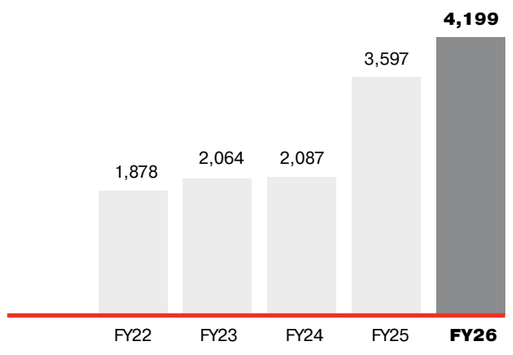
Order Balance (in Rs. crore)

CAGR (Five-year) 9%



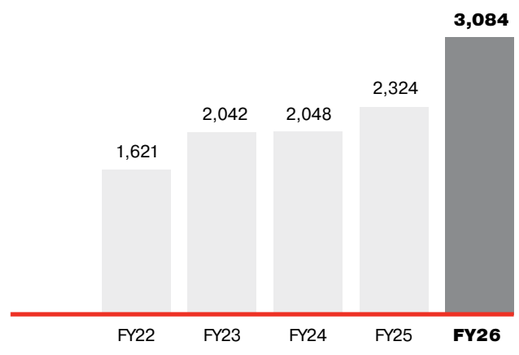
International Order Booking (in Rs. crore)

CAGR (Five-year) 17%



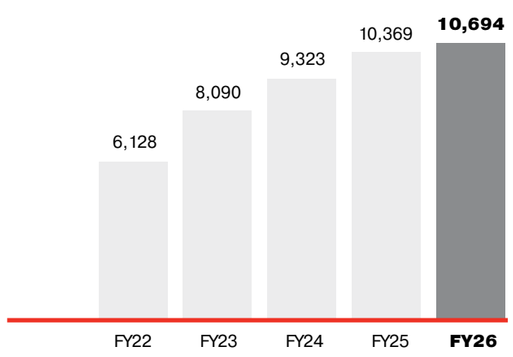
International Revenue (in Rs. crore)

CAGR (Five-year) 14%



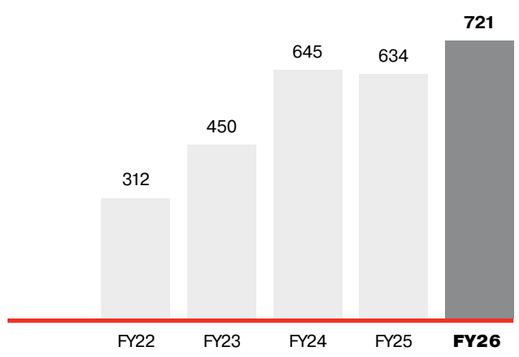
Revenues from Operations (in Rs. crore)

CAGR (Five-year) 12%



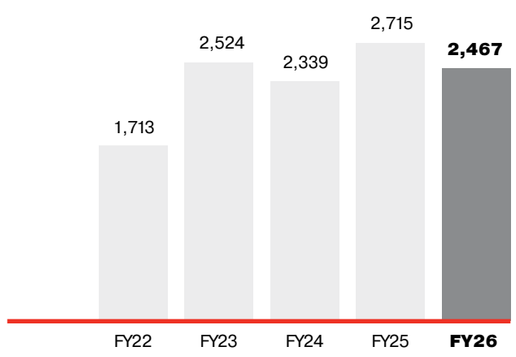
Profit After Tax (PAT) Attributable to Equity Holders of the Parent (in Rs. crore)

CAGR (Five-year) 18%



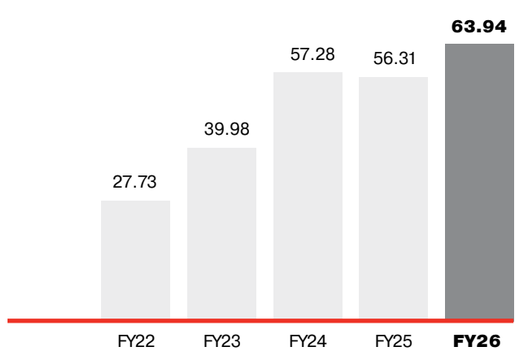
Cash and Cash Equivalents and Other Bank Balances, Including Current Investments (in Rs. crore)

CAGR (Five-year) 8%



Diluted Earnings per Share (EPS) (in Rs.)

CAGR (Five-year) 18%



Highlighting Key Achievements



CEO of the Year 2025 – Sustainability

Ashish Bhandari, Managing Director & CEO of Thermax, received the CEO of the Year 2025 award (Sustainability category) from ET Now Machinist at the 11th Super Shopfloor Awards in New Delhi. This recognition acknowledges his leadership in advancing green growth and steering the sustainable transformation of industrial operations.



Vipin Upadhyay, Head – HSE, Thermax, receiving the award at the forum

Sustainable Organisation Award 2025

Thermax received the Sustainable Organisation Award 2025 at the 5th Sustainability Summit & Awards hosted by UBS Forums. The recognition reflects our continued commitment to energy and water conservation, circularity, ESG transparency, and embedding sustainability into everyday business decisions.



Water Positive Certification

Thermax's Sri City manufacturing plant in Andhra Pradesh, India, received the Water Positive Certification from TÜV SÜD, recognising its efforts in conserving, recycling, and replenishing water resources. The certification reflects Thermax's commitment to sustainable water management and responsible green manufacturing practices.

Gold Award for Renewable Energy Initiatives – ASSP 2025

Thermax received the Gold Award from the ASSP India Chapter in 2025, recognising its impactful renewable energy initiatives. The award highlights the Company's efforts in advancing clean energy adoption, improving energy efficiency, reducing carbon emissions, and integrating safety with sustainability through innovative and technology-driven solutions.

Vision Awards by LACP for Annual Report

Thermax's 44th Annual Report won Platinum at the 2024/25 Vision Awards by the League of American Communications Professionals, marking its second consecutive win, following last year's Gold. Ranked among the Top 100 Reports Worldwide with a score of 99/100, the recognition reflects Thermax's commitment to transparent and high-quality corporate reporting.



Naresh Torane, Head – Thermax Finance Services, receiving the award at the forum

Best Shared Service Team Award

Thermax Finance Services was recognised as the Best Shared Service Team of the Year in the Industrial Manufacturing sector at the 16th Shared Services Summit & Awards 2025 by UBS Forums. This recognition celebrates Thermax's contribution to driving operational efficiency, innovation, and collaboration within the shared services domain.



Dr. Vasundhara Sen, Head – Regulatory Affairs at Thermax, receiving the award from Mr. Gaurav Kedia, Chairman of Indian Biogas Association (IBA)

Operational Excellence in Biofuels

Thermax was recognised for Operational Excellence in Biofuels at the International Summit and Expo on Bioenergy Value Chain in Delhi, India. The Company received the JEEV (Journey for Energy, Environment, and Vitality) Award for its impactful contributions to sustainability, innovation, and environmental stewardship.

Platinum Award by CII

Thermax Babcock & Wilcox Energy Solutions (TBWES) won the Platinum Award at the Confederation of Indian Industry (CII) National Kaizen Circle Competition 2025 for productivity improvement in manufacturing.

The recognised innovation reduced installation time for calcium silicate insulation in high pressure steam piping from 45 to 14 days, enhancing efficiency while maintaining safety and performance at a customer site.





Sanjay Gaikwad, Growth Unit Head - ZLD, Water & Waste Solutions at Thermax receiving the award

National CSR Award for Excellence in Water

Thermax received the National CSR Award for Excellence in Water under the 'Most Innovative New Technology of the Year' category for its zero steam MVR (mechanical vapour recompression) solution. The innovation enables decarbonised evaporation with reduced carbon emissions and water footprint, reinforcing Thermax's commitment to sustainable industrial transformation.

BBS Ambassador Award 2025

Thermax Onsite Energy Solutions Limited received the BBS Ambassador Award 2025 from Baroda Management Association. This recognition celebrates Thermax's commitment to fostering a proactive safety culture through behaviour-based safety practices, including digital BBS reporting and AI-enabled PPE monitoring across operating sites.



Thermax team receiving the BBS Ambassador Award 2025



Rajendran Arunachalam, Group CFO – Thermax, receiving the award at the event

Recognition at CII Cost Congress 2025

Thermax's Air Pollution Control and Cooling businesses achieved Level 3 (Operational Level) in the Total Cost Maturity Model under the Confederation of Indian Industry TCM movement.

Recognised at the CII Cost Congress 2025 in Mumbai, this milestone reflects a strong commitment to structured, innovation-led cost management for sustainable business outcomes.

Steering Long-Term Value Creation

61 Years
Average Age of the Board

9.9 Years
Average Tenure on the Board

5.5 Years
Average Tenure of Independent Directors on the Board

22%
Female Representation on the Board



1
Meher Pudumjee
Chairperson

C M M M

Nationality: British
Age: 59
DIN: 00019581
Date of appointment: January 15, 2001
Tenure on the Board: 25 years

2
Pheroz Pudumjee
Non-Executive, Non-Independent Director

C M M M

Nationality: British
Age: 64
DIN: 00019602
Date of appointment: January 15, 2001
Tenure on the Board: 25 years

3
Ashish Bhandari
Managing Director and CEO

M M

Nationality: American
Age: 55
DIN: 05291138
Date of appointment: June 18, 2020
Tenure on the Board: 5.8 years

4
Harsh Mariwala
Non-Executive, Lead Independent Director

C

Nationality: Indian
Age: 75
DIN: 00210342
Date of appointment: November 10, 2016
Tenure on the Board: 9.4 years

5
Dr. Ravi Gopinath
Non-Executive, Lead Independent Director

C M M

Nationality: Singaporean
Age: 60
DIN: 00803847
Date of appointment: November 10, 2021
Tenure on the Board: 4.4 years

6
Shyamak R. Tata
Non-Executive, Independent Director

C M M

Nationality: Indian
Age: 62
DIN: 07297729
Date of appointment: October 17, 2023
Tenure on the Board: 2.5 years

7
Parag Shah
Non-Executive, Independent Director

M

Nationality: Indian
Age: 50
DIN: 00374944
Date of appointment: December 12, 2024
Tenure on the Board: 1.3 years

8
Rajani Kesari
Non-Executive, Independent Director

M

Nationality: Indian
Age: 54
DIN: 02384170
Date of appointment: November 14, 2018
Tenure on the Board: 7.4 years

9
Dr. S. B. (Ravi) Pandit
Non-Executive, Independent Director

C M M M M

Nationality: Indian
Age: 76
DIN: 00075861
Date of appointment: May 30, 2017
Tenure on the Board: 9 years
(Passed away on May 8, 2026)

M Member C Chairperson

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

Translating Vision into Performance



1
Ashish Bhandari
Managing Director & CEO

2
B. C. Mahesh
President and BU Head – Industrial Products

3
Dinesh Mandhana
Executive Vice President and BU Head – Chemicals

4
B. C. Rajesh
President and BU Head – Industrial Infra

5
Rajendran Arunachalam
Executive Vice President and Group Chief Financial Officer

6
Dr. Santanu Chaudhuri
Executive Vice President and Chief Technology Officer

7
Kirtiraj Jilkar
Executive Vice President and BU Head – Projects and Energy Solutions

8
Dr. Amit Sethi
Executive Vice President and Chief Digital and Information Officer

9
Jasmeet Bhatia
Executive Vice President and Chief Human Resources Officer (Resigned w.e.f. January 16, 2026)

10
Arun Unni
Executive Vice President and BU Head – New Energy & Strategy

Turning Intent into Measurable Impact

What We Depend On

Financial Capital

Our healthy financial base enables strategic investments in people, technology, manufacturing capacity and sustainability, supporting long-term value creation for stakeholders.

Rs. 5,550 crore
Net worth

Rs. 7,109 crore
Current assets

Rs. 4,489 crore
Net block of assets

Rs. 13,871 crore
Order booking

Rs. 2,288 crore
Borrowings

Manufactured Capital

Our state-of-the-art plants and innovation centres enable the efficient production of energy, water, and environmental solutions, underpinning our operational excellence.

16
Manufacturing plants

51
Subsidiaries

383
O&M project sites (P&ES, WWS, TBSPL, TBWES)

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

Rs. 5,560 crore
Material consumed

Human Capital

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

71
Certified HSE internal auditors

1,160
Permanent workers

23,520
Contractual workforce (Staff on fixed term contract and workers)

5, 832
Permanent employees of the Thermax Group (including subsidiaries and workers)

Rs. 9.3 crore
Investment in L&D initiatives

Intellectual Capital

Our investment in R&D, engineering expertise, proprietary technologies, digital capabilities and process excellence drives innovation and enables us to deliver differentiated, sustainable solutions.

0.5%
R&D expenditure as a percentage of the Group's turnover

151
Employees in the R&D team

Rs. 14.9 crore
Digital spend for transformation and process excellence

Social and Relationship Capital

Our trusted relationships with customers, suppliers, business partners and communities foster collaboration, strengthen resilience and create long-term shared value.

Rs. 14 crore
Spent on CSR

147
Dealers

625
Green channel vendors

7,174
MSMEs

Natural Capital

Our responsible use of energy, water and other natural resources, together with our commitment to environmental stewardship, supports sustainable operations and a lower environmental footprint.

1,74,117 GJ
RE consumption

2,07,929 GJ
Non-RE consumption

10,43,235 m^3
Water withdrawal

1,41,355 m^3
Rainwater harvesting capacity (domestic)

Rs. 4.7 crore
Capex on carbon footprint reduction-related projects

6
Zero liquid discharge installations within our facilities

WHAT WE DO

Vision

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

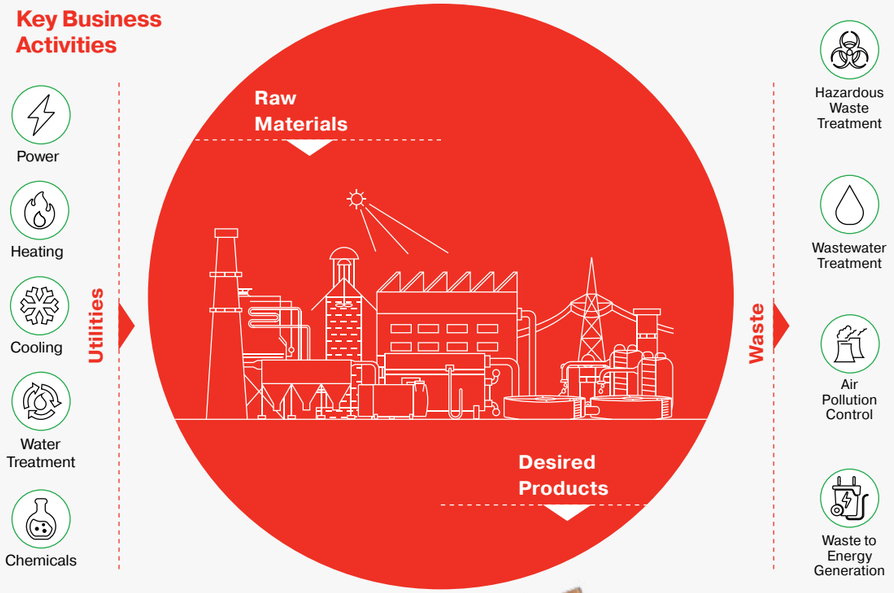
Values

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.

Key Business Activities



Strategic Objectives

SO1 Scale up Businesses Relating to Sustainability and Urbanisation

SO2 Strengthen Solutions Businesses

SO3 Innovate for Energy Transition

SO4 Drive Digital Transformation

SO5 Build an Agile, Market Responsive Organisation Structure

SO6 Energise the Core



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.

Read more on page 36

13.7%
Return on equity

Rs. 20
Dividend declared per share (including a special dividend of Rs. 6 per share to commemorate Thermax's 60th anniversary)

26.6%
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.

Read more on page 38

96.9%
Customer complaints resolved

15
Thermax InTouch/customer programmes organised

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.

Read more on page 50

355
Suppliers trained on sustainability

58%
Materials 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.

Read more on page 44

29,352
Total headcount (permanent employees and contractual workforce)

3.2
Days training per employee per year

0.19
Lost time injury frequency rate (LTIFR)

Communities and Academic 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.

Read more on page 54

65,000
Alumni and students indirectly supported through iTeach and Akanksha SETU project

1,484
Community youth at ITI supported for industry-specific training

Rs. 3.85 crore
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.

Read more on page 60

14,717 tCO_2e
Carbon emission reduction

2,29,485 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.

Read more on page 64

Rs. 532 crore
Taxes paid

Executing Our Strategy with Purpose



Innovation, sustainability and global expansion remain at the core of our strategic focus, supported by a disciplined, integrated approach aimed at long-term value creation. Grounded in deep customer insight and operational excellence, we are strengthening execution while accelerating investments in digitalisation and advanced manufacturing.

In FY 2025–26, our priorities centred on enhancing energy efficiency, reducing emissions, and strengthening competitiveness across our clean air, clean energy and clean water portfolios. Through technology-led solutions and strategic partnerships, we are positioned to drive sustainable growth while delivering consistent, long-term value for all stakeholders.

SO1



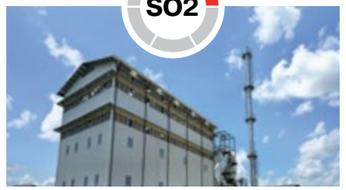
Introduce products and technologies to help industries bridge the gap between energy availability and energy sustainability

Focus Areas

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

Read more on **page 103** ↗

SO2



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 104** ↗

SO3



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 105** ↗

SO4



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 106** ↗

SO5



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 107** ↗

SO6



Continue to build on our existing strategic priorities

Focus Areas

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

Read more on **page 108** ↗

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.

Thermax is exposed to multiple diverse risks in the current changing environment. The risk management framework in Thermax is integral to the Company's functioning and facilitates timely assessment and mitigation of risks at enterprise and operational level. The risk management processes regularly apprise the Risk Management Committee about identified and potential risks.

R1 Project Execution Risk

Capitals Impacted: Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital

Definition:

- Loss of reputation/market share/ margin erosion due to inadequate process framework and monitoring of risks during the project lifecycle.
- Huge project delays (supply and construction) may result in higher costs, liquidated damages, reduction of margins and loss of reputation.
- Delays in delivery of key raw materials and equipment due to supplier issues, logistical bottlenecks may lead to cost escalations and adversely impact project execution.
- Health and safety risks from high-risk operations in projects and services. These include workplace accidents, equipment failures, steam exposure and fire. Any safety lapses may lead to injuries, operational disruptions, legal issues and reputational damage.

Mitigation Plan:

- Continuous monitoring mechanism at all levels within the organisation with special focus on costs.
- Assessing and mitigating risks and ensuring timely execution of projects with the help of advanced project management tools deployed in the organisation.
- Developing strategic partnerships with suppliers and sub-contractors to ensure timely supply of material.
- Thermax has implemented robust ISO 45001-aligned safety management systems, supported by regular risk assessments, SOP compliance, preventive maintenance, safe chemical handling, emergency preparedness, and real-time monitoring to minimise workplace risks.
- Comprehensive training programmes, mandatory PPE (personal protective equipment) usage, and strong contractor safety protocols have been established.
- The Company continues to strengthen its Behaviour-Based Safety (BBS) journey, fostering an ownership-led safety culture through capability building, digital contractor competency management, and the Thermax LIFE HSE platform, which enables reporting, inspections, audits, action tracking, and real-time safety analytics.

Strategies Impacted: SO2, SO3, SO4, SO6

SDGs Impacted: 6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 17 Partnerships for the Goals

R2 Cybersecurity Risk

Capitals Impacted: Financial Capital, Human Capital, Intellectual Capital, Social and Relationship Capital

Definition:

- 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.

Mitigation Plan:

- Thermax has established a comprehensive cybersecurity risk management framework across all business units to identify, assess, and manage cyber risks. The evolving threat landscape is continuously monitored through advanced cybersecurity monitoring and incident response mechanisms, with appropriate preventive and corrective controls implemented to mitigate identified risks.
- Robust disaster recovery and business continuity procedures are in place for all critical applications. These arrangements are periodically tested to validate their effectiveness and to ensure operational resilience and continuity of business operations in the event of system disruptions or cyber incidents.
- The Business Technology Group (BTG) regularly apprises senior management and the Risk Management Committee of the Board on the prevailing cyber risk landscape, emerging threats, and the progress of strategic and long-term initiatives undertaken to strengthen application and system security. This ensures ongoing oversight and alignment of cybersecurity efforts with the Company's overall risk management and governance framework.

Strategies Impacted: SO1, SO2, SO3, SO4, SO5, SO6

SDGs Impacted: 9 Industry, Innovation and Infrastructure

R3 Risk of Climate Change

Capitals Impacted: Financial Capital, Manufactured Capital, Intellectual Capital, Natural Capital

Definition:

- Impact on business dynamics due to restrictions and increase in compliance with conventional energy.
- Thermax may face a multifaceted set of climate change risks that span physical hazards, regulatory restrictions, supply chain disruptions, and impact on reputation. The core business lines may be exposed to climate risk thereby creating vulnerability.

Mitigation Plan:

Thermax has prepared a detailed mitigation plan to address the risks and apprises the Risk Management Committee on the action plans. The plan addresses the following areas:

- Development of products/acquiring new technology on renewable energy - shifting from fossils to greener fuels.
- Measures are taken at all production facilities and projects sites to manage climatic conditions which may impact production work, project execution, equipment and workforce.

Strategies Impacted: SO1, SO2, SO3, SO5, SO6

SDGs Impacted: 13 Climate Action

R4 People Risk – Skills and Competencies

Capitals Impacted: Financial Capital, Human Capital, Intellectual Capital, Social and Relationship Capital

Definition:

Inability to attract talent and plan succession of people for key positions.

Mitigation Plan:

- The Human Resources function has developed a robust leadership framework model which develops people who can lead in current business scenario aligned with company's future vision & strategy. These leadership programmes are designed to develop successors at all levels to succeed people at all key positions.
- To retain talent, the Function ensures career development, internal mobility programmes and skill-gap based coaching.
- The risk of regrettable attrition is addressed by strengthening manager–employee engagement, development plans for high-potential talent, systematic analysis of exit interviews and development of action plans to address structural issues.

Strategies Impacted: SO1, SO2, SO3, SO4, SO5, SO6

SDGs Impacted: 3 Good Health and Well-being; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

R5 Geopolitical Risk

Capitals Impacted: Financial Capital, Manufactured Capital, Social and Relationship Capital

Definition:

Ongoing global conflicts, especially in the Middle East regions may disrupt project execution, inflate input and logistics costs, and constrain demand across the key international markets (especially MENA and export-driven regions), thereby impacting revenues and margins.

Mitigation Plan:

- Diversify markets and supply chains across geographies (Asia, Africa, Europe) and adopt multi-sourcing to reduce dependence on high-risk regions like the Middle East and manage tariff and disruption exposure.
- Strengthen project and supply chain resilience through scenario planning, real-time monitoring, flexible logistics, and contract/pricing adjustments to absorb cost shocks from tariffs, freight volatility, and energy price spikes.
- Enhance risk governance and financial protection by implementing geopolitical risk tracking at leadership level, using insurance (political/war risk), hedging strategies, and localised execution models to ensure business continuity in volatile regions.

Strategies Impacted: SO1, SO2, SO3, SO4, SO5, SO6

SDGs Impacted: 8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions; 17 Partnerships for the Goals

Capitals Impacted

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

Strategies Impacted



Delivering Value for Our Stakeholders

At Thermax, we integrate environmental, social and governance (ESG) principles into our core strategy. This creates sustainable value for all stakeholders—investors, customers, employees, partners, communities and regulators, while safeguarding the planet. Our holistic approach drives innovation in clean technologies, fosters an inclusive workplace, and strengthens ethical governance. It also builds resilient supply chains. These efforts improve operational efficiency, enhance stakeholder trust and support long-term value creation.

We align our decisions with global ESG standards and evolving stakeholder expectations. By doing so, we mitigate risks and unlock new opportunities, reinforcing Thermax's resilience and positive impact over time.

Owners and Shareholders Page 36

Customers Page 38

Employees Page 44

Vendors and Business Partners Page 50

Communities and Academic Groups Page 54

Planet Page 60

Government Authorities Page 64



Building Confidence Through Consistent Performance



Thermax continues to build long-term value through a combination of research & development, strategic investments, and capability enhancement. In FY 2025–26, the Company experienced improved momentum across key businesses, supported by stronger demand in Industrial Products and Industrial Infra segments, along with a steady expansion of the order book, enhancing visibility across markets.

With a diversified portfolio anchored in sustainable technologies and renewable energy solutions, Thermax is well positioned to capture emerging opportunities in India and global markets. Our continued focus on prudent capital allocation, operational discipline, and a future-ready portfolio enables us to deliver resilient returns, reinforce investor confidence, and support sustained growth for our shareholders.



OWNERS AND SHAREHOLDERS

Key Performance Indicators

13.7%
Return on Equity

Rs. 20
Dividend Declared per Share (Includes a one-time special dividend of Rs. 6 per share, to mark the Company's 60th anniversary)

26.6%
Dividend Payout Ratio

Interaction with Shareholders

We actively engage with our shareholders, investors and analysts through platforms such as quarterly earnings calls and annual general meetings. These interactions provide valuable insights into stakeholder expectations and help shape our strategic and sustainability priorities. We also share key updates through our Annual Report, website, investor meetings, e-mails, press releases and stock exchange disclosures, ensuring timely and transparent communication.

Investor/Analyst Calls

After each quarterly financial results announcement, we hold investor and analyst calls to support transparent communication. Led by our Managing Director and Chief Financial Officer, these sessions provide a comprehensive overview of our performance, operating environment and strategic direction. Each call includes an interactive Q&A with our leadership team. Recordings and transcripts are made available on our website for wider accessibility.

Board Meetings

In line with our governance framework, we hold quarterly board meetings either in person or virtually supported by periodic Committee meetings in accordance with a pre-approved annual calendar. An important element of our governance process is the annual board retreat, where the Board and senior leadership engage in-depth discussions on long-term strategy and priorities.

Bell-ringing Ceremony

We celebrated 30 years of our listing on the National Stock Exchange of India (NSE) with a ceremonial bell-ringing event. The occasion brought together key stakeholders, including NSE executives, customers, Board members, Executive Council members and partners, each reaffirming the principles and legacy that shape Thermax. Our leadership outlined our collaborative mindset, robust financials and vision as a reliable partner in the global energy transition. The event united past and present leaders, employees and partners, marking a memorable milestone in our history.

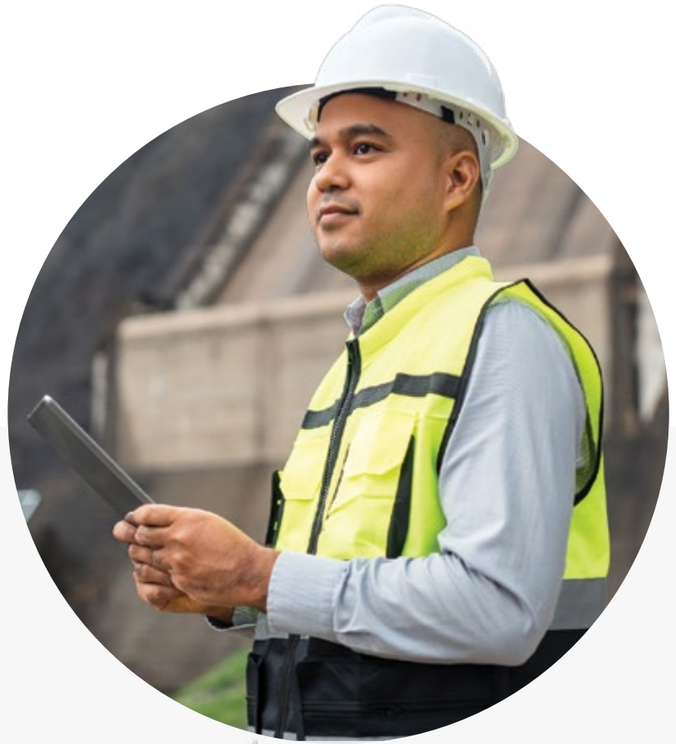


Anu Aga and Meher Pudumjee ring the ceremonial bell at the NSE, marking 30 years of Thermax's listing, joined by the Thermax team, including Ashish Bhandari, MD & CEO; Rajendran Arunachalam, CFO; Pheroz Pudumjee, Non-Executive Director; Zahaan Pudumjee, Lea Pudumjee and Yohan Morris. Also seen in the photo are Ashishkumar Chauhan, MD, NSE, and other members from his office as well as Vallabh Bhanshali, Co-Founder of the Enam Group.

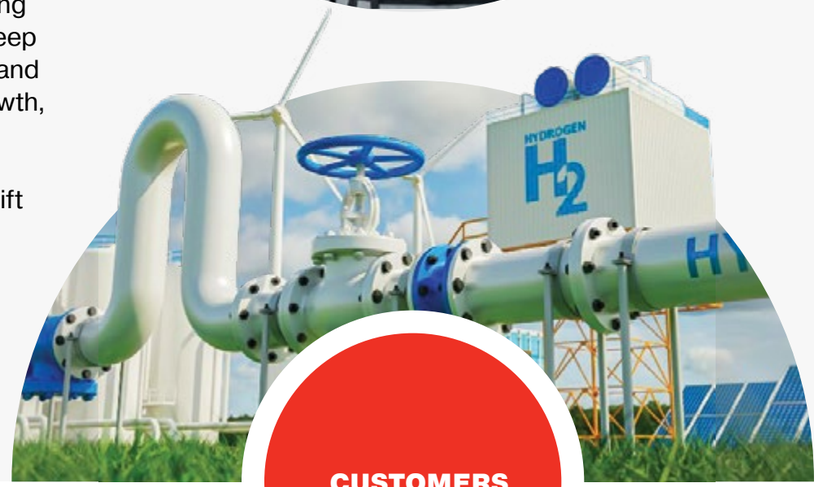


Thermax Board members with Anu Aga, Zahaan Pudumjee, Lea Pudumjee, and other Thermax employees at the Board retreat

Creating Solutions for a Cleaner Future



At Thermax, our customers are central to every solution we design and deliver. We provide integrated, tailored solutions in clean air, clean energy, clean water and performance-engineered chemicals, enhancing efficiency and advancing sustainability outcomes. With a deep understanding of industry needs and a commitment to responsible growth, we collaborate with customers to boost performance, optimise resources and accelerate their shift to a sustainable future.



CUSTOMERS

Key Performance Indicators

97.5%
Customer Complaints Resolved

15
Customer Connect (InTouch) Programmes Organised

Digital Interventions

SteamAssist: Powering Smart Decisions, Anytime, Anywhere

The Steam Engineering business has introduced SteamAssist, a mobile-based Knowledge Management System (KMS). It is designed to enhance productivity, collaboration and access to knowledge across teams. Developed for our Steam Sales and Service teams and Thermax Channel Associates (TCAs), the platform brings together training, engagement, marketing and sales resources into a single, user-friendly interface. This enables access anytime, anywhere. Features include on-the-go learning modules, interactive quizzes, real-time notifications and easy access to sales and marketing collaterals. SteamAssist supports continuous learning and informed decision making. A key highlight is the integration of savings calculators and industrial piping and instrumentation diagrams for steam and condensate systems. These offer practical, data-driven insights for field applications. This initiative represents a significant step in our digital transformation journey. It reinforces our commitment to empowering teams and delivering enhanced value to our customers.

SteamAssist
Swift. Smart. Simple

Build Your Own System: Gamifying the Way Water Solutions are Designed

Our Water and Waste Solutions (WWS) business has introduced Build Your Own System. This interactive platform enables customers to design customised water and wastewater treatment solutions for industrial and urban applications. It addresses emerging and next-generation challenges. The platform allows users to select appropriate technologies based on specific water quality requirements, operating conditions, and intended reuse or discharge standards. This enables more informed and efficient decision making.



Thermax's Water and Waste Solutions team along with customers at IFAT 2025

Events and Exhibitions

Boiler World — Bangkok, Thailand

We participated in the Boiler World Expo S.E.A. 2025 in Bangkok through Thermax (Thailand) Ltd., marking our fifth consecutive year at the event. In alignment with Thailand 4.0, we showcased our integrated portfolio across clean air, clean energy, clean water, performance-engineered chemicals and digital solutions. Our exhibits included emission control technologies such as electrostatic precipitators and scrubbers, fuel-flexible and biomass-ready boilers, water and wastewater solutions including RO and ZLD, cooling systems, waste-to-energy capabilities and digital platforms such as Ultramind and Thermax EDGE Live®. Through customer engagements, seminars and panel discussions, we reinforced our role in supporting energy transition, industrial efficiency and sustainable growth across Thailand and Southeast Asia.

Annual Indonesia Green Industry Summit — Jakarta, Indonesia

We participated in the Annual Indonesia Green Industry Summit (AIGIS) through PT Thermax International Indonesia, engaging with government representatives, industry leaders and technology partners in support of Indonesia's Net Zero Emissions 2060 vision. Our booth facilitated discussions with representatives from the Ministry of Industry on sustainable technologies and energy-efficient practices. We showcased solutions including high-efficiency boilers, biomass and alternative fuel systems, waste heat recovery, air pollution control, water and wastewater treatment, and decarbonisation services. These solutions cater to diverse industries, including F&B, textiles, chemicals, pharmaceuticals and palm oil. Through this platform, we reaffirmed our commitment to advancing Indonesia's green industrial transformation.



Thermax's booth at Boiler World S.E.A. that took place in Bangkok, Thailand



Thermax Indonesia team at the AIGIS event

IFAT India — Mumbai, India

At IFAT India 2025, we unveiled one of our most comprehensive portfolios, spanning water, energy and environmental solutions. We highlighted a wide range of advanced solutions across digital monitoring, water and wastewater treatment, ZLD, and advanced filtration solutions. We also showcased innovations from across our businesses, including advanced combustion technologies, gas enrichment solutions, and our portfolio of chemicals and resins. Visitors participated in live demonstrations and previewed upcoming solutions, reinforcing our focus on future-ready technologies. Our pavilion also featured global partnerships with PureCODe, MUTAG Media, Atlantium, Symbiona and Primozone, demonstrating our ability to combine global expertise with local execution. The Build Your Own System (BYOS) Experience Zone enabled interactive engagement, illustrating our integrated approach to water and wastewater solutions. Overall, our participation reaffirmed our position as a trusted partner for sustainable industrial solutions.

Gulfood Manufacturing — Dubai, United Arab Emirates

At Gulfood Manufacturing at the Dubai World Trade Centre, Thermax showcased its integrated energy and utility solutions tailored for the food and beverage industry. Our offerings spanned steam generation, process cooling, water and wastewater treatment, air pollution control, and speciality resins. Through interactions with regional stakeholders, we demonstrated how our solutions help enable efficient, reliable, and sustainable food processing operations, further strengthening our commitment to supporting the rapidly growing F&B sector in the Middle East.

TICE-EEA — Kuwait

At the 16th Technological Innovations Conference and Exposition (TICE) in Kuwait, Thermax presented a technical paper on energy transition and asset optimisation. The paper highlighted our service capabilities in enhancing asset reliability, operational efficiency and digital enablement through EDGE Live®. At the exhibition, we showcased our oil and gas solutions, attracting strong interest from industry stakeholders. A key highlight was the visit by the Chairman of Kuwait National Petroleum Company (KNPC), during which we discussed opportunities to enhance existing assets with our solutions.

ERTC — Cannes, France

We participated in ERTC 2025, where we showcased our advanced catalyst and Tulsion® ion exchange resin solutions for the petrochemical industry. The event enabled us to engage with global refinery and petrochemical stakeholders, highlighting our solutions designed to improve efficiency, sustainability and operational performance in critical processing applications.

Biofuel Expo — Nairobi, Kenya

At Biofuel Expo Kenya 2025, we showcased our engineering, procurement and construction (EPC) and operations & maintenance (O&M) solutions for ethanol production, including rectified spirit (RS) and extra neutral alcohol (ENA). We also highlighted our cogeneration systems designed to improve efficiency and maximise yields at optimal lifecycle costs. The event underscored Africa's growing focus on biofuels and provided an opportunity to engage with stakeholders on advancing sustainable bioenergy solutions.



Tushar Mendiratta, Hub Head–Sub-Saharan Africa, with the local team at the Biofuel Expo

International Water Conference — Orlando, United States of America

Through Thermax Inc., USA, we participated in the International Water Conference® 2025, presenting our advanced ion exchange resin portfolio for industrial water and process treatment applications. Designed to meet stringent global standards, these solutions offer reliability, consistency and long service life, while supporting water-efficiency and sustainability goals across the power, industrial and process sectors.

Customer Connect

Regional InTouch

As industries across India accelerate their transition towards sustainability, we continue to strengthen customer engagement through a series of regional connect programmes held in Kochi, Keralam; Visakhapatnam, Andhra Pradesh; Surat, Gujarat; and Ludhiana, Punjab. Each interaction serves as a platform for dialogue, collaboration and a shared commitment to advancing clean energy, air and water solutions.

In Kochi, the focus was on the plywood industry, with discussions centred around efficient heating and steam solutions under the theme 'Trusted Partner in Energy Transition'. In Surat, engagements were tailored to the textile sector, highlighting sustainable process solutions for improved efficiency and reduced environmental impact.

Visakhapatnam brought together a diverse mix of industries including pharmaceuticals, chemicals, food processing and metals, where we showcased a wide range of technologies such as heat pumps, electric boilers, biomass-based utilities, water treatment and air pollution control systems.

In Ludhiana, conversations addressed region-specific challenges impacting industries such as agriculture-linked manufacturing and heavy engineering, including crop residue burning and industrial emissions. The discussions focused on solutions like biomass-based energy systems, flexible fuel technologies, bio-CNG initiatives and wastewater management, reinforcing our commitment to enabling sustainable industrial growth at a regional level.



Tushar Patil, National Key Account Manager – Enterprise Sales, presenting Thermax's solutions at the customer InTouch programme in Bharuch, Gujarat

Digital Marketing

Elevating Engagement Through a New Digital Interface

During the year, we unveiled a completely revamped corporate website, designed to deliver a more intuitive, engaging and seamless user experience. Built on a robust and flexible architecture, the new platform enhances ease of navigation, enabling stakeholders to access information more efficiently and engage with us more effectively. With a sharper focus on user journeys, the website simplifies solution discovery and facilitates faster, more responsive enquiry management.

In parallel, we launched a dedicated website for our Chemicals business to showcase the breadth and depth of its offerings. Structured to provide a comprehensive view across product categories—from construction chemicals to ion exchange resins—the platform enables customers, partners and industry audiences to better understand our solutions. Together, these digital platforms reinforce our commitment to accessibility, stronger customer engagement and growth through digital enablement.



A digital platform to explore Thermax's Water and Waste Solutions



Strengthening Our Voice on LinkedIn

We achieved a significant digital milestone of 6,00,000 followers on LinkedIn, reflecting a growing interest in our journey and purpose. This milestone highlights strong engagement from employees, customers, partners and industry peers who connect with us for insights on energy transition, sustainability, innovation and people stories. Beyond the numbers, it underscores the impact of meaningful storytelling and shared values, as we continue to use the platform to share updates, foster dialogue and build a community aligned with a more sustainable future.



Empowering Our People to Grow and Thrive





At Thermax, we believe our people are the foundation of our progress and long-term success. We foster an inclusive, growth-oriented workplace that encourages continuous learning, prioritises safety and supports career development. By equipping our employees with the right skills and opportunities, we enable them to perform at their best and deliver sustained value to all our stakeholders.

EMPLOYEES

Key Performance Indicators

29,352
Total Headcount (Permanent Employees and Contractual Workforce)

3.2
Days Training per Employee per Year

0.19
Lost Time Injury Frequency Rate

Culture at Thermax

Rooted in Purpose, Driven by Impact

At Thermax, our culture is anchored in business with a purpose, where every action we take is aligned with creating long-term value for all our stakeholders. It goes beyond how we work, shaping how we engage with customers, partners, communities and each other. Built on a foundation of integrity, collaboration and accountability, our culture is brought to life through everyday actions and open communication.

We foster an environment where every voice matters. Through platforms like All Hands Meet and regular leadership updates, we encourage transparent, two-way dialogue that builds trust and alignment across the organisation. Our 'speak up' approach empowers employees at all levels to share ideas, raise concerns and contribute meaningfully, reinforcing a culture of respect and inclusion.

As we continue to strengthen a performance-driven mindset, we remain focused on meaningful feedback, continuous learning and individual growth. While the journey is ongoing, our commitment is clear—to build a workplace where innovation thrives, diverse perspectives are valued, and every employee plays a vital role in shaping a more sustainable future.

Leadership Conference

Business with a Purpose

On April 30, 2026, Thermax hosted its annual Leadership Conference and Awards Evening in Pune, centred around the theme 'Business with a Purpose'. The theme reinforced the belief that the choices we make today define the future we build—underscoring our commitment to creating meaningful, lasting impact for the industries we serve, while keeping environmental responsibility at the core.

This year's event held special significance as it marked 60 years of Thermax, making it a moment of pride and reflection for everyone across the organisation. Leaders from across the company came together to review progress, exchange ideas, and align on the path ahead, reaffirming that business success and responsibility must go hand in hand, and that every decision should contribute to a larger purpose.

The gathering was also an occasion to honour our legacy, with a heartfelt tribute to Anu Aga, recognising her invaluable contributions and enduring influence on Thermax's values and purpose-led journey.

The evening culminated in a vibrant awards ceremony, celebrating individuals and teams who exemplified our CLOCC (Customer, Lead, Own, Create, Collaborate) behaviours, bringing our purpose to life through their actions.

Diversity, Equity and Inclusion (DEI)

Thermax is strongly committed to fostering a diverse and inclusive organisational culture, anchored in a clearly defined DEI strategy built around four core pillars. During the year, we implemented a range of initiatives aligned with these pillars to drive meaningful progress and cultivate an inclusive workplace environment.

1. Enhancing Gender Diversity

At Thermax, our commitment to segmented hiring continues to support meaningful progress in building a gender-diverse workforce, particularly at the mid-managerial level where future leadership is shaped. By consciously creating opportunities for women across business functions, we are strengthening our leadership pipeline for the long term. During the year, we increased women's representation from 10.05% to 10.5%, reflecting an incremental progress in our diversity journey. This progress shows our commitment to advancing gender parity and fostering a workplace where all talent can grow and thrive.





The band Infinite Melodies delivered a soulful musical performance at Thermax's International Women's Day celebration. Also seen in the picture are MD and CEO Ashish Bhandari and the L&OD team

2. Promoting Openness and Inclusivity in the Workplace

Employee Engagement – Annual Survey

In recent years, we have used Pulse surveys to gather employee feedback and understand their experience. We conduct these surveys multiple times a year to track engagement drivers and take prompt action. Building on these insights, we have now transitioned to a single Annual Survey format. This approach allows us to gain more comprehensive and meaningful insights across key themes, reduce survey fatigue and enable more structured and focused action planning.

Fostering Connection Through Experiential Learning

Our outbound programmes and retreats are designed to strengthen collaboration, deepen interpersonal connections and foster team spirit in an engaging and informal setting. Through experiential activities and interactive sessions, these initiatives create opportunities for our people to connect, exchange perspectives and build trust. They also provide a valuable platform for teams and leaders to align on shared goals, returning with renewed energy, clarity and focus.

Bringing Our Culture to Life Through Celebrations

We celebrate the cultural diversity of our workforce through a wide range of festivals across locations. From occasions such as Diwali, Holi, Christmas and Navratri to region-specific celebrations, these moments bring our people together to share traditions and experiences. Such initiatives foster a sense of belonging, strengthen connections and contribute to a more inclusive and engaging workplace culture.



A cultural performance by employees at the Thermax Babcock & Wilcox Energy Solutions (TBWES) annual outbound

3. Developing and Sponsoring Talent

Executive Leadership Development Programme (ELDP)

We continue to strengthen our executive leadership through the Executive Leadership Development Programme, designed to build global perspectives, strategic thinking and advanced leadership capabilities through immersive learning at leading international institutions.

Senior Leadership Development Programme (SLDP)

SLDP Batch II was designed as a structured and competency-led journey to build a strong leadership pipeline by equipping high-potential leaders with enterprise thinking and strategic capabilities. The programme combined classroom learning, real business exposure and leadership engagement, with a key milestone being the Executive Education module at the Indian School of Business. The programme concluded in February 2026, with strong outcomes—40% of participants were promoted and 17% transitioned into expanded roles, reflecting its impact on leadership readiness and talent mobility.

Young Leaders Development Programme (YLDP)

YLDP continues to accelerate the development of emerging leaders by building critical capabilities and a leadership mindset for sustained growth. Batch I concluded successfully with 45% of the participants being promoted and 26% moving into expanded roles, alongside a strong effectiveness score of 4.5/5. Building on this momentum, Batch II was launched to further strengthen our leadership pipeline, with structured assessments and coaching interventions to enhance self-awareness and leadership effectiveness.

Managerial Capability Programme (MCP)

MCP remains a key initiative focused on strengthening foundational leadership capabilities across managing self, teams and business. Level 2A covered over 250 managers across 10 batches, receiving a strong feedback (4.6/5) and demonstrating tangible workplace impact through action learning projects. The launch of MCP Level 2B further expands the programme's reach, aiming to build a consistent, future-ready managerial pipeline across the organisation.

Honeycomb 2.0 – Capability and Talent Intelligence

Through Honeycomb 2.0, we established a comprehensive, data-driven view of technical capabilities and workforce readiness across the organisation. The framework now spans all business units, covering 10 strategic business units (SBUs) and 82 functions, with significant investment in competency mapping and expert-led assessments. This initiative has enabled clear visibility into talent readiness, identification of capability gaps and targeted learning interventions. Over 600 employees have already been covered through technical training programmes, with further initiatives underway to scale digital learning modules.

EMPACT and Learning Initiatives

We strengthened our learning ecosystem through EMPACT, our organisation-wide learning calendar focused on empowerment and impact. The programme delivered large-scale engagement, reaching over 1,900 employees across business units through multiple formats and locations.
We also introduced Micro Masters—bite-sized, high-impact learning modules, and new flagship programmes in areas such as business storytelling, executive presence and problem-solving, ensuring relevant, outcome-driven capability building across all levels.



Induction of Graduate Engineer Trainees, Diploma Engineer Trainees, and Management Trainees at Thermax's Aarambh programme



Glimpse from the Secure Steps retirement readiness workshop for our senior colleagues as they step into their next chapter

4. Enabling Mindset Change

International Women's Day Celebration

At Thermax, inclusion is embedded in the way we work—shaped by everyday actions, shared responsibility, and a culture that enables people to grow together. International Women's Day provided an opportunity to reflect on this commitment and reaffirm our efforts to build a workplace where diverse perspectives are valued, and everyone can contribute meaningfully. This year's theme, 'Give to Gain', underscored the belief that progress is amplified when we enable others to learn, participate and succeed. The celebrations, held over March 9 and 10, 2026, brought employees together through thoughtfully curated activities and conversations centred on collaboration and inclusion. The programme commenced with an interactive quilling activity, 'Stronger in Circles', symbolising how individual contributions, when connected, create greater collective impact. Through this creative exercise, teams visually expressed the philosophy of shared effort and mutual support. The main event featured keynote addresses by the MD & CEO and senior leadership, highlighting the importance of fostering an environment where individuals have the confidence, agency and opportunity to shape their own growth journeys. The celebration concluded with a musical performance by specially abled artists, offering a powerful reminder of how diversity and shared foundations come together to create harmony. Employee stories shared during the event further reflected moments of empowerment and trust that have shaped individual growth across the organisation. Together, these engagements reinforced that inclusion is an ongoing, collective journey—one strengthened through everyday actions, collaboration and a shared commitment to enabling each other's success.

Attrition: Investing in Talent, Enhancing Retention

In FY 2025–26, we recorded an overall attrition rate of 10.5%, while regrettable attrition (the loss of key or high performing talent), stood at 7.9%, in line with the previous year. To strengthen engagement and retention, we continued to implement focused interventions, including career development programmes, compensation corrections, enhanced learning initiatives, digitised recognition platforms and the Managerial Capability Programme.

These efforts were complemented by structured engagement mechanisms such as focused group discussions, skip-level interactions and continuous feedback through Pulse surveys, alongside wellness initiatives. Together, these measures have contributed to reducing attrition and enhancing the overall employee experience.

Thermax Cares: Building a Culture of Health and Well-being

Prioritising Mental and Emotional Well-being

Our Mental and Emotional Well-being Initiative reflects our commitment to supporting the holistic well-being of our employees. Delivered in partnership with 1to1help, a leading employee assistance provider, the programme offers confidential professional counselling and expert-led sessions on areas such as emotional intelligence and stress management. Accessible across locations, the initiative equips our people with the support, guidance and tools needed to navigate personal and professional challenges, build resilience and strengthen overall emotional well-being.



Thermax employees' children at the Company's annual Bhathena Camp, enjoying river rafting in the Kundalika Valley in Maharashtra, India

Encouraging Mindfulness and Balance

On the occasion of International Yoga Day, we conducted yoga sessions across four Pune locations under the theme 'Calm Within: Yoga for Everyday Balance' to promote holistic well-being. The sessions focused on mindfulness and relaxation, reducing stress and screen fatigue, and addressing physical strain associated with sedentary work through guided practices. A therapeutic dimension was also incorporated to support overall health and well-being.

Fostering Team Spirit Through Sport

This year's badminton tournament marked an important step towards greater inclusivity, with participation expanding beyond Pune to include teams from multiple locations. The initiative strengthened engagement across divisions and regional teams, bringing together employees from across the organisation. The tournament witnessed enthusiastic participation across age groups, fostering camaraderie, collaboration and team spirit. A notable highlight was the participation of a team led by a woman captain, reflecting our continued commitment to inclusion and diversity.

Encouraging Wellness Through Marathons

We continued our participation in the Bajaj Allianz Pune Half Marathon, reinforcing our commitment to employee well-being, fitness and a culture of health. This year's event celebrated endurance, teamwork and shared enthusiasm for wellness.

Participation increased significantly, with registrations rising from 1,590 to 1,804. Women's participation also grew from 363 to 435, reflecting greater inclusivity and engagement across the organisation. Extending this spirit beyond the workplace, we encouraged employees to involve their families, promoting health and fitness as a shared value.

Promoting Preventive Health Awareness

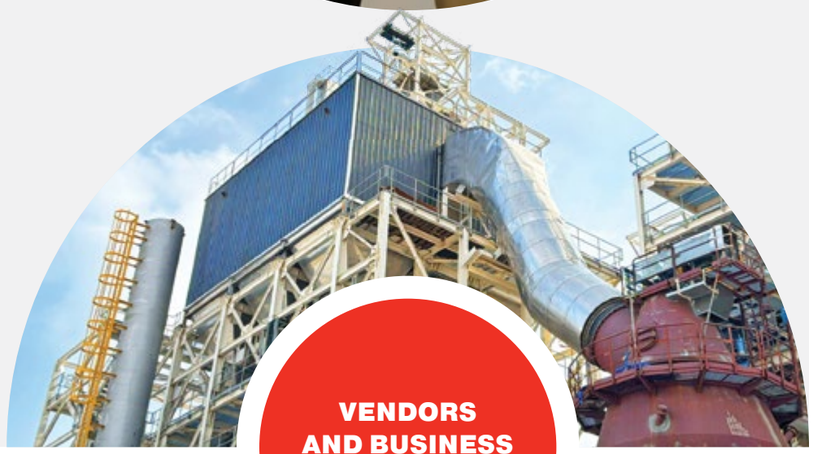
Following the annual medical check-up, we introduced targeted wellness interventions to strengthen awareness around preventive healthcare. Expert-led sessions on diabetes and heart health focused on early detection, risk factors and the importance of healthy lifestyle choices.



Glimpse from the Futsal 2.0 tournament that brought together 21 teams and close to 190 participants from across the Thermax Group for a football match

Partnering for Shared Success





We build strong, trust-based relationships with our vendors and business partners through transparent and mutually beneficial engagement. These collaborations enhance supply chain efficiency, improve project execution, and drive innovation, enabling us to deliver superior outcomes and create sustained value for all stakeholders.

VENDORS AND BUSINESS PARTNERS

Key Performance Indicators

355
Suppliers Trained on Sustainability

625
Green Channel Vendors

Empowering Vendor Partners Through Sustainability Training

We operate within a large and geographically diverse supply chain network of over 10,000 suppliers, whose role is critical in ensuring business continuity and enabling the seamless flow of goods and services. Recognising their strategic importance, we continue to strengthen supply chain resilience while integrating sustainability, ethical practices and responsible sourcing across our value chain.

As part of our ESG agenda, our Corporate Sustainable Supply Chain Management (SSCM) function collaborated with business divisions to drive supplier engagement and capability building. Through structured training programmes and the Zero Defect Zero Effect (ZED) MSME Vendor Meet initiatives, we supported suppliers in aligning with our sustainability journey by building awareness on ESG expectations, assessment methodologies and compliance requirements.

Key Initiatives During FY 2025-26

- Developed and initiated the rollout of a structured supply chain sustainability framework covering responsible sourcing, environmental stewardship and ethical business conduct.
- Conducted dedicated training sessions and vendor engagement programmes to strengthen supplier understanding and capability on ESG parameters.
- Implemented a structured engagement model involving workshops, virtual and in-person interactions, continuous support and periodic follow-ups.
- Undertook desk-based evaluations and on-site audits to assess supplier performance, monitor progress and strengthen alignment with ESG standards.
- Completed SA 8000:2014 certification for 27 inter-divisional employees, strengthening internal expertise in social accountability practices.
- Participated in global assessments such as the Dow Jones Sustainability Index (DJSI) and EcoVadis to strengthen supply chain transparency and enhance environmental, social and governance (ESG) compliance.



A training programme on Cooling products organised for channel partners in North India

Performance Highlights

- 355 suppliers trained on supply chain sustainability, including MSMEs under the ZED programme.
- 58.6% of procurement spend sourced from sustainable suppliers.
- More than 100 suppliers achieved Silver certification, 18+ achieved Gold and 350+ achieved Bronze under the MSME programme.
- 120+ MSME suppliers supported through structured handholding initiatives.

Going forward, we will continue to deepen supplier engagement, strengthen ESG integration across procurement processes and expand the scope of sustainability assessments. Through these efforts, we remain focused to building a resilient, transparent and responsible supply chain ecosystem aligned with global best practices.



Supply chain sustainability training on BRSR principles for vendors & buyers

Initiatives for Thermax Channel Associates (TCA)

In FY 2025–26, we deepened our focus on strengthening the Thermax Channel Associate (TCA) ecosystem through structured capability building, stronger engagement, and a continued emphasis on safety and governance. These initiatives were designed to equip channel partners and internal teams with the knowledge, tools and frameworks needed to drive consistent performance and long-term growth.



ZED silver certification awareness session for vendors

Channel Capability Building and Training Initiatives

We launched Regional Training Workshops as a structured capability-building initiative to strengthen the effectiveness of frontline sales teams across our channel network. Conducted across key regions and business divisions, these workshops focused on product knowledge, application understanding, product positioning and solution selling. Designed as recurring interventions, these support continuous upskilling and alignment, reinforcing the role of channel partners in expanding market reach and customer value. In parallel, we conducted targeted technical training sessions at dealer locations, providing hands-on exposure to products, customer engagement practices and practical applications, enabling faster integration and stronger field readiness.



Internal training session conducted for the CBG sales team, focused on strengthening product knowledge and enhancing customer engagement capabilities

Building Talent Pipeline Through Propel

We continued to strengthen Propel, our initiative to support TCAs in onboarding quality talent through Thermax facilitated campus drives. By helping channel partners access skilled talent, Propel strengthens workforce capability and supports long-term partner development aligned with our standards and growth ambitions.

Digital Learning Through TCA LMS

As part of our commitment to continuous learning, we extended our Learning Management System (LMS) platform to TCAs, enabling structured and scalable capability development across partner organisations. The rollout began with the Code of Business Ethics and Conduct (COBEC) module, which saw strong adoption, with over 90% of TCA promoters completing the training within the first month and near-universal completion by the end of Q3. Building on this foundation, we are progressively expanding technical, behavioural and sales capability modules, positioning the LMS as a key enabler of partner capability enhancement.

Recognising Channel Partner Frontline Sales Excellence

To reinforce a performance-driven culture, we introduced a Rewards and Recognition (R&R) programme for TCA sales teams. Rolled out across regions and business divisions, the programme recognises high-performing individuals and teams contributing to lead generation, order booking, value-based selling, new product growth and strategic customer acquisition. Initial implementation has laid the foundation for scaling the programme across all regions.

Embedding Safety as a Core Value across the Channel

We further advanced our focus on Health, Safety and Environment (HSE) by extending structured safety awareness initiatives to channel partners. Through virtual safety training sessions led by our HSE leadership, we promoted safe work practices, equipment handling protocols and preventive measures across dealer organisations.

By encouraging alignment with our HSE standards and fostering a culture of shared responsibility, these initiatives support operational resilience, minimise disruptions and enhance the well-being of stakeholders across the value chain.

Creating Opportunities, Transforming Lives



Through our CSR arm, Thermax Foundation (TF), we continue to drive meaningful community development initiatives. Our focus is on bridging educational gaps, enabling access to opportunities and supporting skill development, helping individuals break the cycle of poverty and build a more secure and empowered future.



COMMUNITIES AND ACADEMIC GROUPS

Key Performance Indicators

65,000
Students Reached Indirectly Through the Akanksha Foundation and iTeach

800
Students Impacted Under The School Project

1,484
Community Youth at ITI Supported for Industry-specific Training

Focus Areas

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

Thermax Foundation Projects

The School Project – Enabling Access to Quality Education

Through Thermax Foundation (TF), we continue to support Pune Municipal Corporation (PMC) schools run by the Akanksha Foundation. During the year, we partially funded K. C. Thackeray Vidya Niketan (KCTVN) English Medium School, helping provide students from economically disadvantaged backgrounds with access to quality, holistic education. Our support extends beyond academics to include co-curricular opportunities for access and exposure., The focus of Akanksha Schools is also on the socio-emotional well-being of every student.



Students of K. C. Thackeray Vidya Niketan (KCTVN) English Medium School

Glimpses of the School Project

- KCTVN adopted an integrated interdisciplinary project approach during the year, connecting multiple subjects through real-world assignments such as operating a toy shop, designing a historical newspaper, developing anti-addiction awareness campaigns, and creating 3D settlement models. These projects strengthened conceptual understanding while building creativity, critical thinking, collaboration and communication skills.
- Student teams from KCTVN were also selected to showcase their installations at the Kala Ghoda Art Festival in Mumbai, reflecting the creativity and confidence fostered through the programme.

Alumni Project

Thermax Foundation continues to support iTeach alumni 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 2025-26, we supported 5,000 alumni through iTeach.

Akanksha SETU Project

Initiated in 2022, the Akanksha SETU Project aims to scale Akanksha's model of quality education across schools under the Pimpri Chinchwad Municipal Corporation (PCMC) and Nagpur Municipal Corporation. Since then, it has evolved into an integrated intervention reaching 60,000 students across 222 schools in both cities. Thermax Foundation has been supporting this project since 2025.

Key Highlights - Akanksha SETU Project

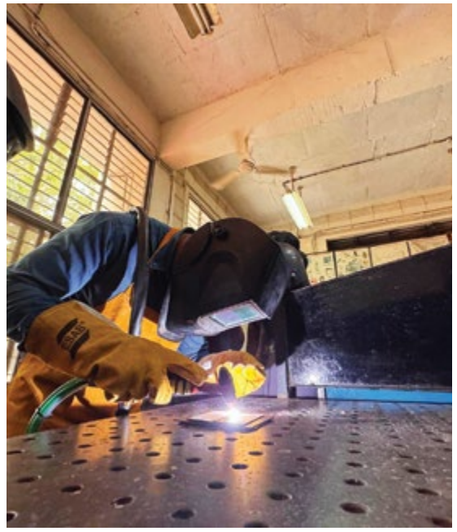
- Student enrolment in PCMC schools increased by 13%, from 48,153 to 54,418, alongside a 35% increase in the education budget, from Rs. 188 crore to Rs. 255 crore, reflecting strong government partnership and growing trust in the model.
- One of the key highlights after Thermax's support to SETU has been fostering a partnership with Open Links app for large-scale assessments in PCMC. The Akanksha SETU Project targets on foundational literacy and numeracy (FLN) interventions.
- Initiatives such as The Artbox in PCMC and Karnama in Nagpur encouraged creativity and collaboration, with over 100 schools showcasing 1,500 artworks and gaining recognition at platforms such as Kala Ghoda Art Festival in Mumbai.



SETU student safety summit



Artbox – an Akanksha SETU event



A student in lab

CSR Near Factory Locations – Enabling Inclusive Growth on the Ground

Through Thermax Foundation, in collaboration with NGO partners, we continue to drive community development initiatives around our factory locations. These include skill-building programmes aligned to industry needs, worker and community facilitation centres, and other need-based interventions that support local development. Across locations, our employees also actively contribute to initiatives that reflect our shared commitment to empowering communities.

Skill Building Initiatives

In partnership with trusted NGOs, we support skill-building programmes for roles such as electricians, welders, fitters and data entry operators. In FY 2025–26, we focused on strengthening the capabilities of 1,484 ITI students near our factory locations, supporting employability and workforce readiness.



Skill development programme

Avanti Fellows

Through our partnership with Avanti Fellows, we continued to support meritorious yet underprivileged students preparing for IIT-JEE and NEET from Jawaharlal Navodaya Schools (JNVs). The programme supported 70 students from Grades 11 and 12, with focused mentoring provided to Grade 12 students near our Jhagadia factory in Gujarat. In FY 2025–26, four students cleared JEE Mains.

Samavesh Foundation

Our partnership with Samavesh Foundation continued to support students seeking scholarships for higher education. During FY 2025–26, 2,600 scholarship applications were submitted through government portals, while 300 students received support for legal documentation. Notably, 76% of students supported were highly meritorious, securing academic scores of 60–90% and above.

Horti-Max FPO Project

Near our Solapur factory in Maharashtra, we continued supporting Manavlok NGO through the Horti-Max Farmer Producer Organisation (FPO) Project, focused on building sustainable farming capabilities in water-deficient regions. The initiative supports around 409 small farmers through scientific and mechanised onion cultivation, supported by earlier watershed interventions.

During FY 2025–26, the project produced and sold 1,679 tonnes of onions, generating over Rs. 2 crore in value. A total of 344 farmers earned approximately Rs. 3,660 more per farmer compared to traditional market sales. The FPO also exported 229 tonnes of onions valued at Rs. 45.99 lakh, dispatching eight containers to Gulf countries before exports were paused due to geopolitical disruptions.



Worker/Community Facilitation Centres (WFC)

In FY 2025–26, our CSR skilling initiatives positively impacted 17,763 lives across six locations in India, including Bhosari, Maharashtra; Savli, Gujarat; Sahibabad, Uttar Pradesh; Dahej, Gujarat; and Sirohi, Rajasthan. With a total direct benefit of Rs. 3.85 crore, these programmes achieved strong outreach and provided occupational health and safety training to over 10,000 workers, strengthening awareness, skills and community well-being.

17,763
Individual Worker Beneficiaries

Rs. 3.85 crore
Direct Monetary Benefit to Workers

10,000+
Workers Trained on Occupational Health and Safety

Social Compact (SoCo)

Project Saathi

Through Project Saathi, we continued to make significant progress in improving contract worker welfare and expanding social security coverage across Thermax sites. During the year, the initiative expanded from a single state in FY 2023–24 to 15 states in India, covering 70 sites across TOESL, P&ES (O&M), and select Chemicals locations in Gujarat and Chhattisgarh.

We engaged 2,025 contract workers during the year, exceeding our annual target of 2,000. More than 300 physical awareness workshops were conducted to improve participation and understanding of government welfare schemes. As a result, 2,725 social security benefits were facilitated, with over 76% of workers now covered under at least one scheme beyond Provident Fund (PF) and Employees' State Insurance Corporation Provident Fund (ESIC).

Through digitisation efforts enabled by the SoCo portal, we completed socio-economic profiling for approximately 1,800 workers, generating valuable insights to support strategy and planning. We also enhanced the toll-free helpline by adding regional language and multimedia capabilities, helping resolve over 500 worker queries and strengthening engagement.

Through collaboration, digital innovation and a worker-centric approach, Project Saathi has established a strong foundation for scalable and inclusive impact.



WFC - supporting people from unorganised sector



iTeach alumni field visit to Thermax's factory premises in Pune

Thermax Employees Volunteering in CSR Initiatives

At Thermax, community service is deeply embedded in our culture. Through periodic NGO Melas and volunteering initiatives across locations such as Pune, Chennai, Savli, Dahej and Jhagadia, our employees continue to contribute meaningfully towards social impact. During the year, more than 650 employees participated in a range of initiatives across locations.

Key Initiatives

- Over 30 employees participated in the sports event organised with SVP and Teach NGO, alongside physically challenged people to foster inclusion.
- More than 25 employees supported flood-affected communities in Solapur during the unprecedented crisis.
- Our teams participated in the CII road cleanliness drive in Pune alongside other companies.
- Waste collection drives were organised in collaboration with HSE teams at Pune and Savli.
- Over 500 employees donated blood across offices and factories in India.
- More than 20 employees volunteered to conduct technical and soft skill sessions at ITIs.
- In Jhagadia, the Dhanvantri Rath facilitated free medical check-ups for over 1,000 workers, while an e-Nirman camp supported 223 beneficiaries with government ID cards.
- Teams in Dahej and Jhagadia distributed 300+ school bags, uniforms to 236 students, 325 drinking water bottles, and installed 20 water coolers across eight municipal schools.
- We supported underprivileged students through sponsored bus transport and improved community infrastructure by installing 240 solar lights in Dahej and 10 additional solar lights in Jhagadia.

Each initiative reflects the collective commitment of our people to serve, uplift and empower communities.



A Thermax employee shares a joyful moment with children from Akanksha School

Protecting What Matters Most



We continue to drive environmental stewardship through focused investments in renewable energy and responsible environmental practices. By advancing low-carbon technologies, energy-efficient solutions and sustainable operations, we actively reduce our environmental footprint and contribute to global efforts to conserve and manage resources responsibly.



Key Performance Indicators

14,717 tCO_2e
Carbon Emission Reduction

2,29,485 m^3
Water Reused and Recycled (Domestic)

Thermax's Decarbonisation Journey

Our decarbonisation journey is anchored in a clear long-term vision to reduce our carbon footprint while strengthening operational efficiency and resilience. Since establishing our baseline in FY 2018–19, we have pursued a structured pathway built on energy efficiency, renewable energy adoption, green power procurement and a transition to cleaner fuels.

This disciplined approach enabled us to surpass our initial target of a 25% reduction, achieving a 37% reduction in absolute Scope 1 and Scope 2 carbon emissions by FY 2024–25. Building on this progress, we have set a more ambitious target of reducing emissions by 50% by FY 2029–30.

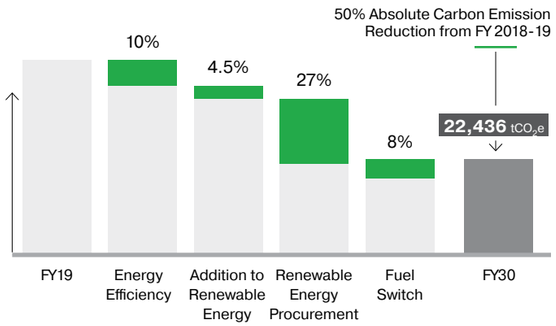
In FY 2025–26, however, our Scope 1 and Scope 2 emissions increased temporarily by 1,703 tCO_2 over last year. This was primarily due to facility expansions to support business growth, increased testing activities, and changes in renewable energy procurement regulations. While these factors led to a short-term increase in emissions, they do not represent a reversal of our decarbonisation journey. Rather, they reflect the impact of scaling our operations responsibly while renewable energy procurement arrangements evolve.

Our commitment to achieving our FY 2029–30 target remains steadfast, supported by continued investments in renewable energy, energy efficiency, operational modernisation, and cleaner technologies.

Enabling Sustainable Transformation

FY 2025–26 marks a phase of scaling and deepening decarbonisation efforts, where multiple site-level initiatives collectively contributed to meaningful carbon reduction. Across manufacturing facilities, Thermax has accelerated the transition towards renewable energy, with increased adoption of open access green power, rooftop solar installations, and group captive renewable agreements. Our facilities in Paudh, Maharashtra; Sri City, Andhra Pradesh; Jhagadia, Gujarat; and Shirwal, Maharashtra, have significantly increased their renewable energy share, with some locations deriving a substantial portion of their energy needs from green sources. At the same time, energy efficiency improvements have been embedded into operations through process optimisation, automation, and equipment upgrades. From compressor optimisation and variable frequency drive (VFD) installations to smart digital controls and elimination of inefficiencies, these initiatives demonstrate a shift towards intelligent energy management systems. Equally important has been the transition to cleaner fuels, with several facilities moving from conventional fuels such as light diesel oil (LDO), liquefied petroleum gas (LPG), and high-speed diesel (HSD) to piped natural gas (PNG), biomass, and green fuels reducing both carbon emissions and operational risks.

Roadmap till 2030





Thermax employees at the Eco Mela, organised during the World Environment Day 2025

Waste Management and Circularity

We continue to strengthen our circular economy approach to waste management, with a target of achieving a 5% reduction in waste generation by 2030, using FY 2025 as the baseline. While waste generation in FY 2025–26 was impacted by certain one-time and regulatory factors, the underlying trend when adjusted for these influences indicates a reduction.

Our strategy focuses on minimising waste through reuse, recycling and co-processing, supported by effective source segregation, process optimisation and recovery of valuable materials. Regular waste audits and employee training programmes further reinforce consistent implementation across locations.

We maintained waste sent to landfill at 2%, significantly below our internal threshold of 5%. Additionally, 12 units are now certified as single-use plastic free, and nine units have achieved zero waste to landfill certification, reflecting steady progress in our sustainable waste management journey.



TOESL received excellence award for waste management during the Environment Day celebration

Waste Reduction - Key Project

Minimising Packaging Waste Through Smarter Material Handling

At our Jhagadia plant in Gujarat, we undertook a production-driven initiative to reduce packing material waste by transitioning raw material procurement from containers to tankers. Enabled through automation in the Performance Product Group (PPG) and Construction Chemicals (CC) streams, the project improved operational efficiency while substantially reducing empty container waste, including hazardous empty barrel waste. This initiative reflects our continued focus on reducing environmental impact while enhancing resource efficiency.

Biodiversity

We continue to strengthen biodiversity across our manufacturing units, project sites and community spaces through structured plantation initiatives. During the year, we planted 13,694 trees across Thermax locations, including 3,000 in community areas, 559 within our facilities and 10,135 at customer locations where we operate. These efforts contribute to expanding green cover, supporting biodiversity, enabling carbon sequestration, improving air quality and fostering employee engagement in environmental stewardship.

13,694
Trees Planted across Thermax Locations in FY 2025-26



Tree plantation activity

Water Stewardship and Effluent Management

We continue to pursue responsible water stewardship and effective wastewater management across our operations, with a target to reduce freshwater consumption by 5% by 2030, using FY 2025 as the baseline. During FY 2025–26, overall water consumption increased by 12.6%, primarily due to capacity expansion at Jhagadia and inclusion of the Bhiwadi facility. Excluding these factors, water consumption across existing operations was only 2% above baseline, reflecting stable operational performance.

Our approach to water management remains focused on reduction, reuse, recycling and replenishment, supported by initiatives such as:

- Reuse of treated wastewater for gardening, flushing and cooling
- Rainwater harvesting and groundwater recharge
- Process optimisation and deployment of water-efficient technologies
- Leak detection and prevention programmes
- Employee engagement and awareness initiatives

During the year, we harvested 55,650 KL of rainwater and reused 2,29,485 KL of treated water across operations. We also continued to operate STPs and ETPs across applicable locations, with treated water quality monitored through National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratories to ensure compliance with applicable regulations. Structured water audits and initiatives such as the Spot the Leakage campaign further strengthened conservation practices across facilities.

55,650 KL
Rainwater Harvested Annually

2,29,485 KL
Water Reused Annually

Advancing Water Neutrality

We continued to make significant progress towards water neutrality across key manufacturing locations. Five units—Shirwal, Sri City, Solapur, Savli and Chinchwad have been certified as water neutral, reflecting our commitment to balancing water consumption through replenishment and reuse.

At Chinchwad, sustained optimisation efforts led to a 34% reduction in water consumption compared to the baseline year. At Savli, a comprehensive water stewardship approach enabled the site to achieve water neutrality through a combination of demand reduction and replenishment measures. Together, these initiatives demonstrate our transition from compliance-led water management towards a more proactive and impact-driven water stewardship model.



Our employees from the Chennai office along with Government school children at a tree plantation drive to promote environmental awareness



Waste collection drive conducted by our employees in Shirwal, Maharashtra, India

Collaborating for Policy-Led Transformation



We work closely with government and regulatory authorities to support policies that advance sustainable development and clean energy adoption. By ensuring strict compliance with regulatory standards and actively contributing to national priorities, we reinforce public trust while playing a meaningful role in driving broader socioeconomic progress.



GOVERNMENT AUTHORITIES

Key Performance Indicators

Rs. 532 crore
Taxes Paid



Delegates from Maharashtra and Rajasthan, along with Members of Parliament, during their visit to Thermax facilities

Engagement with Key Government Agencies

Ministry of New and Renewable Energy (MNRE): Green Hydrogen

We submitted recommendations to introduce schemes for decentralised green hydrogen offtake for industrial use, positioning green hydrogen as a key lever for industrial decarbonisation. Building on this, the ministry subsequently released draft policy guidelines for GH_2 under the Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme - Mode 1B (Bring Your Own Buyer) scheme for distributed industrial applications. To further accelerate the GH_2 derivatives market, we then engaged with the ministry to help formulate standards for green methanol and green ammonia in India. Once these standards are notified, they are expected to drive demand for green hydrogen-based derivatives and strengthen domestic GH_2 consumption.

Bureau of Energy Efficiency for Indian Carbon Markets

We engaged with the bureau to develop two key methodologies under the Indian Carbon Markets' voluntary/offset mechanism. These include frameworks for compressed biogas plants and biomass-based industrial boiler usage, both of which are at advanced stages of notification. Upon finalisation, these will enable industries to monetise green credits and further advance the decarbonisation agenda.

Ministry of Heavy Industries, Department of Promotion of Industry and Internal Trade

- **Withdrawal of Omnibus Technical Regulations (OTR) by Ministry of Heavy Industries (MHI):** We actively engaged with MHI to highlight challenges arising from the overlap between OTR requirements and existing Quality Control Orders (QCOs), impacting material procurement, order fulfilment and project execution. Through detailed representations of compliance burden and testing bottlenecks, we advocated for deferment. This resulted in the withdrawal of OTR implementation in January 2026, easing supply chain constraints and improving policy certainty.
- **QCO Relaxations on Critical Equipment Imports:** Recognising the time and cost challenges associated with QCO compliance, we engaged with the Ministry of Commerce and Department of Promotion of Industry and Internal Trade (DPIIT). Following sustained representation, QCO requirements were withdrawn for key component imports such as copper and steel between October 2025 and January 2026, supporting ease of doing business.



Thermax at IBET 2025, supporting India's bioenergy vision. Arun Unni, EVP and BU Head – New Energy & Strategy, addresses the session on 'Bioenergy – Steam & Thermal Balance for a Just Transition' along with other panel members



Thermax representing at the ministerial conclave on bioenergy value chain

Ministry of Petroleum and Natural Gas, Ministry of New and Renewable Energy and Department of Fertilisers

With the compressed biogas (CBG) sector gaining strong momentum, supported by a 3% blending mandate in FY 2025-26, we engaged with key ministries. Building on this engagement, key developments included:

1. Revision in CBG off-take price from Rs. 1,380/MMBTU to Rs. 1,478/MMBTU effective July 2025.
2. Revision of IS 16087:2025 to enhance biomethane quality for grid injection.
3. PNGRB (Petroleum and Natural Gas Regulatory Board) notification enabling CBG blending in natural gas pipelines.
4. Draft notification for carbon credits under Indian Carbon Markets.
5. Inclusion of CBG projects under Article 6.2 of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement, enabling access to international carbon credits.
6. Excise duty exemption for the CBG component in blended CNG.
7. Advocated for unification of all ruling CBG policies and regulations under a single nodal ministry, Ministry of Petroleum and Natural Gas (MoPNG), enabling smooth execution of policy frameworks for CBG plants.

Collectively, these developments drive progress towards the SATAT (Sustainable Alternative Towards Affordable Transportation) scheme target of 5,000 CBG plants, to which we lead the way with our technology and EPC capabilities.

NITI Aayog – High-Level Committee on Non-Financial Regulatory Reforms

As part of the High-Level Committee on Non-Financial Regulatory Reforms (HLC-NFRR), we submitted key recommendations to enhance ease of doing business and drive growth in the capital goods sector. These included continuing QCO exemptions on base metals, shifting certification from raw materials to finished goods. These measures are expected to strengthen the domestic manufacturing ecosystem and improve the global competitiveness of capital goods.

Central Electricity Regulatory Commission (Renewable Energy)

We participated in the formulation of the third amendment to the General Network Access (GNA) Regulations in September 2025 that rule inter-state sales of clean power to industries. A key outcome was enabling the integration of Battery Energy Storage Systems (BESS) with renewable energy projects. This positions us to deliver scalable round-the-clock clean power to industrial customers, supporting industrial decarbonisation mandates.

Deendayal Port Authority, Kandla

We secured a landmark contract for India's first port-based, first-of-its-kind 5 TPD bio-methanol project at Deendayal Port Authority, Kandla, Gujarat. This project showcases our expertise in biomass gasification to green methanol conversion, and strengthens our position in waste-to-energy and maritime decarbonisation. It also supports India's transition to alternative fuels and aligns with global decarbonisation goals for the shipping industry.

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
(Passed away on May 8, 2026)
Shyamak R. Tata
Parag Shah

Executive Council

Ashish Bhandari
Dr. Amit Sethi
Arun Unni
B. C. Mahesh
B. C. Rajesh
Dinesh Mandhana
Jasmeet Bhatia
(Resigned w.e.f. January 16, 2026)
Kirtiraj Jilkar
Rajendran Arunachalam
Dr. Santanu Chaudhuri

Key Managerial Personnel

Ashish Bhandari
Managing Director & CEO

Rajendran Arunachalam
EVP and Group CFO

Sangeet Hunjan
Company Secretary & Compliance Officer
(Appointed w.e.f. June 27, 2025)

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, Maharashtra, India
Phone: +91 20-66122100/66155000
Fax: +91 20-66122142
CIN: L29299PN1980PLC022787

Corporate Office

Thermax House
14, Mumbai-Pune Road,
Wakdewadi, Pune - 411 003,
Maharashtra, India
Phone: +91 20-66051200/66051202
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/
Phone: 040-67162222/79611000
Toll-free number: 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

Price Waterhouse Chartered Accountants LLP
7th Floor, Tower A, Wing 1, Business Bay, Airport Road, Yerawada,
Pune – 411006, Maharashtra, India
ICAI Firm Registration Number: 012754N/N500016

Subsidiaries

Domestic

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
22. TSA Process Equipments Private Limited
23. Thermax Chemical Solutions Private Limited
24. Thermax Vebro Polymers India Private Limited
25. Buildtech Products India Private Limited
26. Fortmax Chemicals India Private Limited (incorporated on April 11, 2025)
27. First Energy 12 Private Limited
28. First Energy 14 Private Limited (incorporated on May 24, 2025)
29. First Energy 15 Private Limited (incorporated on December 16, 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
22. Thermax Energy Solutions Company (incorporated on January 28, 2026)

Management Discussion and Analysis

1. Economic Overview

1.1 Global Economy

The global economy remained resilient but subdued in calendar year 2025, with the global growth at 3.4% in 2025 and projecting to 3.1% in 2026, and 3.2% in 2027, reflecting slower momentum across major economies and continued policy uncertainty.[1]

Inflation continued to moderate from earlier peaks, although it remained above comfort levels in several economies due to tariff actions, supply chain shifts and renewed energy price volatility.[1]

Global trade showed mixed trends during the year. The World Trade Organisation (WTO) noted that merchandise trade improved in 2025, supported by frontloading of imports ahead of tariff changes and strong demand for AI-related goods; however, slower growth is expected in 2026.[2]

Investment flows remained under pressure. The United Nations Conference on Trade and Development (UNCTAD) reported that global FDI (Foreign Direct Investment) declined by 11% to USD 1.5 trillion in 2024.[3]

Commodity markets remained an important variable. The World Bank expects global commodity prices to ease further, though risks remain from geopolitical disruptions.[4]

Labour markets remained stable, with global unemployment around 5.0% in 2024 and expected to slightly improve to 4.9% in 2026.[5]

The United States remained supported by consumption and AI-led investments, while tax changes are expected to influence capital expenditure decisions.[6]

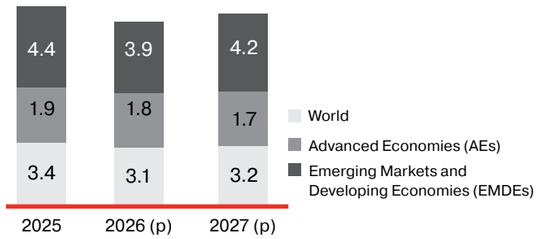
China's growth moderated due to weak demand and real estate stress, despite policy support.

Geopolitical risks intensified, particularly in the Middle East, contributing to volatility in energy prices and industrial input costs.[7]

The energy transition continued to gain momentum. The International Energy Agency's (IEA's) Renewables 2025 report projects nearly 4,600 GW of new renewable capacity between 2025 and 2030.[8]

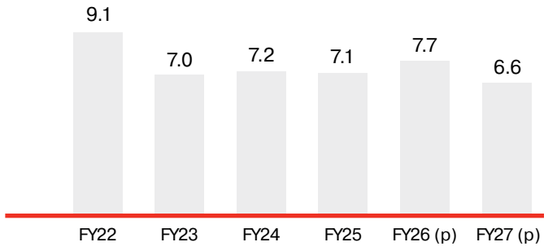
Ongoing geopolitical conflicts, sanctions, tariff measures and shifting trade policies continued to influence global markets, contributing to volatility in energy prices, commodity costs and supply chains. At the same time, rapid advances in Artificial Intelligence (AI) are reshaping business operations, driving greater automation, data-driven decision making and operational efficiency. Together, these developments are redefining how organisations allocate capital, manage risk and compete in a rapidly evolving world.

Global GDP Growth (in %)



(p) - projected
Source: IMF World Economic Outlook, April 2026

India's GDP Trend (in %)



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

1.2 Indian Economy

India remained one of the fastest-growing major economies in FY 2025–26, with real GDP growth estimated at around 7.7%, supported by strong domestic demand, sustained public capital expenditure and resilient services activity.[1]

Inflation moderated during the year, with CPI inflation averaging around 4.5%, enabling a stable monetary policy environment.[2] Fiscal consolidation progressed, with the fiscal deficit declining to approximately 4.4% of GDP.[3]

Sectorally, agriculture grew at around 3.1%, while industrial growth strengthened to approximately 6.2%, supported by manufacturing and infrastructure activity. Production Linked Incentive (PLI) schemes continued to attract investments exceeding Rs. 2 lakh crore.[4]

The services sector remained the key growth driver, contributing over 56% to Gross Value Added and growing at around 9%, supported by strong performance in technology and financial services.

Macroeconomic fundamentals remained strong, with foreign exchange reserves at around USD 680–700 billion, and improved financial sector stability.[5]

India's growth is projected at around 6.6% in FY 2026-27, supported by infrastructure investment, manufacturing expansion and digitalisation.[6]

However, external risks remain elevated, with ongoing conflicts in Eastern Europe and the Middle East, alongside evolving tariff regimes and trade restrictions, contributing to volatility in energy prices, commodity costs and global trade flows. As a net importer of crude oil, India remains exposed to these developments, while currency market volatility could continue to exert pressure on the Indian rupee and influence inflation and input cost dynamics.



Sources:
1 IMF World Economic Outlook
2 WTO Trade Outlook
3 UNCTAD World Investment Report
4 World Bank Commodity Markets Outlook
5 ILO Employment Outlook
6 Tax Foundation / US Policy Updates
7 Global News Reports on Middle East Conflict
8 IEA Renewables 2025 Report

Sources:
[1] MOSPI / NSO GDP Estimates
[2] RBI CPI Data
[3] Union Budget FY26
[4] DPIIT PLI Scheme Reports
[5] RBI Forex Data
[6] IMF / RBI Projections

1.3 India's Climate Commitments

India's latest Nationally Determined Contribution (2031–2035), approved by the Union Cabinet in March 2026, strengthens the country's climate ambition. Under this updated commitment, India aims to reduce the emissions intensity of GDP by 47% by 2035 from 2005 levels, achieve 60% cumulative electric power installed capacity from non-fossil fuel based resources by 2035, and create a carbon sink of 3.5–4.0 billion tonnes of CO_2 equivalent through forest and tree cover.[1]

India's clean energy transition has already gained significant momentum. As of March 31, 2026, the country's non-fossil fuel capacity stood at 283.46 GW, accounting for more than half of the total installed power capacity, while renewable energy capacity reached 274.68 GW, making India the world's third-largest renewable energy market. These developments reflect the country's continued focus on balancing economic growth with energy security and climate action.[2]

This transition is being supported by a more formal policy architecture for decarbonisation. Under the Energy Conservation (Amendment) Act, 2022, the Carbon Credit Trading Scheme (CCTS) has established the framework for India's carbon market, with compliance and offset mechanisms now in place. By January 2026, 490 units across seven sectors had become obligated entities under CCTS, while greenhouse gas emission intensity targets had been notified for the first set of sectors.[3] Together with ongoing renewable energy expansion, this strengthens India's climate policy framework and deepens the opportunity set across clean energy, carbon markets and industrial decarbonisation.



2. Industry Overview

Clean Energy and Environment Sectoral Review

India's environmental technology market continues to expand, with the International Trade Administration estimating the market at approximately $23 billion and projecting a 7.5% CAGR over 2023–2028, while the air pollution control systems market was estimated at $10.5 billion in 2024 and is projected to reach $18.16 billion by 2030, reflecting strong demand across emissions control, water and wastewater treatment, and waste management.[4] The Ministry of Environment, Forest and Climate Change, increased the allocation for its Control of Pollution scheme to Rs. 1,300 crore in FY 2025–26, up from Rs. 853.9 crore, reflecting continued public investment in pollution abatement and environmental management.[5]

On the clean power front, India overtook Germany in 2024 to become the world's third-largest generator of electricity from wind and solar. In 2025, wind and solar together met 14% of India's electricity demand, while solar alone met 9.4%, showing the pace of the country's transition and the scale of the market opportunity ahead.[6]

India's progress is also reflected in global transition indices. In the World Economic Forum's Energy Transition Index 2025, India ranked 71st out of 118 countries with a score of 53.3, while in Climatescope 2025 it retained the 1st position among emerging markets with a power score of 2.80. [7] [8] Together, these developments reinforce India's momentum in clean energy investment, policy support and environmental solutions.

3. Company Overview

We are a Rs. 10,694 crore engineering company, driving the global shift to sustainable energy and environment solutions. Our clean air, clean energy, clean water, and chemical offerings serve industries worldwide. With a focus on decarbonisation and resource conservation, we deliver end-to-end support across operations, maintenance, retrofitting, upgrades, and audits. Our expanded digital portfolio delivers AI/ML-driven asset management, supporting our vision for sustainable growth and technological advancement.

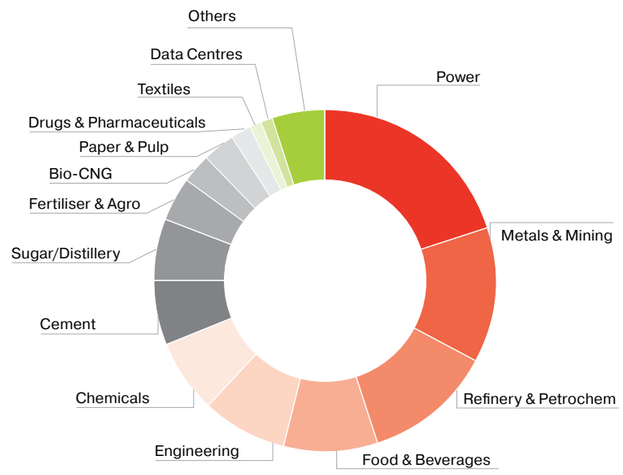
Sources:

1. Press Information Bureau (PIB)
2. Press Information Bureau (PIB)
3. Ministry of Power
4. International Trade Administration
5. Press Information Bureau (PIB)
6. Ember
7. World Economic Forum
8. Climate Scope

3.1 Thermax Order Booking by Industry

During the year, sectors such as power, metals & mining, and refinery & petrochem were among the key contributors to our order book across our energy, environment and chemicals portfolio.

Industries	FY 2025-26	FY 2024-25
Power	20%	10%
Metals & Mining	13%	22%
Refinery & Petrochem	12%	4%
Food & Beverages	9%	9%
Engineering	8%	6%
Chemicals	7%	9%
Cement	6%	4%
Sugar/Distillery	6%	8%
Fertiliser & Agro	4%	6%
Bio-CNG	3%	1%
Paper & Pulp	3%	5%
Drugs & Pharmaceuticals	2%	4%
Textiles	1%	2%
Data Centres	1%	-
Others	5%	10%



4. Business Segments

Industrial Products



Read more on page 72

Industrial Infra



Read more on page 84

Green Solutions



Read more on page 91

Chemicals



Read more on page 98

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 342.

4.1 Industrial Products

Industries today face three critical challenges: addressing climate change, securing access to clean energy and managing water scarcity. At Thermax, we respond through our solutions in clean air, clean energy and clean water, supported by our digital platform, Thermax EDGE Live®. Together, these enable industries to adopt more sustainable practices and accelerate their transition towards a cleaner, more responsible future.

Clean Air Solutions: Reducing Emissions for a Cleaner Environment



Overview

Thermax provides air pollution control (APC) systems for both particulate and gaseous exhaust.

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 for diverse industry sectors.

Business Highlights

- This year marked a strategic milestone with the successful launch of our amine scrubbing technology for the sugar sector, enabling high-efficiency biogas purification. Using an advanced aqueous amine solvent process, the systems consistently achieve over 97% methane purity with near-zero methane slip, maximising resource recovery from press mud and distillery spent wash while delivering reliable performance in demanding industrial environments.

Growth Drivers

- **Policy Support:** Stricter emission norms and the Make in India initiative are driving manufacturing growth and expanding opportunities.
- **Infrastructure Boom:** Infrastructure-led demand for cement and steel continues to boost domestic volumes.
- **International Demand:** Expanding opportunities across cement, steel, and energy sectors, with a focus on regions like Europe, Turkey, and the Middle East.
- **Sectoral Uptick:** Rising demand for ESP solutions from biomass and sugar industries across Latin America and Southeast Asia.

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 Purification:** Advancing clean air solutions through innovative gas purification technologies under the Thermax Ne0 portfolio.

Risks

- **Cost Volatility:** Business performance remains exposed to geopolitical uncertainty, impacting supply chains, commodity prices, freight costs, and currency movements, with potential pressure on margins.
- **Market Competitiveness:** Emerging customer segments are evolving rapidly, while growing unorganised competition is intensifying pricing pressure and increasing the risk of market share erosion.
- **Shift Towards Electrification:** Growing adoption of electric heating solutions may reduce demand for air pollution control equipment linked to conventional fuel-fired systems.

Risk Mitigation Plan

- To mitigate cost volatility, the business monitors commodity and freight trends, leverages strategic procurement, and adopts dynamic pricing to protect margins.
- To counter rising competition, the business focuses on enhancing value through quality, reliability, and brand strength, while improving efficiencies and expanding value-added offerings to sustain market share.
- The business is expanding into adjacent areas such as gas purification and upgradation to diversify revenue streams and reduce dependence on conventional air pollution control markets.

CASE STUDY

Enhancing Emission Control in the Cement Industry



In cement manufacturing, the electrostatic precipitator (ESP) performance is critical to ensure uninterrupted operations while meeting stringent emission norms. A leading cement plant in India faced operational challenges with its clinker cooler ESP, including frequent spark occurrences, sub-optimal voltage and current levels, and emissions significantly exceeded permissible limits.

To address these issues, Thermax deployed its advanced Opticor® controller solution, replacing the existing TR controllers with a modular, plug-and-play system. The solution enabled improved power delivery to the ESP fields, enhanced process stability, and provided capabilities for remote monitoring and control. The installation was completed efficiently with minimal downtime.

Following commissioning, the plant achieved immediate and measurable improvements. Particulate emissions were reduced by 25%, bringing them within regulatory limits, while spark occurrences were significantly minimised. The enhanced power distribution improved dust collection efficiency, resulting in overall optimisation of ESP performance without the need for costly mechanical upgrades.

This project highlights Thermax's ability to deliver innovative, cost-effective solutions that enhance operational efficiency while ensuring compliance with environmental standards.

Clean Energy Solutions: Accelerating the Transition to Sustainable Energy



Overview

This business vertical delivers a comprehensive range of process heating solutions, including packaged boilers, fired heaters, and turnkey systems using steam, thermic fluid, hot water, and hot air. Designed for energy efficiency and fuel flexibility, the portfolio supports multiple energy sources such as biomass, electricity, and conventional solid, liquid, and gaseous fuels.

The clean energy portfolio also includes energy-efficient, low-carbon technologies such as absorption chillers, high-temperature heat pumps, and hybrid cooling systems that leverage waste heat and electrification.

These products and solutions are coupled with a range of services, along with smart, AI-enabled control solutions, enabling intelligent, data-driven optimisation across utilities.

Together, these solutions enable customers to improve efficiency, reduce energy intensity, lower operating costs, and transition towards more sustainable operations.

Business Highlights

- **Process Heat Solutions:** During the year, the Heating business was rebranded to Process Heat Solutions, reflecting a broader, more integrated portfolio that extends beyond equipment to include application-led solutions, digital offerings, and value-added services. This repositioning aligns with evolving customer needs and the growing demand for end-to-end process heating solutions.
- **Cooling and Heating Solutions:** The Cooling and Heating Solutions business got a breakthrough in the data centre segment through hybrid cooling towers and vapour absorption chillers globally.

Growth Drivers

- **Energy Transition & Fuel Shift:** Rising adoption of biomass and agro-based fuels, driven by global energy security concerns and decarbonisation goals.
- **Data Centre Cooling Transformation:** Shift to hybrid cooling architectures for grid-powered data centres and absorption chillers for facilities with cogeneration to reduce energy intensity and improve power usage effectiveness.
- **Digital & AI Integration:** Growing adoption of AI and digital tools is 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 & Service-Led Differentiation:** Continuous product innovation and strong after-sales support position the business as a long-term value partner.

Focus Areas

- **Digitalisation and Smart Solutions:** Expand smart boilers and digital solutions to improve efficiency, reliability, and asset performance through real-time monitoring and predictive insights.
- **Geographic Expansion:** Enter new markets to diversify the portfolio and drive growth beyond existing geographies.
- **Segment-Specific Offerings:** Customise solutions for high-growth sectors like food, pharma, and chemicals to enhance relevance and impact.
- **Sustainability Leadership:** Strengthen leadership in biomass and electric heating 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.
- **New Product Development:** Drive growth through innovative products tailored to emerging customer needs and market opportunities.
- **Total System Quality:** Enhance product, process, and service quality to improve reliability, customer satisfaction, and operational excellence.
- **Service Business:** Strengthening lifecycle support and driving growth through aftermarket services and customer-centric solutions.

Risks

- **Transition to Alternative Energies:** Growing adoption of renewable and low-carbon energy solutions may impact demand for conventional energy systems and alter market dynamics.
- **Competitive Intensity:** Increasing competition from global and regional players may exert pressure on market share, pricing, and margins.
- **Fuel Price Fluctuations:** Impacting customer investment decisions in heating and energy solutions.
- **Cost Volatility:** Business performance remains exposed to geopolitical uncertainty, impacting supply chains, commodity prices, freight costs, and currency movements, with potential pressure on margins.
- **Local Price Competition:** Emerging low-cost players in price-sensitive markets in the Process Heat Solutions business.

Risk Mitigation Plan

- To manage input cost volatility, the business focuses on improved sourcing, supplier diversification, and tighter contracting, while strengthening supply chain planning to minimise delays.
- The business drives innovation-led diversification through advanced cooling and energy solutions, with a focus on value over price, building customer trust through proven performance, and managing global exposure through a balanced market approach.
- To address evolving customer needs and emerging market trends, the business is focusing on expanding its product portfolio through innovation.

CASE STUDY

Advancing Sustainable Energy in the Palm Oil Industry



A leading palm oil manufacturer in southern Thailand faced challenges in fully utilising biomass residues from crude palm oil production. While palm fibre and palm kernel shells (PKS) were used as fuel, empty fruit bunches (EFB) remained underutilised due to high fouling and corrosion potential, resulting in lost energy value and dependence on limited fuel sources.

Thermax addressed this challenge with a first-of-its-kind turnkey solution centred on a 30 TPH boiler operating on a fuel mix of 70% EFB and 30% palm fibre. Equipped with advanced grate technology, the system delivers superheated steam for process needs and captive power generation. The solution also includes an electrostatic precipitator to maintain emissions within regulatory limits and an integrated water treatment system to improve operational efficiency and equipment life. The project was executed as a complete EPC solution covering design, engineering, and commissioning.

The facility now benefits from greater fuel flexibility, converting underutilised waste biomass into a reliable energy source. This has improved cost efficiency, reduced dependence on conventional fuels, and created a more sustainable operating model, reinforcing Thermax's capability to deliver integrated clean energy solutions.

Clean Water Solutions: Enabling Responsible Water Use and Reuse



Overview

Thermax's Water and Waste Solutions (WWS) business supports industrial, commercial, and residential establishments with products and services for water purification, reuse, recycling, and treatment of sewage and effluents. It also offers seawater desalination solutions that reduce dependence on freshwater resources and support water conservation efforts. In addition, the business provides operations and maintenance services to ensure sustained efficiency across the lifecycle of our solutions.

The acquisition of TSA Process Equipments strengthens the WWS portfolio in high-purity water systems, enabling the Company to deliver comprehensive solutions for purified water, water for injection, sterile equipment, and pure steam, catering to industries such as pharmaceuticals, biopharma, personal care, and food and beverages.

Business Highlights

- Launched QuickCLR, an advanced treatment platform engineered for a wide range of industrial effluents, from easily biodegradable streams to complex, hard to treat wastewater. Its flexible, modular architecture allows customisation across industries while optimising process performance. Each configuration is designed to adapt to varying influent characteristics and meet evolving operational needs.
- WWS introduced Track BX, an online multi parameter water quality analyser designed for effluent treatment plants, sewage treatment plants, process water systems, and compliance monitoring. Featuring advanced sensors and real time measurement capabilities, it delivers accurate insights into critical water parameters. Integrated IIoT connectivity enables continuous monitoring and remote data access.
- Urthh is an initiative by Thermax, driven by the need to address evolving challenges of the urban sector, such as stringent regulatory requirements, rising water costs, increasing demand for clear and odour-free water, and ageing infrastructure. With over 35 operational sites, Urthh has successfully evolved from concept and design to full-scale implementation. This journey has enabled the team to collaborate with leading brands across India. Today, Urthh has established a strong presence in key cities of India, including Mumbai, Pune, Bengaluru, Gurugram, and Hyderabad, reflecting its expanding footprint and growing impact.

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 Thermax as a comprehensive water management provider.
- **Service Business:** Strengthening lifecycle support and driving growth through aftermarket services and customer-centric solutions.

Risks

- **Geopolitical Uncertainty:** May lead to reduced capital investments, project delays in certain markets, and increases in material and supply chain costs.
- **Rapid Technological Shifts:** Fast-paced innovation could outpace current offerings, requiring constant product upgrades.
- **Rising Local Competition:** Price-sensitive local players may impact market share and margins, especially in emerging markets.

Risk Mitigation Plan

- The business focuses on geographical diversification, flexible contracting, and local partnerships to navigate external uncertainties and sustain growth.
- To collaborate with technology leaders and research institutions, while developing modular, upgrade-ready solutions to address rapid technological shifts.

CASE STUDY

Innovative Demineralised Water Solution for a Leading Chemical Manufacturer



A leading manufacturer in the alkalies and allied chemicals sector in Kurnool, Andhra Pradesh, India, required a reliable solution to treat clarified water and produce high-quality demineralised water for its operations.

Conventional RO (reverse osmosis)-based DM (demineralisation) systems posed challenges in balancing equipment costs with the desired water quality, while regeneration issues in the second mixed bed made it difficult to consistently achieve the required throughput.

To address these challenges, Thermax designed and implemented an innovative treatment scheme comprising a multi-media filter (MMF), ultrafiltration (UF), RO, and two mixed-bed (MB) polishing units, offering an efficient alternative to a conventional DM plant.

The solution successfully achieved the desired water quality and quantity as per design parameters while minimising carbon footprint and chemical consumption through efficient process management. Marking a significant milestone, the project became the first successful installation of a thoroughfare mixed-bed system for DM water production. The plant successfully completed performance guarantee tests and was handed over for operations and maintenance, delivering a cost-effective and sustainable water treatment solution for the customer.

Industrial Products Overseas Subsidiaries

Danstoker Group, Herning, Denmark

Business Performance

In FY 2025-26, the subsidiary registered a degrowth in the revenue of (12.9)%, as compared to the 5.1% growth in FY 2024-25. Order booking grew by 9.2%, compared to a decline of (7.1)% in the previous year. While Danstoker A/S's revenue was affected by the disruption and uncertainty associated with Europe's transition away from Russian gas, order booking grew on the back of increasing investments in environment friendly energy production and the shift away from fossil fuels.

Key Solutions Provided

- Solid fuel-fired (biofuel) 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

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

Key Industries

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

Order Highlights

- Strong demand for our low-voltage electric boilers continued in FY 2025-26, with 17 units sold.

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

Business Performance

In FY 2025–26, the subsidiary recorded a revenue decline of (19%), compared to a growth of 22.7% in FY 2024–25. The lower revenue was primarily attributable to a reduced opening order backlog, reflecting subdued market conditions in Indonesia during the first half of the year, particularly across key industrial sectors. As a result, project execution and revenue recognition were impacted during the reporting period.

Market conditions improved significantly in the second half of the year, supported by a recovery in manufacturing activity and renewed investment sentiment. This led to a positive movement in order inflows, with order booking growing by 17.7%, compared to 14.8% in the previous year.

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.
- Chemical solutions, including water treatment chemicals, boiler and cooling water chemicals, fuel additives, and speciality chemicals to improve operational efficiency and equipment reliability.

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.

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

- Executed two orders for reciprocating grate solid fuel Thermosyphons for a leading palm oil manufacturer in Medan, enabling them to shift from natural gas to palm kernel shells.
- Commissioned two boilers for a prestigious F&B major, utilising process waste from their in-house manufacturing process. Previously, this waste was incinerated using a gas-fired incinerator, but now we are generating free steam to the extent of 20% of their total steam demand and reducing their carbon footprint.
- 2 x 30 TPH reciprocating grate boilers were commissioned for a large wood processing company at Maluku, one of the very remote islands of Indonesia, for firing their process waste (bark, veneer, wood chips, sander dust), enabling them to reduce their operating cost.

CASE STUDY

Driving Sustainable Manufacturing Through Biomass-Based Energy Transformation



A leading Indonesian food and beverage company that produces snacks, biscuits, beverages, and instant foods, operates a large manufacturing facility in West Java where steam is essential to key processes. The plant's reliance on fossil-fuel-fired boilers led to high energy costs, increased emissions, and challenges with waste disposal. To address this, Thermax implemented a high-efficiency biomass-fired boiler system that enables the use of organic production waste as fuel, supported by energy recovery and flue gas treatment systems.

This transition delivered a 40% reduction in fuel costs, 45% lower carbon emissions, and a 50% reduction in waste to landfill, while improving operational efficiency and supporting the customer's sustainability and circular economy goals.

Thermax Europe, Bletchley, United Kingdom

Business Performance

In FY 2025–26, the subsidiary recorded a revenue growth of 53.7%, compared to the decline of (31.7)% in FY 2024–25, while order booking declined by (55.1%) against 14.1% increase in the previous year. Projects in Europe are either stalled or cancelled due to the unavailability of gas, which generally drives on-site power generation and, in turn, our chiller business. This is owing to the geopolitical instability in the region. However, the business delivered higher profits due to good spare orders.

Key Solutions Provided

- Absorption chillers and heat pumps

Sustainable Growth Plan

- In response to market volatility and rising energy costs in Europe, the focus has shifted towards heat pumps and absorption refrigeration systems.

Geographical Footprint

- Eastern and Western Europe

Key Industries

- District Heating
- Commercial
- Data Centres
- Other Industrial Establishments

Order Highlights

- Secured a breakthrough heat pump order, our first in Lithuania. As the country transitions its energy mix from coal to biomass, it is creating strong potential for our heat pump solutions.
- Supplied and executed three heat pumps in Hamburg, Germany, powered by MSW (municipal solid waste) incineration and a biomass boiler for district heating.

Thermax Inc., Houston, Texas, USA

Business Performance

In FY 2025–26, the subsidiary reported revenue growth of 118.4% versus decline by (16.5%) in FY 2024–25, while order booking increased by 258.2% compared to 30.6% in the previous year. The substantial increase in order booking is due to orders received in the data centre segment.

Key Solutions Provided

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

Sustainable Growth Plan

- Focused on advancing decarbonisation initiatives across the Americas (North, South, Central, and the Caribbeans).
- 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 Caribbeans)

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

- Secured the first breakthrough order for a large data centre.

CASE STUDY

Powering the Future of AI with Sustainable Cooling



As global demand for AI infrastructure accelerates, a next-generation data centre in Vineland, New Jersey, is setting new benchmarks in efficiency and sustainability. Designed to support high-density computing workloads, the facility integrates advanced energy and cooling solutions to optimise performance while minimising environmental impact.

At the heart of this infrastructure is an innovative combined heat and power (CHP) system, where natural gas-based engines generate electricity while simultaneously producing high-temperature waste heat. Instead of being lost, this heat is effectively harnessed to drive high-efficiency absorption chillers.

Thermax's lithium bromide absorption chillers play a critical role in this ecosystem, converting recovered thermal energy into cooling for server operations.

With a total installed capacity of ~46,000 TR across 23 units, the system significantly reduces dependence on conventional electricity-intensive cooling methods, enabling a highly efficient power usage effectiveness.

The solution also supports advanced cooling technologies such as direct liquid cooling and rear-door heat exchangers, tailored for next-generation AI hardware. By combining energy recovery, high-performance cooling, and environmentally responsible design, the facility demonstrates how data centres can scale sustainably in the era of AI.

This project underscores Thermax's capability to deliver innovative, energy-efficient cooling solutions for complex, high-demand applications, reinforcing its role as a trusted partner in global energy transition.

Domestic (Indian) Subsidiary

TSA Process Equipments, Mumbai, Maharashtra, India

Overview

TSA Process Equipments Pvt. Ltd. (TSA) strengthens Thermax's capabilities in high-purity water systems and complements its existing water and wastewater solutions portfolio. In April 2024, Thermax entered into a Share Purchase and Share Subscription Agreement to acquire 100% of TSA's equity share capital in a phased manner, acquiring an initial 51% stake on April 19, 2024.

Business Performance

TSA delivered a strong performance in FY 2025-26, supported by continued demand for high-purity water systems and successful integration with Thermax's global network. Revenue grew by 29.3%, while order booking increased by 21.3%, reflecting healthy market traction and synergy-led opportunities through Thermax channel associates.

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
- Vapour compressors

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

- Achieved a key technological milestone with the successful implementation of a first-of-its-kind cold water for injection (WFI) generation and distribution system. The solution enables the production and distribution of pharmaceutical-grade water at ambient temperatures while meeting stringent regulatory and quality requirements, setting a new benchmark for innovation, compliance, and operational efficiency in pharmaceutical utility systems.

Thermax TSA Process Equipments hosted a customer connect for key stakeholders from the pharmaceutical industry in Hyderabad, India



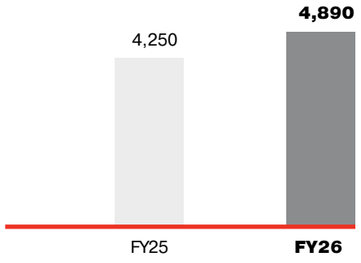
Performance of Industrial Products Segment in FY 2025-26



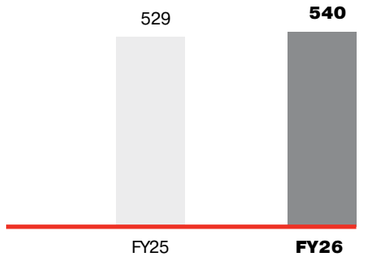
In FY 2025-26, the Industrial Products segment accounted for 45% of the Group's gross operating revenue, compared to 41% in FY 2024-25. Net operating revenue increased to Rs. 4,890 crore from Rs. 4,250 crore in the previous year, driven by an improved product mix, new product introductions and higher contribution from services across key businesses.

Segment profit stood at Rs. 540 crore, compared to Rs. 529 crore in FY 2024-25. Order booking increased to Rs. 5,984 crore from Rs. 4,951 crore in the previous year. The Cooling business benefited from growing demand from data centre projects, while the Air Pollution Control business was supported by a healthy international order book. The growth in Water and Waste Solutions and Process Heat Solutions businesses was driven by new product introductions, a favourable product mix and continued focus on services.

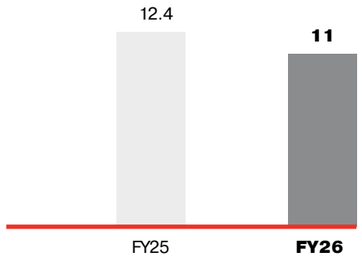
Revenue (in Rs. crore)



Profit* (in Rs. crore)



Profit Margin* (%)



* Segment PBIT before exceptional and unallocated overheads

4.2 Industrial Infra

Our Industrial Infra business 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.

Energy Solutions



Projects and Energy Solutions (P&ES)

Overview

Projects & Energy Solutions (P&ES), the flagship EPC arm of Thermax, delivers end-to-end turnkey solutions across diverse industries. Established in 1995, the business brings deep expertise in executing power projects, including captive, cogeneration, and waste heat recovery plants, as well as waste-to-energy facilities, petrochemical and refinery units, flue gas desulphurisation (FGD) systems, and biofuel plants.

Thermax's commitment extends well beyond project delivery, with digitally enabled O&M services for power, utility, FGD, and ethanol plants ensuring high reliability, and sustained performance.

Business Highlights

- The Medium Power Plant (MPP) business expanded its offerings in the refinery and petrochemical segment through front-end engineering design (FEED) and engineering, procurement and construction (EPC) offerings, including ethylene purification systems. It also strengthened its portfolio by advancing into emerging areas such as alternative fuels and carbon management solutions, in line with evolving energy transition opportunities.
- P&ES' O&M business also entered the large power plant segment (>100 MW), further extending its capabilities to manage complex, large-scale energy systems for industrial customers.

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.
- **Modularisation:** Positioning modularisation as a key business focus to drive faster project execution, enhanced quality, and improved cost efficiency through increased off-site fabrication.
- **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

- **Shift to Alternative Energy Sources:** Accelerating adoption of renewable and alternative energy technologies may reduce demand for certain conventional energy solutions and alter customer investment priorities.
- **Large Project Risk:** Execution complexity and risks increase with the scale and scope of large projects, impacting timelines and outcomes.
- **Safety Risk:** Workplace incidents at manufacturing facilities and project sites may impact people, operations and reputation.

Risk Mitigation Plan

- The business implements robust project management frameworks across verticals to effectively monitor and mitigate risks throughout the project lifecycle.
- The focus is on enhancing export project bookings to diversify the order pipeline across geographies.
- The focus is on strengthening controls from the proposal stage through execution to ensure timely interventions, supported by digitally enabled systems for integrated planning, knowledge management, quality monitoring, issue resolution, and seamless vendor collaboration and procurement.
- The Company implements continuous safety training, behaviour-based safety practices, and embeds safety considerations into engineering and operational processes.

CASE STUDY

Harnessing Waste Heat for Sustainable Power Generation



A leading manufacturer of sponge iron and steel products in Odisha, India, sought to enhance energy efficiency by utilising process waste heat to generate green power for captive consumption. The challenge was to design a solution that could effectively recover available heat while ensuring reliable and cost-efficient power generation.

Thermax delivered a comprehensive turnkey solution following a detailed assessment of the site's waste heat potential. The project comprised two 11.5 TPH waste heat recovery boilers, a 5.3 MW exhaust turbine, along with a water treatment plant, bag filters, and the complete balance of plant, including electrical and instrumentation systems.

Successfully commissioned in FY 2025-26, the plant is now operating efficiently, generating approximately 33 million units of green electricity annually. This translates into an estimated reduction of ~28,000 tonnes of CO_2 emissions each year. The project not only strengthens the customer's sustainability goals but also reinforces Thermax's capability to deliver integrated, energy-efficient solutions with high operational reliability.

Industrial Infra Domestic (Indian) Subsidiaries

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

Overview

TBWES offers a comprehensive portfolio of steam generation solutions for process and power applications across industries. Its systems operate on a wide range of fuels, including solid, liquid, gaseous, agro-based and municipal solid waste, while also enhancing energy efficiency through waste heat recovery from industrial processes and turbine and engine exhaust. The portfolio also includes specialised heaters for the chemical, petrochemical and refinery sectors.

Its Services business supports equipment of any make and capacity, delivering solutions for capacity enhancement, fuel conversion, reliability improvement, and utilisation of idle assets. The offerings include spare parts, plant services, testing and reliability assessments, asset integrity solutions, and digital platforms such as Thermax EDGE Live® for real-time monitoring and optimisation of industrial assets.

Business Highlights

- Secured orders for conventional and clean energy solutions across industries, including refineries, oil & gas, steel, cement, paper, and sugar, while expanding our international presence in Southeast Asia, Africa, the Middle East and Latin America.
- Maintained strong execution, focusing on timely delivery and quality, advanced digital solutions to enhance performance and reliability and operational excellence in handling complex, first-of-a-kind projects.

Growth Drivers

- **Leveraging Energy Transition:** The shift towards cleaner energy presents opportunities for TBWES to deploy its technology and expertise to deliver impactful customer solutions.
- **Internationalisation:** Expanding global presence through engineering excellence, strategic partnerships, and opportunities in high-growth energy markets.
- **Sector-Led Domestic Growth:** Growth in India's steel, cement, utilities, and waste-to-energy sectors is driving demand for advanced energy solutions.
- **Focus on Sustainability:** Rising emphasis on energy efficiency, conservation, and decarbonisation is creating opportunities for high-impact sustainable solutions.
- **Supercritical Boiler Opportunity:** Revival of utility-scale thermal power projects is driving demand for supercritical boilers.

Focus Areas

- **Technology and Product Development:** Strengthen existing technologies and develop new solutions aligned to evolving fuel mixes and customer needs.
- **Lifecycle and Value-Added Solutions:** Expand capabilities across retrofits, revamps, spares, and digital solutions to enhance customer performance and reliability.
- **Operational and Business Excellence:** Improve execution capabilities and process efficiency to drive consistent delivery and business performance.

Risks

- **Project Execution Complexity:** Increasing scale and scope of projects can lead to higher execution complexity, with potential impact on timelines and delivery.
- **Supply Chain and Geopolitical Uncertainties:** Projects remain exposed to supply disruptions, logistics delays and vendor-side force majeure events arising from geopolitical developments, which may impact execution schedules.
- **Safety Risk:** Workplace incidents at manufacturing facilities and project sites may impact people, operations and reputation.

Risk Mitigation Plan

- Strengthened supply chain resilience through diversification, alternate sourcing, and proactive management of geopolitical and market risks, while improving project execution through tighter monitoring, contingency planning, and milestone-based controls.
- Enhanced competitiveness and risk management through a strong emphasis on technology, quality, and rigorous project evaluation processes.
- The Company implements continuous safety training, behaviour-based safety practices, and embeds safety considerations into engineering and operational processes.

Business Performance

TBWES reported a strong performance in FY 2025-26, with revenues growing by 9.7% compared to 0.6% in the previous year. Order booking increased by 37.9%, following an exceptional 55.0% growth in FY 2024-25. The growth was underpinned by large export orders, including an approximately Rs. 1,600 crore project, and sustained momentum across major product groups, especially in the oil & gas and waste-to-energy segments.

Sustainable Growth Plan

- Leveraging product portfolio and in-house design, engineering and manufacturing to meet domestic demand.
- Expanding international presence across new markets and geographies.
- Advancing sustainable technologies in waste-to-energy and waste heat recovery.
- Enhancing service offerings to support customers' energy transition.
- Strengthening execution efficiency and delivery performance.
- Scaling Thermax EDGE Live® to improve asset performance through analytics and AI.

Geographical Footprint

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

Order Highlights

- Won an order for a 60 TPH waste-to-energy boiler for firing palm waste in Thailand.
- Awarded an order for cement waste heat recovery boilers (air quench cooler and pre-heater) for a 12,000 TPD kiln in West India.
- Received an order for waste heat recovery boilers for a sinter cooler from a leading steel player in India.

Key Industries

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

CASE STUDY

First-of-its-kind Blast Furnace Gas Co-firing Upgrade for a 300 MWe Boiler



TBWES partnered with a leading integrated steel manufacturer in India to maximise the utilisation of blast furnace gas (BFG), a low-calorific byproduct generated during steel making. The objective was to increase the use of BFG in a 300 MWe power boiler, reducing dependence on coal while maintaining reliable and efficient operations.

To achieve this, TBWES upgraded the boiler and its combustion systems to enable seamless co-firing of BFG and coal. The project also included enhancements to emission control systems, heat recovery equipment and plant controls to ensure operational flexibility and stable performance across varying load conditions.

Executed during a planned shutdown, the project enabled the utilisation of approximately 3,00,000 Nm^3/h of BFG per boiler, reducing coal consumption by up to 45%. By converting an industrial byproduct into a valuable energy source, the solution improved resource efficiency, lowered emissions and supported the customer's sustainability objectives.

Thermax Bioenergy Solutions Private Limited (TBSPL), Pune, Maharashtra, 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, organic 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.

Business Highlights

- Commissioned seven bio-CNG plants during FY26, taking the total operational portfolio to 14 plants.
- Built operational experience across 10+ feedstock types, strengthening technical and execution capabilities.
- Crossed 100 TPD CBG production from all operational plants in January 2026.
- Produced 19,400 tonnes of CBG during FY26.

Growth Drivers

- **Mandatory CBG Blending Obligation:** The phased mandate for blending compressed biogas into CNG (compressed natural gas) and PNG (piped natural gas) networks, increasing from 1% in FY 2025-26 to 5% by FY 2028-29, is expected to drive demand for bio-CNG projects and infrastructure.
- **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.
- **Energy Security Imperative:** Geopolitical uncertainties and volatility in global fuel markets are accelerating investments in energy security and domestic energy infrastructure.

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 focusing on plant availability and operating at peak capacity.

Risks

- **Operational and Technology Challenges:** Experiencing technology reliability and performance challenges during scale-up and continuous plant operations. Facing delays in adoption and project execution due to evolving technology standards, system integration complexities, and ecosystem readiness constraints.

Risk Mitigation Plan

- Enhance plant reliability through preventive and predictive maintenance, real-time monitoring, and standardised operating practices to maximise uptime and optimise production performance.

Business Performance

During FY 2025-26, TBSPL's revenue declined by 53.7% as several existing orders neared completion. However, order booking increased by 221.4%, driven by technology interventions and improved asset management across ongoing projects. The Company adopted a cautious approach towards new EPC orders, particularly from public sector enterprises, until the performance of projects under execution following these interventions was validated in the fourth quarter of FY26. Despite a lower revenue and limited book-and-bill opportunities during the year, the Company reduced its losses by 65.2% year-on-year. Growing focus on energy security, supported by government policy initiatives and increasing interest from major oil marketing companies in CBG projects, is expected to create significant growth opportunities in the coming years.

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

- O&M contracts awarded for plants of a leading oil refinery major.
- No new EPC orders booked during the year, but orders secured for variation scope in existing projects.

CASE STUDY

Enhancing Process Efficiency through Advanced Solid-Liquid Separation



In bio-CNG plants, the solid-liquid separation (SLS) island plays a critical role in maintaining process stability by separating undigested material into solid cake and liquid permeate for recirculation. Efficient separation is essential to ensure steady-state digestion and optimal plant performance. However, existing systems were delivering separation efficiencies of only ~20%, limiting overall process effectiveness.

To address this, Thermax Bioenergy Solutions developed an industry-first two-stage solid separation system. This innovative approach integrates two distinct separation technologies in series: initial filtration through a separation screen, followed by assisted gravity-based separation, significantly improving the removal of solids from the digestate.

The enhanced system increased separation efficiency to ~50%, leading to improved operational stability and better synchronisation between the digester, SLS, and feeding systems. This advancement not only optimises process performance but also strengthens the reliability and efficiency of bio-CNG plant operations.

Performance of the Industrial Infra Segment in FY 2025-26

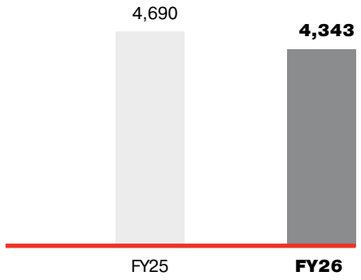


In FY 2025-26, the Industrial Infra segment contributed 41% to the Group's gross operating revenue, compared to 46% in FY 2024-25. The segment reported net operating revenue of Rs. 4,343 crore, compared to Rs. 4,690 crore in the previous year, primarily due to lower revenue contribution from the Power and Energy Solutions business, which witnessed subdued order inflow during the year.

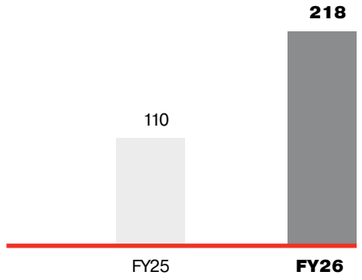
Despite the decline in revenue, segment profit improved to Rs. 218 crore from Rs. 110 crore in the previous year, driven by better project execution, an improved project mix and enhanced cost discipline. The previous year's profitability was also impacted by technology intervention costs in the Bioenergy business.

Order booking increased to Rs. 6,217 crore from Rs. 4,337 crore in FY 2024-25, supported by key order wins, including a supercritical boiler project and orders secured in export markets.

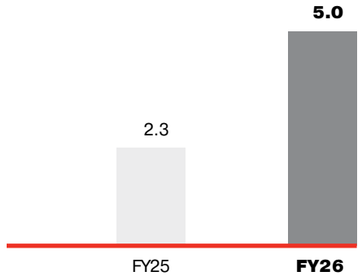
Revenue (in Rs. crore)



Profit* (in Rs. crore)



Profit Margin* (%)



* Segment PBIT before exceptional and unallocated overheads

4.3 Green Solutions

The Green Solutions segment comprises Thermax Onsite Energy Solutions Limited (TOESL), First Energy Private Limited (FEPL) and the Green Hydrogen business. This segment delivers sustainable, low-carbon energy solutions that enable customers to transition to cleaner, more efficient energy systems.

TOESL provides assured, outsourced green utility solutions under the Build-Own-Operate (BOO) model, allowing customers to adopt sustainable infrastructure without upfront capital investment. FEPL offers opex-based renewable energy solutions that deliver flexibility and cost efficiency to industrial energy users. The Green Hydrogen business focuses on electrolyser technology and complete plant set-up, leveraging global partnerships and Thermax's expertise in system design, development and integration.



Green Hydrogen

Overview

Thermax's Green Hydrogen business is focused on enabling industrial decarbonisation through scalable electrolyser technologies, integrated engineering, localisation, and lifecycle services. The business addresses hard-to-abate sectors such as steel, chemicals, refining, fertilisers, ammonia, and future fuels by combining Thermax's process heat, waste heat recovery, manufacturing, and service capabilities with global electrolyser technology partnerships. Thermax's portfolio includes alkaline water electrolysis (AWE) solutions for large-scale hydrogen projects and high-efficiency solid oxide electrolyser cell (SOEC) systems.

Business Highlights

- The Company has partnered with HydrogenPro to indigenise alkaline water electrolysis solutions for large-scale green hydrogen projects in India, including supply, installation, commissioning, and after-sales services.
- Thermax has entered a strategic partnership with Ceres Power to manufacture, sell, and service SOEC-based stack array modules and develop multi-megawatt SOEC electrolyser modules in India.
- Green hydrogen has been identified as one of Thermax's strategic emerging verticals, alongside carbon capture and biofuels, as part of its broader energy transition portfolio.

Key Solutions Provided

Thermax provides green hydrogen solutions across alkaline and SOEC electrolyser technologies, supported by engineering, localisation, manufacturing, installation, commissioning, and lifecycle support. The business is positioned to support customers from pilot-scale adoption to large industrial deployments, with a focus on improving levelised cost of hydrogen, reducing emissions, and enabling long-term energy transition.

Growth Drivers

- **National Green Hydrogen Mission:** India targets at least 5 MMT of green hydrogen production annually by 2030, creating strong policy-led demand.
- **Industrial Decarbonisation:** Hard-to-abate sectors require low-carbon hydrogen for process heat, feedstock, fuel switching, and green ammonia.
- **Local Manufacturing Push:** India's focus on domestic electrolyser manufacturing supports Thermax's localisation-led strategy.
- **Cost-Effective Renewable Energy:** High renewable energy potential and strong grid infrastructure supports the economics and growth of green hydrogen production.
- **Integrated Capability:** Thermax's strengths in heat integration, waste heat recovery, manufacturing, and services provide a strong platform for hydrogen solutions.

Focus Areas

- **Alkaline Electrolysis:** Offering proven alkaline electrolyser technology with HydrogenPro for large-scale and cost-effective hydrogen production.
- **SOEC Technology:** Developing high-efficiency solid oxide electrolyser solutions with Ceres Power, especially for customers with available waste heat or high-temperature industrial processes.
- **Localisation:** Building Indian capability across engineering, assembly, manufacturing, testing, commissioning, and lifecycle services.
- **Integrated Hydrogen Solutions:** Providing end-to-end support from technology selection and project engineering to installation, commissioning, and after-sales service.
- **Hard-to-Abate Sectors:** Targeting steel, refineries, chemicals, fertilisers, ammonia, mobility, and future-fuel applications.

Risks

- **High Production Cost:** Green hydrogen remains cost-sensitive due to power consumption, electrolyser cost, and system efficiency.
- **Demand Uncertainty:** Large-scale offtake depends on policy incentives, customer readiness, mandates, and export market development.
- **Technology Scale-up:** SOEC and large alkaline systems require careful validation, reliability assurance, and project-specific integration.
- **Infrastructure Gaps:** Storage, compression, transport, safety systems, and renewable power connectivity remain key constraints.
- **Competitive Intensity:** Global and domestic players are entering electrolyser manufacturing and hydrogen project development.

Risk Mitigation Plan

- Focus on high-efficiency technologies, including SOEC systems that can utilise waste heat to improve hydrogen economics.
- Partner with established global technology providers to accelerate market entry while building local manufacturing and service capability.
- Prioritise industrial customers with clear decarbonisation needs, existing energy infrastructure, and potential long-term offtake.
- Offer integrated solutions covering engineering, project execution, commissioning, and lifecycle support to reduce customer execution risk.
- Align offerings with India's policy framework, certification standards, and emerging green hydrogen demand clusters.

Sustainable Growth Plan

- Scale electrolyser deployment through strategic technology partnerships and localised manufacturing.
- Develop multi-megawatt hydrogen systems tailored for industrial decarbonisation and cluster-based applications.
- Leverage Thermax's integrated capabilities in manufacturing, renewable energy, engineering, gas purification, waste heat recovery, process heating, water treatment, and digital energy management to deliver end-to-end hydrogen solutions.
- Strengthen India's green hydrogen ecosystem by enabling domestic manufacturing, accelerating industrial decarbonisation, and supporting future export competitiveness.

Green Solutions Domestic (Indian) Subsidiaries

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

Overview

Thermax Onsite Energy Solutions Limited (TOESL), a wholly owned subsidiary of Thermax Limited, provides assured, outsourced green utility solutions through the Build-Own-Operate (BOO) model across steam, heat, treated water and related utility streams. Its operating model enables industrial customers to transition non-core utility requirements into long-term, performance-linked service arrangements, allowing them to focus on core operations while improving efficiency and sustainability outcomes.

Business Highlights

- Commissioned five projects across steam and heat, strengthening execution capabilities while scaling the biomass sourcing network to ~5,00,000 metric tonnes annually and deepening customer relationships through repeat and multi-site engagements.
- Expanded offerings with the first community steam project, with the potential to deliver over 81,000 tCO_2 in emissions savings, reinforcing the Company's role in industrial decarbonisation.

Growth Drivers

- **Sustainability Push:** EU's proposed carbon tax on exports and pressure from global buyers are driving demand for green energy.
- **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 (refuse derived fuel) based solutions.
- **Internationalisation:** Build scale in international markets by leveraging local partnerships, strengthening regional presence, and delivering differentiated sustainability solutions.

Risks

- **Macroeconomic Uncertainty:** Economic slowdown may impact industrial capital expenditure and delay investments in sustainability initiatives.
- **Commodity and Conventional Energy Price Risks:** Volatility in commodity prices and sustained low prices of fossil fuels such as coal and natural gas may affect capital equipment costs, project economics, and the adoption of renewable energy solutions.
- **Biomass Dependency:** High reliance on biomass poses risks related to feedstock availability, quality, and price fluctuations.
- **Capex vs. Opex Adoption**
  The pace of adoption of opex-based utility and service models may be slower than anticipated, as some customers continue to favour asset ownership through capex investments.

Risk Mitigation Plan

- TOESL is proactively addressing these factors through diversified fuel sourcing, enhanced fuel flexibility, and strong supply linkages to ensure reliability and cost stability.
- The Company maintains a disciplined approach to capital deployment and project structuring to remain resilient across interest rate cycles.
- Adopts a Group-wide customer engagement approach, enabling opportunities preferring capex-based investments to be addressed by other Thermax businesses while TOESL focuses on opex-led offerings.

Business Performance

In FY 2025-26, TOESL registered revenue decline of (0.5%), as compared to the 37.8% growth achieved in FY 2024-25. Order booking increased by 519.8%, compared with 54.6% growth in the previous year. During the year, TOESL has moved to a rolling 12-month forecast model for reporting its order book, replacing the earlier approach of recognising only the first year's revenue from long-term contracts.

Growth in order book was driven by a strong mix of new customer wins and repeat orders, along with continued momentum across key sectors. The year also saw expansion into international markets, progress in community utility solutions, and several marquee contract wins.

Key Solutions Provided

- Assured outsourced green utilities delivered under the BOO (Build-Own-Operate) model across multiple utility streams.
- Core expertise in biomass-based steam, heat, and cogeneration solutions.
- Expanding presence in water and wastewater treatment utility solutions.
- End-to-end service delivery: investment, engineering, commissioning, fuel & consumables management, operations & maintenance, and performance assurance.

CASE STUDY

Powering India's First Gigafactory



In FY 2023-24, TOESL secured a biomass-based boiler contract for a wholly owned subsidiary of a leading battery manufacturer that is setting up India's first 12 GWh lithium-ion cell manufacturing facility in Karnataka, in collaboration with SVOLT Energy Technology. This greenfield gigafactory, serving India's fast-growing EV market, has already commissioned Phase 1 with 6 GWh now in commercial production.

TOESL's biomass-fired boiler, delivered under a BOO model, offered a zero-capex solution and supplied green steam aligned with the customer's clean manufacturing goals, while helping reduce CO_2 emissions by around 20,000 tonnes per year.

As the project progressed and production scaled up towards full capacity, the customer awarded TOESL a second contract in FY 2025-26 for Phase 2 at the same site. The repeat order reflects strong operational performance and customer confidence, while also demonstrating TOESL's land-and-expand growth strategy, where successful execution at one site creates opportunities for deeper engagement and long-term partnership.

First Energy Private Limited (FEPL), Pune, Maharashtra, 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 extensive EPC expertise, FEPL offers flexible engagement models, including captive and group captive projects across states, enabling customers to access renewable energy under open-access frameworks.

Business Highlights

- FEPL commissioned a 39 MW wind project in Tamil Nadu during the year, supplying power to major industrial customers in Southern India. In response to growing demand, it has initiated expansion of the project to 51 MW to further support existing consumers in achieving their net-zero targets.
- FEPL also commenced construction of a 139 MW wind-solar hybrid project in Gujarat, India, and a 101.5 MW CTU (Central Transmission Utility)-connected wind project in Tamil Nadu, India. These projects are expected to be commissioned in Q2 FY 2027 and Q1 FY 2028, respectively, generating around 800 MUs of energy and offsetting approximately 5,60,000 metric tonnes of CO_2.

Growth Drivers

- **Integrated Offerings:** End-to-end energy solutions with long-term customer engagements.
- **Specialised C&I Focus:** Expertise in group captive power structures for industrial consumers, with strong capability in managing complex regulatory requirements over long-term horizons.
- **Renewable Mix:** A balanced portfolio of solar, wind, hybrid, and storage solutions catering to diverse energy needs.
- **Rising Demand for Sustainable Energy** Increasing focus on decarbonisation and clean energy adoption is accelerating demand for solar-wind hybrid solutions
- **Robust Backing:** Strong financial and technical capabilities are enabling 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.
- **New State Policy:** FEPL is capitalising on the Rajasthan 2024 RE policy by starting development of approximately 97 MWp solar project targeting to meet the RE requirements of local industries in the state.
- **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.
- **Strategic Footprint:** Presence across key states including Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh and Rajasthan, ensuring proximity to major industrial clusters.

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.
- **Shortfall in Generation and Revenue:** Lower generation and revenue compared to the business plan on account of lower resource (climate changes) and grid non-availability/curtailment.



Risk Mitigation Plan

- Continuous customer engagement remains critical to managing expectations, given the inherent complexities of renewable energy infrastructure projects.
- Project selection is driven by rigorous due diligence on land, connectivity, and permits, with conservative assumptions on cost, timelines, and generation based on site conditions.
- FEPL's strategy focuses on building high-quality, competitive projects without engaging in tariff wars, with realistic pricing as a foundation to ensure timely and cost-effective execution, especially given the fixed-tariff nature of customer agreements.

Business Performance

In FY 2025-26, FEPL recorded a revenue growth of 54.5%, following a 64.4% surge in FY 2024-25. Order booking grew by 88.7% this year, in contrast to (20.7)% decline in the previous year.

Despite an increase in revenue, the Company continued to report losses at the operating profit level (after interest and depreciation), driven by the challenges and risks highlighted under risk section.

Key Solutions Provided

FEPL delivers tailored renewable energy solutions that align with diverse industry requirements, applications, and energy goals. The company manages the entire lifecycle of captive renewable energy, from grid connectivity to firm-priced energy delivery over 25 years. This reduces risks associated with captive thermal power plants, addresses availability concerns related to Renewable Energy Certificates (RECs) towards renewable purchase/renewable consumption obligations, and lowers the long-term cost of energy.

Sustainable Growth Plan

- Over the years, FEPL has steadily enhanced its technical and execution capabilities, progressing from the development of 22 kV and 33 kV power evacuation infrastructure to the successful implementation of complex 110 kV and 220/30 kV evacuation systems, demonstrating its ability to deliver increasingly sophisticated grid infrastructure.
- Initial project development involved generating assets connected to the state transmission system. More recently, FEPL has expanded to the inter-state transmission network, delivering higher capacity utilisation factors (CUFs) to industrial consumers.
- In phases, FEPL has also expanded its offerings from pure solar in 2022, to wind-solar hybrids in 2023, pure wind in 2024, and solar with battery energy storage systems (BESS) from 2026 onwards.

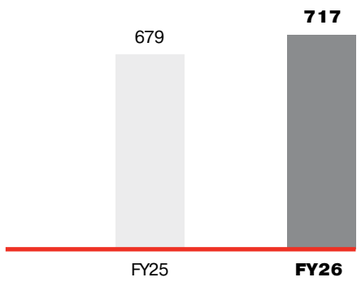
Performance of Green Solutions Segment in FY 2025-26



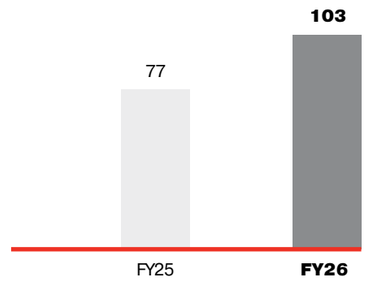
In FY 2025-26, the Green Solutions segment contributed 7% to the Group's gross operating revenue, up from 7% in FY 2024-25. The segment's net operating revenue rose to Rs. 717 crore, compared to Rs. 679 crore in the previous year. Order booking increased to Rs. 913 crore from Rs. 225 crore, primarily driven by TOESL's transition to a rolling 12-month forecast model for reporting its order book, replacing the earlier approach of recognising only the first year's revenue from long-term contracts.

The segment reported a PBIT of Rs. 103 crore during the year, compared to Rs. 77 crore in the previous year.

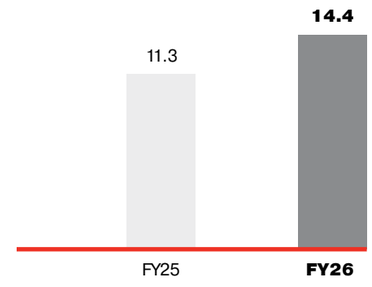
Revenue (in Rs. crore)



Profit* (in Rs. crore)



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, oil field chemicals, and a comprehensive range of construction chemicals, including concrete admixtures, waterproofing, industrial flooring, sealants and adhesives for industrial applications. 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 performance.

Last year, 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.

Business Highlights

- **Overseas Expansion:** The manufacturing facility in Cilegon, Indonesia, is now operational, producing water treatment chemicals and catering to the Southeast Asian markets; tolling operations have also commenced in Thailand to strengthen regional presence.
- **Global Partnership:** Building on the strategic partnership with OCQ, a new brand Fortmax has been launched for advanced resins and polymers, with production already underway at the Jhagadia plant in Gujarat, India.
- **New Applications:** During the year, the Chemicals business developed, launched, and commercialised speciality products, including PFAS removal resins for advanced water treatment, organic binders and dispersants for the ceramics industry, and high-grade micro-concrete solutions for construction chemical applications, while continuing to strengthen its market presence and accelerate penetration across these segments.

Growth Drivers

- **Make in India Push:** Government initiatives promoting domestic manufacturing of speciality 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, speciality 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.
- **Grow Strategic Portfolio Offerings**
  Expand market presence in industrial flooring, high-performance resins and polymers, and construction chemicals through the Vebro Polymers and OCQ partnerships and the Buildtech Products acquisition.

Risks

- **Geopolitical Uncertainty and Raw Material Volatility:** These factors may disrupt supply chains, increase input costs, and affect production schedules and margins.
- **Local Price Competition:** Emerging low-cost players in price-sensitive markets may pressure pricing and erode market share.

Risk Mitigation Plan

- Price actions are being implemented across customers and dealers, while margins are being closely managed through disciplined monitoring of the order book.
- In parallel, the product mix is being actively optimised to sustain profitability and ensure a balanced, value-driven portfolio.

Chemicals Overseas Subsidiaries

Thermax Inc., Houston, Texas, USA

Business Performance

In FY 2025-26, Thermax Inc.'s revenue grew by 29.3%, compared to a 0.3% growth in FY 2024-25. Order booking increased by 48.3%, following a 1.8% increase in the previous year. Revenue growth was driven by the successful acquisition of a strategic customer, where Thermax matched highly competitive Chinese pricing while differentiating itself through superior quality, technical collaboration, and product customisation.

Key Solutions Provided

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

Sustainable Growth Plan

- Expand market presence in LATAM (Latin America)/ Mexico and Canada through distributor networks.
- Target speciality and industrial deionisation opportunities in North America, especially in catalysts, mobile unit business, UPS (ultra pure water systems), and mixed-bed resin applications.

Key Industries

- Chemicals
- Commercial
- Electronics
- Food & Beverages
- Oil & Gas
- Petrochemicals
- Residential
- Municipal

Order Highlights

- Supplied industrial resins to two large accounts for the mobile unit business in North America.
- Supplied a large volume of mixed-bed resins for cartridge and window cleaning applications.
- Orders for resins have proved highly effective for the F&B segment in the LATAM market.

Thermax Chemical Europe, Herning, Denmark, Germany

Business Performance

Thermax Chemical Europe is a new entity with FY 2025-26 being its first financial year. The business is driven majorly by securing annual contracts from OEMs for mixed bed resins. It has executed orders for industrial demineralisation and speciality applications through technical collaboration and consistent performance.

Key Solutions Provided

- Sales and distribution of ion exchange resins for water treatment and speciality applications.

Sustainable Growth Plan

- Expand market presence in Europe through distributor networks and OEMs through UPS (ultra-pure water systems) and mixed bed resins for industrial water treatment.
- Focus on heavy metal removal and groundwater remediation applications in Western Europe.
- Target speciality applications in refinery and F&B segments.

Key Industries

- Refinery
- Food & Beverages
- Municipal
- Commercial Complexes
- Chemical
- Electronics

Order Highlights

- Secured orders for the supply of mixed-bed ion exchange resins in heating systems and cartridge filtration applications.
- Successfully executed orders for groundwater remediation and heavy metal removal applications, supporting customers in meeting stringent water quality requirements.
- Won multiple orders for industrial demineralisation systems.
- Received orders for new application segments like collagen purification, arsenic removal.



Chemicals Domestic (India) Subsidiaries

Buildtech Products India Private Limited, Delhi, India

Business Performance

In October 2024, Thermax acquired a 100% stake in Buildtech Products India Private Limited, a manufacturer of admixtures, accelerators and capsules used in tunnel, infrastructure and railway projects, strengthening its presence in the construction chemicals sector. Following the acquisition, the business underwent operational streamlining and showed encouraging signs of improvement towards the end of the year, with new orders secured, particularly in the western region. The approval process for a new sleeper manufacturing facility has also been initiated. The Company expects these initiatives to support accelerated growth from the second quarter of FY 2026-27 onwards.

Key Solutions Provided

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

Key Industries

- Underground Infrastructure
- Railway Sleeper Manufacturing

Sustainable Growth Plan

- Expanding footprint across West, South, and East markets through new approvals, while strengthening presence in sleeper manufacturing and exploring opportunities in neighbouring countries such as Nepal and Bhutan.

Geographical Footprint

- India
- Nepal

Order Highlights

- Secured regulatory approvals and project qualifications, including source approval from the Sinkula Tunnel Project, Dibang Hydro Project, and Pune Ring Road, along with the initiation of trials at Delhi Metro.
- Successfully completed customer trials at Patil Rail and Malu Sleepers.

Thermax Vebro Polymers India Private Limited, Chennai, Tamil Nadu, India

Business Performance

FY 2025–26 was the first year of full operations for the business, with revenue reaching Rs. 10 crore, compared to Rs. 2 crore recorded during the four-month period in FY 2024–25. This reflects the strong progress made since the partnership with UK-based Vebro Polymers that was established following the signing of the shareholders' agreement in July 2024.

Key Solutions Provided

Customised resinous polymer flooring solutions engineered to meet industrial and commercial performance requirements while optimising lifecycle costs.

Sustainable Growth Plan

Thermax Vebro Polymers India Pvt. Ltd.'s sustainable growth strategy focuses on innovation, operational excellence and environmental responsibility. The company aims to deliver high-performance flooring solutions while reducing its environmental footprint through resource-efficient processes, use of sustainable materials and strong safety and quality standards. This is supported by continued investment in people and technology.

Geographical Footprint

- India

Key Industries

- Food & Beverages
- Pharmaceuticals
- Textiles
- Automotive General Manufacturing
- Stadia & Airports
- Commercial Complexes
- Healthcare and Education

Order Highlights

- Secured orders from leading players across the electronics, automotive, FMCG, and construction sectors.

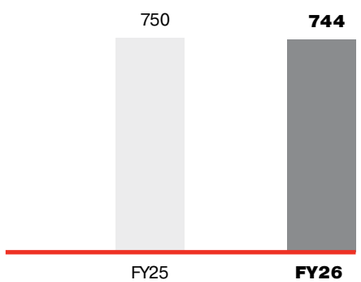


Performance of Chemicals Segment in FY 2025-26

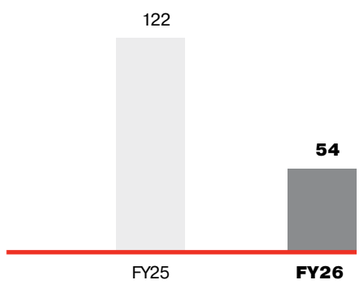


The Chemicals segment contributed 7% of the Group's gross operating revenue in FY 2025-26, compared to 7% in the previous year. Operating revenue stood at Rs. 744 crore against Rs. 750 crore in FY 2024-25, while segment profit declined to Rs. 54 crore from Rs. 122 crore. Performance during the year was impacted by higher input costs, expenses associated with new manufacturing capacity, investments in two new partnerships, and the integration of the Buildtech acquisition. Despite these challenges, order booking increased to Rs. 805 crore from Rs. 787 crore in the previous year, reflecting sustained demand across key markets.

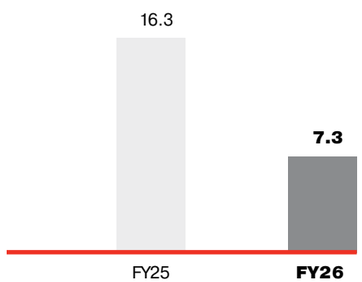
Revenue (in Rs. crore)



Profit* (in Rs. crore)



Profit Margin* (%)



* Segment PBIT before exceptional and unallocated overheads

5. Performance on Strategy



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	• During the year, Thermax's Process Heat Solutions business expanded its portfolio to enable industries to transition towards cleaner and more sustainable energy systems while ensuring operational reliability. Key among these was a pellet-fired steam generator for low-capacity applications, enabling a shift from fossil fuels to biomass-based heating. The business also developed an advanced boiler configuration capable of operating on 100% syngas, 100% biomass, or a combination of both, addressing fuel variability and supporting phased decarbonisation. Initial orders have already been secured. In addition, the business scaled its electric heating solutions, supporting the growing shift towards electrification in applications with increasing access to clean power. • Within the Cooling and Heating business, the portfolio was strengthened across both heating and cooling applications by scaling high-temperature heat pumps up to 140°C to support the electrification of industrial heating, while also enhancing sub-zero chiller range for critical low-temperature requirements. Further advancement in energy efficiency is being achieved by developing high-COP absorption chillers and with introduction of absorption concentrator to significantly improve zero liquid discharge (ZLD) efficiency.
Foster Technology Partnerships	• Thermax entered into a strategic partnership with Norway-based HydrogenPro, a leader in green hydrogen technology and systems, to build capabilities in alkaline electrolysers. • Thermax has partnered with Vogelbusch through a technical MoU to deliver end-to-end EPC solutions for ethanol plants, combining Vogelbusch's process expertise with Thermax's execution capabilities.
Invest in R&D	• Investing in R&D to indigenise hydrogen production, purification, and compression. • Advancing microbial bioprocessing technologies to create a carbon neutral bio-refinery platform. • Expanding CCU solutions, including indigenous biogenic CO_2-to-methanol and syngas-to-methanol technologies. • Building waste-to-X technologies for thermochemical conversion of agricultural, industrial, and municipal wastes into high-value fuels and chemicals.

SO2



Strengthen Solutions Businesses

Definition

Enhance our capabilities to provide long-term utility services.

Focus areas	Highlights
Provide Renewable Energy Solutions	• Green Steam Projects • Bio-CNG Production • Wind-Solar Hybrid Projects
Offer End-to-End Energy Management for Utilities	• Thermax commissioned two energy-efficient projects, one leveraging fuel cell waste heat recovery for comfort cooling in an IT infrastructure facility (utility-as-a-service model), and another deploying an electric heat pump for humidity control in a pharmaceutical plant, delivering up to 70% reduction in operating costs under an ESCO model.

SO3



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 established to diversify Thermax's Cooling & Heating portfolio and ensure that the Company remains at the forefront of innovation. The business has also signed an MoU with Trigen Decarbonisation in India to enhance its heat pump capabilities up to 180°C. • Thermax collaborated with Vertiv in the USA to promote absorption chillers. • Thermax has also partnered with Symbiona S.A. for circular water solutions.
Establish New Growth Units	• Under the Cooling and Heating business, the growth unit, SustainX, established last year, continued to build momentum, with 110+ cooling tower units delivered across key industries such as data centres, including international installations, and supplied 10 heat pump units. • The ZLD growth unit recorded strong growth in order booking YoY (including captive and direct). Backed by advanced products and in-house technologies, it has evolved into the Evaporation business, expanding from utility ZLD solutions to process evaporation and zero solid discharge. With a focus on high pollution index industries, the business secured orders across pharmaceuticals, solar, tannery, automobiles, electronics and FMCG. • With end-to-end water and wastewater solutions, the Thermax Urthh growth unit enables sustainable water usage, optimises costs, and ensures regulatory compliance across urban landscapes. Targeting residential, healthcare, commercial and institutional segments, Urthh is steadily building market presence. Integration with Thermax EDGE Live® enables real-time monitoring and remote management, improving uptime, reducing costs and supporting sustainability goals.
Expand Manufacturing Capabilities and Capacities	• Optimised fixture orientation and manufacturing flow at the Sri City manufacturing facility through in-house layout modifications, unlocking ~980 square metres of space and enabling five heat pump workstations along with additional capacity for six to eight chillers to support future demand. • The manufacturing facility in Cilegon, Indonesia is now operational, producing water treatment chemicals and catering to Southeast Asian markets.



Drive Digital Transformation

Definition

Leverage digitalisation to improve efficiency, both internally and externally.

Focus areas	Highlights
Increase Digital Interventions Across Processes	• In 2025-26, Thermax continued to accelerate its digital transformation journey, with a focused agenda around enhancing operational efficiency, improving data visibility, and enabling smarter decision making. Across the year, several critical processes were reimagined end-to-end, spanning sourcing-to-payment, digital-native business setup, customer audits, installation & commissioning, aftersales services, customer collaboration through a WhatsApp bot, AI-powered knowledge management, and AI-driven document processing. • Value realisation is being tracked across four strategic dimensions: order growth, productivity & scalability, margin & lead time, and risk, ensuring that digital investments translate into measurable business outcomes. Anchored by a robust Project Management Office (PMO) framework, 52 projects were successfully taken live during the year.
Proliferate Customer-Centric Digital Platforms	• Thermax acquired a 51% stake in ExactSpace, adding AI-powered predictive maintenance and process optimisation capabilities to enhance value for industrial and commercial customers. • Thermax EDGE Live® is Thermax's AI-powered IIoT platform built to support industrial customers in their journey towards energy transition, plant reliability, and performance optimisation. • By the end of FY 2025-26, 300+ units were digitally connected including boilers, chillers, power plants, water treatment plants, partnering with customers towards energy transition to improve efficiency and enhance uptime.
Strengthen Cybersecurity Measures	• Established data protection capabilities for critical IP and data. • Strengthened cybersecurity with 24×7 security operations centre (SOC), dark web monitoring, threat intelligence and rogue app takedown. • Enhanced email security through stronger phishing and malware controls, supported by regular training and simulations. • Implemented Vulnerability Assessment and Penetration Testing (VAPT) capabilities for Operational Technology (OT) systems and plant network infrastructure. • Achieved SOC 2 Type 1 certification for EDGE Live; renewed ISO 27001:2022 certification.



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	• Prioritised key account management and implemented account-based marketing strategies to deepen customer relationships. • Strengthened our portfolio through strategic partnerships with HydrogenPro for alkaline electrolysers and Symbiona S.A. for advanced anaerobic wastewater treatment solutions.
Accelerate Market Penetration With Unified, Cross-Business Energy Transition Offerings	• Organised multiple customer engagement initiatives and participated in global events to showcase a comprehensive portfolio of energy transition solutions and strengthen customer connect.
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 to nurture future-ready leaders. • Through the Thermax Service Academy, the Company empowers both new recruits and experienced service professionals with structured technical, operational, and customer-centric training, fostering continuous learning and service excellence.
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.



Energise the Core

Definition

Continue to build on our existing strategic priorities.

Focus areas

Increase the Share of Green Offerings

Highlights

Key green orders leading to clean air, clean energy, and clean water received during FY 2025-26 across multiple segments include:

INDUSTRIAL PRODUCTS

Process Heat Solutions

- Order for 30 TPH biomass-fired RG Boiler and 9 Mn kcal/hr biomass-fired RG Heater for carbon black plant in the east of India (Odisha).
- 2 Nos. X 30 TPH biomass-fired RG boiler from an energy company in the west of India (Gujarat).

Cooling & Heating Solutions

- Achieved a breakthrough order for 28 hybrid closed-loop cooling towers for data centres.
- Won a 2,000 TR steam-driven absorption chiller order along with four closed-loop cooling towers for a battery line project.
- Delivered 2 x 930 TR steam-driven absorption chillers for a nuclear application.
- Executed an order for 2 x 2,500 TR steam-driven absorption chillers for the steel sector.

Air Pollution Control

- Secured a significant order from a major solar manufacturing company for a scrubber-based process exhaust package.

Water and Waste Solutions

- Won a breakthrough order from a leading clean energy provider spanning solar, wind, green hydrogen and ammonia, and plant-based protein. The project, delivering UPW (ultra-pure water) and ZLD solutions, highlights our strength in winning within the highly competitive solar sector.

INDUSTRIAL INFRA

Projects and Energy Solutions (P&ES)

- Strengthened EPC capabilities in the bioethanol segment, securing orders for grain-based projects aggregating 290 KLPD.
- Further expanded the green energy portfolio with a Letter of Award from Deendayal Port Authority for developing India's first 5 TPD green methanol facility at Kandla Port, Gujarat.

Thermax Babcock & Wilcox Energy Solutions Limited (TBWES)

Read more on page 86

Thermax Bioenergy Solutions Private Limited (TBSPL)

Read more on page 88

GREEN SOLUTIONS

Thermax Onsite Energy Solutions Limited (TOESL)

Read more on page 93

First Energy Private Limited (FEPL)

Read more on page 95

Focus areas

Grow Services Portfolio

Highlights

Thermax provides a comprehensive array of services across its products and projects businesses, including operation and maintenance, plant upgrades, modernisation, and in-depth evaluations, to name a few. Major highlights across segments include:

INDUSTRIAL PRODUCTS

Process Heat Solutions

- The Steam Engineering business has launched SteamAssist, a user-friendly mobile application and centralised knowledge management system designed to enhance productivity, collaboration, and operational performance by enabling seamless access to training, engagement, marketing, and sales resources for teams and channel associates anytime, anywhere.

Cooling and Heating Solutions

- EDGE Live scaled to 250+ installations in FY 2025–26, with AI/ML-driven predictive models improving uptime, enabling online issue resolution, and achieving ~90% prediction accuracy, supported by automated incident management and a 100% contract renewal rate.
- Introduced value-added service tiers and solutions to upgrade legacy systems into high-efficiency, multi-energy hybrid units, addressing key customer pain points.
- End-to-end service lifecycle digitised, improving operational efficiency, service visibility and customer responsiveness.

Air Pollution Control

- Recorded highest-ever offshore services bookings across SEA power and industrial sectors.

Water & Waste Solutions

- Introduced the TSA Care initiative to strengthen after-sales service capabilities, enabling comprehensive lifecycle support and reinforcing the delivery of reliable, sustainable, and GMP (Good Manufacturing Practices)-compliant solutions for the efficient production of life-saving medicines.

INDUSTRIAL INFRA

Projects and Energy Solutions (P&ES)

- Strengthened capabilities in managing complex utility assets, with a focused approach on large-scale power plant O&M (>100 MW) and a key order secured in FY 2025-26.
- Expanded digital offerings with an order from a leading global FMCG organisation for integrated utility digitalisation, enabling improved performance monitoring and optimisation.
- Supported customers' sustainability journeys through initiatives such as fuel transition from coal to biomass and asset revamps, enhancing efficiency, reducing emissions, and extending asset life.

Thermax Babcock & Wilcox Energy Solutions Limited (TBWES)

- Secured a contract for revamp of three travelling grate boilers for a chemical manufacturer in Colombia.

Focus areas	Highlights
Internationalisation	Major export orders and those bagged by international subsidiaries for FY 2025-26 across segments include:

INDUSTRIAL PRODUCTS

Process Heat Solutions

- 21 TPH reciprocating grate (RG) boiler capable of operating on 100% syngas, 100% biomass, or a combination (Philippines – food).
- 28 TPH biomass-fired reciprocating grate (RG) boiler (Sri Lanka – rice).
- 5 x 16 TPH gas-fired boiler along with condensing economisers (Egypt - chemical).

Cooling and Heating Solutions

- 10 x 2,782 TR medium-temperature hot water-driven absorption chillers and 13 x 1,330 TR low-temperature units (New Jersey – data centre).
- 3 x 830 TR steam-driven absorption chillers (Russia – chemical).
- 738 TR steam-driven absorption heat pump (Lithuania – district heating).
- 1,200 kW electric heat pump (UAE – beverage).

Air Pollution Control

- Achieved near-zero emissions (1.4 mg/Nm^3) (Malaysia – cement).
- 34 bag filters order (Turkey – lime kiln & coal grinding).
- Multiple bag filters & scrubber packages (Europe - cement).
- ESP orders (Dominican Republic & Colombia – palm oil).

Water and Waste Solutions

- Secured a water treatment plant and effluent treatment plant order (Paraguay - fertiliser).

INDUSTRIAL INFRA

Projects and Energy Solutions (P&ES)

Read more on page 84

Thermax Babcock & Wilcox Energy Solutions Limited (TBWES)

- 4 x 400 TPH utility boilers and associated systems (Nigeria – refinery).
- 1 x 120 TPH supplementary fired heat recovery steam generator (UAE – onshore oil & gas).
- Three HRSGs and two fuel gas-fired boilers (UAE – onshore oil & gas).

GREEN SOLUTIONS

Thermax Onsite Energy Solutions Limited (TOESL)

Read more on page 93

CHEMICALS

Thermax Inc.

Read more on page 99

6. Financial Performance

A Revenue from Operations

During the year FY 2025-26, the group recorded an operating revenue of Rs. 10,694 crore as compared to Rs. 10,369 crore in the previous year. The basic earnings per share for the year was at Rs. 63.95 per share (previous year - Rs. 56.33) per share and diluted earnings per share was Rs. 63.94 (previous year - Rs. 56.31). The analysis of major items of the financial statements is given below:

(in Rs. crore)

	FY26	FY25	Change(%)
Revenue from projects and products	9,464	9,094	4%
Revenue from services	1,002	1,052	(5%)
Revenue from power supply	139	90	54%
Finance income on leased assets	37	32	16%
Other operating revenue	52	101	(49%)
Total revenue from operations	**10,694**	**10,369**	**3%**

The increase was primarily driven by growth in the Industrial Products and Green Solutions segments, which grew by 15% and 6% respectively, while the Industrial Infra and Chemicals segments declined by 7 % and 0.8% respectively. Other operating revenue decreased mainly due to higher losses arising from exchange difference.

B Cost of Material Consumed

(in Rs. crore)

	FY26	FY25	Change(%)
Cost of material consumed	5,560	5,794	(4%)
% of total revenue	52%	56%	(7%)

Cost of material consumed has reduced material cost by 4% mainly due to change in the business mix. Also the previous year's amount included project cost overruns on certain projects, which were not incurred in the current year.

C Employee Benefit Expenses

(in Rs. crore)

	FY26	FY25	Change(%)
Employee benefit expenses	1,421	1,269	12%

During the year, employee benefit expenses increased primarily on account of the increment cycle, higher headcount in the services business and project execution teams, and employee incentive payouts.

D Other Expenses

(in Rs. crore)

	FY26	FY25	Change(%)
Consumption of stores and spare parts	135	116	16%
Power and fuel	68	57	19%
Freight and forwarding charges (net)	236	215	10%
Drawing, design and technical service charges	60	58	3%
Sales commission	39	36	8%
Advertisement and sales promotion	39	31	26%
Rent	30	30	-
Rates and taxes	24	16	50%
Insurance	26	21	24%
Repairs and maintenance	126	121	4%
Travelling and conveyance	131	114	15%
Legal and professional fees (includes payment to auditors)	180	163	10%
Provision for doubtful advances (net)	24	7	243%
Warranty expenses (net) (Includes free of cost supply)	46	45	2%
Loss on sale/discard of assets (net)	12	3	300%
Expenditure on Corporate Social Responsibility	14	11	27%

(in Rs. crore)

	FY26	FY25	Change(%)
Miscellaneous expenses (includes printing, communication, security expense, etc.)	65	70	(7%)
Total other expenses	**1,255**	**1,114**	**13%**
Less: Capitalised during the year	(7)	(7)	0%
Net total other expenses	**1,248**	**1,107**	**13%**

Other expenses were higher compared to the previous financial year, primarily due to an increase in direct costs such as consumption of stores and spare parts and freight and forwarding charges, driven by higher operational activity and revenue. There was also an uptick in legal and professional fees, as well as travel expenses, attributable to business growth and various new initiatives undertaken during the year. Furthermore, a provision has been created for doubtful advances.

E Site expenses and contract labour charges

(in Rs. crore)

	FY26	FY25	Change(%)
Site expenses and contract labour charges	1,396	1,211	15%

Site expenses increased during the period primarily due to higher project execution activities and increased operational requirements at project sites.

F Net impairment losses on financial and contract assets

(in Rs. crore)

	FY26	FY25	Change(%)
Net impairment losses on financial and contract assets	43	81	(47%)

The ECL (expected credit loss) provision has decreased mainly because of improved customer collections during the year.

G Exceptional Items Gain/(Loss)

(in Rs. crore)

	FY26	FY25	Change(%)
Exceptional items gain/(loss)	61	-	100%

The current's year exceptional items include income from the reversal of provision for litigation and interest received on the Rashtriya Chemical Fertilizers (RCF) deposit. They also include the one-time statutory impact of the new labour codes.

H Property, Plant and Equipment

(in Rs. crore)

	FY26	FY25	Change(%)
Property, plant and equipment	2,640	2,442	8%
Capital work-in-progress	1,392	561	148%
Right-of-use assets	228	174	31%
Goodwill	80	80	-
Other intangible assets	99	111	(11%)
Intangible assets under development	50	2	2400%
Total property, plant and equipment	**4,489**	**3,370**	**39%**

The movement in the property, plant & equipment and capital work-in-progress is mainly due to solar assets under construction in First Energy Private Limited. Intangible assets under development include capitalised technical know-how.

I Investments

(in Rs. crore)

	FY26	FY25	Change(%)
Non-current investments	497	121	311%
Current investments	1,277	1,568	(19%)
Total investments	**1,774**	**1,689**	**5%**

Investments predominantly comprise debt mutual funds and investment in corporate bonds. The increase in non-current investments is primarily due to allocations with a tenure exceeding 12 months to achieve better returns.

J Trade Receivable

(in Rs. crore)

	FY26	FY25	Change(%)
Trade Receivable	2,205	2,003	10%

Increase is in line with increase in volume.

K Contract Assets

(in Rs. crore)

	FY26	FY25	Change(%)
Non-current contract assets	-	159	-100%
Current contract assets	773	482	60%
Total contract assets	**773**	**641**	**21%**

The increase is mainly due to an increase in retention amount and unbilled amount mainly in TBWES.

L Cash Flow

(in Rs. crore)

	FY26	FY25	Change(%)
Net cash flows from operating activities	542	1,080	(50%)
Net cash flows (used in) investing activities	(587)	(1,272)	(54%)
Net cash flows from financing activities	248	122	103%
Net increase in cash and cash equivalents	**203**	**(70)**	**-**

The decrease in operating cash flow is due to increased execution activities, resulting in higher retention in the project business and lower customer advances during the current year. This has had a cascading effect on investing activities. Increase in financing activity due to additional borrowing taken during the year.

M Cash and cash equivalents and other bank balance

(in Rs. crore)

	FY26	FY25	Change(%)
Cash and cash equivalents	674	417	62%
Other Bank Balance	516	730	(29%)
Cash and cash equivalents and other bank balance	**1,190**	**1,147**	**4%**

The increase is mainly due to higher business collections as at the year end.

N Other Liabilities

(in Rs. crore)

	FY26	FY25	Change(%)
Non-current other liabilities	42	37	14%
Current other liabilities	2,111	2,088	1%
Total other liabilities	**2,153**	**2,125**	**1%**

The increase is mainly attributable to an increase in customer advances as offset by decrease in unearned revenue.

O Borrowings

(in Rs. crore)

	FY26	FY25	Change(%)
Non-current borrowings	1,616	1,162	39%
Current borrowings	672	532	26%
Total borrowings	**2,288**	**1,694**	**35%**

The increase is primarily due to additional borrowings during the year, partially offset by repayments made.

P Other Assets

(in Rs. crore)

	FY26	FY25	Change(%)
Non-current other assets	191	222	(14%)
Current other assets	585	636	(8%)
Total other assets	**776**	**858**	**(10%)**

The decrease is primarily attributable to reduction in deposit against litigation as offset by increase in higher balance with government authorities.

Financial Data at a Glance (10-Year Data)

All amounts are in rupees crore, except per share data and unless stated otherwise.

Particulars	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Domestic sales	7,559	7,944	7,189	5,992	4,443	3,037	3,685	3,249	2,668	2,813
International sales / business	3,084	2,324	2,048	2,042	1,621	1,673	1,970	2,637	1,703	1,573
% to Total sales	29%	23%	22%	25%	27%	36%	35%	45%	39%	36%
Total sales	10,643	10,268	9,237	8,034	6,064	4,710	5,655	5,886	4,371	4,386
Growth over previous period(s)	4%	11%	15%	32%	29%	(17%)	(4%)	35%	0%	(13%)
Other operating revenue	52	102	86	56	64	81	76	87	94	97
Revenue from operations	10,695	10,370	9,323	8,090	6,128	4,791	5,731	5,973	4,465	4,483
Other income	267	252	233	160	127	108	100	150	116	114
Total income	10,962	10,622	9,556	8,250	6,255	4,899	5,831	6,123	4,581	4,597
Total expenses excl. depre and finance cost	9,668	9,461	8,526	7,492	5,707	4,435	5,324	5,516	4,064	4,049
Profit before depreciation, finance cost, exceptional items and tax	1,294	1,161	1,030	758	548	464	507	607	517	548
(% to Total income)	12%	11%	11%	9%	9%	9%	9%	10%	11%	12%
Depreciation	208	159	148	117	113	115	117	92	82	82
Interest	139	117	88	38	25	21	15	14	13	10
Exceptional items of (income) / expense	(61)	-	(75)	-	-	53	-	90	-	18
Profit before tax	1,008	885	869	603	410	275	375	411	422	438
(% to Total income)	9%	8%	9%	7%	7%	6%	6%	7%	9%	10%
Tax	288	258	226	152	98	69	162	85	166	156
Profit after tax before non-controlling interest and share in loss of associate and joint venture	720	627	643	451	312	206	213	326	256	282
Share in joint venture /associate loss	-	-	(1)	-	-	-	-	(1)	(25)	(66)
Non-controlling interest	-	(8)	(2)	-	-	NA	NA	NA	NA	NA
Profit after tax after non-controlling interest and share of loss in associate	720	635	646	451	312	206	213	325	231	216
Other comprehensive income	(19)	(2)	(9)	0	8	17	(9)	(22)	27	(19)
Total comprehensive income attributable to	701	625	634	451	320	223	204	302	258	197
Equity holders of the parent	701	633	636	451	320	223	204	302	259	204
Non controlling interest	-	(8)	(2)	-	-	-	-	-	(1)	(7)
Gross block	6,145	4,831	3,753	2,903	2,396	2,352	2,255	2,236	1,741	1,515
Net block	4,489	3,368	2,431	1,682	1,239	1,266	1,339	1,352	1,076	952
Investments	1,774	1,689	1,746	1,610	1,470	234	875	829	1,472	1,083
Current assets	7,109	6,687	6,448	6,072	4,738	4,466	3,977	4,737	4,102	3,297
Current liabilities	5,820	5,009	4,725	4,409	3,758	3,071	2,787	3,654	3,079	2,365
Net current assets	1,289	1,678	1,723	1,663	980	1,395	1,190	1,083	1,023	932
Capital employed	7,166	6,099	5,229	4,292	3,553	3,273	3,061	3,050	2,768	2,585
Equity share capital	23	23	23	23	23	23	23	23	23	23
Reserves and surplus	5,527	4,914	4,417	3,846	3,469	3,228	3,005	2,992	2,692	2,515
Networth	5,550	4,937	4,440	3,869	3,492	3,251	3,028	3,015	2,715	2,538
Non-controlling interest	29	6	-	2	-	-	-	-	-	1
Borrowings (long-term)	1,616	1,162	789	423	61	22	33	35	53	46
Fixed asset turnover ratio (times)	*2.37*	*3.05*	*3.80*	*4.78*	*4.89*	*3.72*	*4.22*	*4.35*	*4.06*	*4.61*
Working capital turnover ratio (times)	*8.26*	*6.12*	*5.36*	*4.83*	*6.19*	*3.38*	*4.75*	*5.43*	*4.27*	*4.71*
Current ratio (times)	*1.22*	*1.33*	*1.36*	*1.38*	*1.26*	*1.45*	*1.43*	*1.30*	*1.33*	*1.39*
Return on capital employed (%)	*15%*	*16%*	*17%*	*15%*	*12%*	*11%*	*13%*	*14%*	*15%*	*15%*
Return on net worth (%)	*13%*	*13%*	*15%*	*12%*	*9%*	*6%*	*7%*	*11%*	*9%*	*9%*
Cash earnings per share (Rs.)	*82.37*	*71.20*	*70.45*	*50.36*	*37.74*	*28.50*	*29.30*	*37.06*	*27.93*	*27.08*
Earnings per share (Rs.)	*63.95*	*56.33*	*57.30*	*39.98*	*27.73*	*18.34*	*18.87*	*28.90*	*20.61*	*19.80*
Dividend (%)	*1000%^*	*700%*	*600%*	*500%*	*450%*	*350%*	*350%**	*350%*	*300%*	*300%*
Book value per share (Rs.)	*492.64*	*438.29*	*394.23*	*342.52*	*310.08*	*288.68*	*268.88*	*267.73*	*241.06*	*225.34*

* It is interim dividend paid to shareholders
^Dividend declared per share (Including a special dividend of Rs. 6 per share to commemorate Thermax's 60th Anniversary)

7. Key Opportunities and Threats

As market conditions change, we capitalise on opportunities and manage risks to drive innovation and operational excellence. This balanced strategy supports sustainable growth and enhances our Company's competitive advantage for all stakeholders.

Key Opportunities

Accelerating the Energy Transition: With increased government emphasis on renewable energy and sustainable practices, we can capitalise on new incentives and expand demand for our clean, energy-efficient solutions.

Driving Digital Transformation and Smart Manufacturing: Our investment in digital technologies enhances operational efficiency, reduces costs, and improves product quality. This strengthens our competitive edge.

Building Robust Infrastructure: As India continues to focus on infrastructure expansion, we see opportunities to supply integrated solutions in energy, water treatment, environmental management and construction chemicals.

Expanding Globally: Emerging international markets focused on sustainability present us with opportunities to expand our Company's footprint and drive revenue growth beyond domestic boundaries.

Focusing on R&D and Technological Innovation: Our continued emphasis on research and development can yield breakthrough products and sustainable technologies, positioning our Company as a leader in the energy and environmental sectors.

Climate Change and Electrification: Climate-driven decarbonisation is accelerating the adoption of electrified and low-carbon industrial processes. This creates opportunities for Thermax to expand its portfolio of clean energy, electrification, and sustainability solutions.

Key Threats

Competing in a Crowded Market: We face intensifying competition from both domestic and international players in the energy and environmental sectors, which may lead to pricing pressures and margin compression.

Managing Regulatory and Policy risks: Shifts in environmental and energy policies, along with stricter regulatory requirements, could increase compliance obligations, raise costs, and affect business operations.

Navigating Economic and Market Uncertainty: Global economic volatility and domestic market fluctuations may affect capital expenditure and reduce demand for large industrial projects.

Geopolitical Uncertainty
Disruptions caused by geopolitical tensions, raw material price volatility, or logistical challenges can affect our production schedules and cost structures.

Staying Ahead of Technological Change: Rapid advancements may render our current processes or solutions less competitive unless we continuously innovate and adapt to emerging trends.

Climate Change and Disruptive Energy Transition: The shift towards electrified and low-carbon technologies driven by climate change may reduce demand for certain conventional fuel-based and thermal solutions, impacting parts of Thermax's existing portfolio.

8. Others

8.1 Risk Management

Our Company's Enterprise Risk Management (ERM) framework regularly assesses key risks and business processes to ensure system resilience across all our locations. We identify potential exposures and recommend appropriate mitigation measures to safeguard our operations. For further details on our risk management practices, please refer to page 32.

8.2 Internal Controls

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

We ensure our operating managers are regularly informed about relevant legal and regulatory changes that impact their areas of responsibility. We conduct monthly compliance checks to uphold adherence to these requirements.

To mitigate the risk of unethical conduct, we have fostered a strong ethical culture supported by a clear Code of Conduct and a well-defined Whistleblower Policy. In addition, by using enterprise resource planning (ERP) software across our operations, we ensure built-in controls and enable 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 our governance.

8.3 Health, Safety and Environment (HSE)

At Thermax, safety continues to be a core organisational value and a leadership priority. During the year, the Company deeply regretted four fatalities across its operations and project sites. These incidents reinforced the need to further strengthen safety ownership, risk controls, and behavioural interventions across all levels.

The Company remains focused on building a proactive, behaviour-driven safety culture, ensuring that every employee, contractor, and stakeholder operates in a safe and responsible environment. HSE governance is driven by strong leadership oversight, structured policies, and continuous engagement across all business units. HSE performance is regularly reviewed at senior management and at the Board reinforcing accountability and enabling continuous improvement across operations.

During the year, Thermax further strengthened its safety framework through leadership engagement, digital enablement, capability building, and system-driven governance, while continuing to align with global standards and industry best practices.

Behaviour-Based Safety (BBS) & Safety Culture

Thermax continues to deepen its Behaviour-Based Safety (BBS) journey, embedding an ownership-led safety culture beyond compliance.

Key initiatives include:

- **Visible Felt Leadership (VFL):** Leaders actively demonstrate commitment through on-ground engagement, building trust and accountability
- **Peer Observation and Real-time Feedback:** Enabling early identification and correction of at-risk behaviours
- **One Day Safety Officer initiative:** 6,129 line managers participated, strengthening frontline safety ownership
- **Life Saving Rules & Stop Work Authority:** Empowering employees and contractors to proactively prevent unsafe acts

Additionally, structured analysis of critical risks is conducted across businesses, with designated leaders driving targeted interventions through engineering controls, process improvements, and focused training.

Thermax also successfully hosted the 10th National BBS Conference, bringing together over 150 HSE professionals, further strengthening its leadership in advancing behavioural safety and cross-industry knowledge sharing.



Capability Building & Training Excellence

A key focus area during the year has been strengthening training effectiveness and competency development.

- Implementation of a digital contractor training and competency management system, enabling:
  - Role-based training identification
  - Tracking of individual training hours
  - Competency assessment and validation
- Virtual Reality (VR)-based safety training programme covering critical risk areas such as:
  - Work at height
  - Electrical safety
  - Material handling
  - Machine safety

Over 2,000 participants have been trained through immersive learning modules, improving hazard awareness and decision making.

- Structured HSE training programmes:
  - IOSH Managing Safely certification: 131 participants
  - ISO 45001 Lead Auditor training: 08 participants
- Mandatory HSE onboarding training for employees and contractors prior to site deployment

This shift from training quantity to training quality is significantly enhancing workforce capability and contributing to improved safety outcomes.

Strengthened Audit & Governance Framework

Thermax has enhanced its safety governance through a robust, multi-layered audit mechanism:

- Corporate safety audit team supported by cross-functional experts
- Standardisation of 22 HSE procedures across all locations
- Development of comprehensive audit and inspection checklists

Alignment with:

- Internal Thermax standards
- International frameworks such as ISO 45001 and ISO 14001

Multiple surveillance and recertification audits were conducted across manufacturing plants, project sites, and business divisions by reputed certification bodies.

Audit findings are systematically reviewed at senior management levels, ensuring:

- Timely corrective and preventive actions
- Cross-learning across businesses
- Continuous improvement in safety performance

Technology-Led Safety Interventions

Thermax continues to leverage technology to enhance safety monitoring and prevention:

- Deployment of AI-enabled CCTV surveillance systems across locations for:
  - Real-time identification of unsafe behaviours
  - Improved compliance monitoring
  - Data-driven safety interventions
- Implementation of the 'Thermax LIFE' HSE digital platform, enabling:
  - Reporting of unsafe acts and conditions
  - Incident, inspection, and audit management
  - Action tracking to closure
  - Real-time analytics for leadership decision-making

These initiatives are driving a transition towards predictive and preventive safety management.

Safety Culture & Awareness Initiatives

Thermax conducts structured safety campaigns and engagement programmes to strengthen awareness and participation:

- Quarterly safety campaigns covering key risk areas such as:
  - Machine guarding, work at height, material handling
  - Heat stress, electrical safety, fire prevention
  - Road safety and near-miss reporting

National Safety Week 2026:

- Theme: 'Engage, Educate & Empower People to Enhance Safety'
- Participation: over 15,000 employees, contractors, and workmen

- Road Safety Month, National Electrical Safety Week, and World First Aid Day observed across locations with training, competitions, and awareness programmes
- Surkshitata Bandhan initiative reinforcing collective responsibility for workplace safety

These initiatives foster engagement, awareness, and sustained behavioural change across the organisation.

Emergency Preparedness

All manufacturing units, project sites, and offices have established structured emergency response plans.

- Regular mock drills and evacuation exercises
- Fire safety and first aid training
- Emergency equipment inspections and readiness assessments

These measures ensure preparedness for emergencies and strengthen response capabilities across operations.

Visitor & Stakeholder Safety

Recognising the importance of safety beyond employees:

- Mandatory visitor safety induction programme implemented across all locations
- Active engagement with contractors and supply chain partners through:
  - Training and capacity building
  - On-site feedback and collaboration

This approach promotes a unified and resilient safety culture across the value chain.

Responsible Care – Chemicals Division

Thermax's Chemicals business has achieved certification under the Responsible Care framework.

This globally recognised initiative promotes:

- Safe handling of chemicals
- Environmental protection
- Health and safety of employees and communities
- Transparent and ethical business practices

Recognitions & Achievements

Thermax's sustained focus on safety excellence has been recognised through multiple awards and appreciations:

- BBS Awards from industry forums
- NSCI Safety Award for the Sri City facility
- Zero Accident Frequency Rate recognition for the Shirwal facility
- Excellence awards in HSE and risk management
- 217 customer appreciations received for outstanding safety performance



Update on Certifications and Audits of Manufacturing Plants and Projects in India and Overseas

Cooling and Heating Solutions Plant at Sri City

2nd surveillance audit for ISO 14001:2015 and ISO 45001:2018 was conducted by LRQA



TBWES Project Sites and Manufacturing Plants at Savli, Mundra, Chinchwad and Shirwal

2nd surveillance audit for ISO 14001:2015 and ISO 45001:2018 was conducted by Bureau Veritas





Process Heat Solutions Manufacturing Units at Chinchwad and Savli

2nd surveillance audit for ISO 14001:2015 and ISO 45001:2018 was conducted by TUV:SUD



TOESL Sites ISO 14001:2015 and ISO 45001:2018

Recertification audits were conducted by DNV for Indian sites and for overseas sites by SGS

Chemicals Manufacturing Facilities at Paudh, Jhagadia and Dahej

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



P&ES Business and Process Heat Solutions Project Sites

Recertification audit for ISO 45001:2018 was conducted by TUV:SUD and DNV



WWS Division

1st surveillance audit for IMS audit for ISO 9000 & ISO 45001 was conducted by TUV:Nord

Air Pollution Control (Enviro) Business

Recertification audit for ISO 14001:2015 & 45001:2018 was conducted by TUV:SUD



PT Thermax International, Indonesia

Certification for ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 by LRQA

9. Human Resources

Our Company, recognised for strong governance and ethical foundations, demonstrates a sustained commitment to skill development, employee engagement and overall well-being. We prioritise creating a safe, healthy and inclusive work environment that empowers our employees and drives enhanced performance.

Read more on page 44

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 45th 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, 2026.

Financial Summary

(Rs. in crore)

Particulars	Consolidated		Standalone	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Total revenue	10,694.15	10,369.26	6,518.26	6,244.53
Profit before finance cost, depreciation and tax	1,293.33	1,159.76	829.08	724.58
Finance cost and depreciation	346.60	275.29	122.06	105.17
Profit before tax and exceptional items	946.73	884.47	707.02	619.41
Exceptional items	61.21	-	87.84	93.73
Profit before tax but after exceptional items	1,007.94	884.47	794.86	713.14
Provision for taxation (incl. deferred tax)	287.68	257.77	145.95	141.00
Profit after tax	720.26	626.70	648.91	572.14
Other comprehensive income	(18.80)	(2.33)	(27.65)	(3.52)
Total comprehensive income	701.46	624.37	621.26	568.62
Total equity	5,579.19	4,942.58	4,427.09	3,967.76
Earnings Per Share (EPS) (Rs.) face value per share Rs. 2/- from continuing operations	63.95	56.33	54.46	48.02
Earnings Per Share (EPS) (Rs.) face value per share Rs. 2/- from continuing and discontinuing operations	63.95	56.33	54.46	48.02

Previous period figures have been regrouped to confirm to current periods classification

Performance and State of Company's Affairs

Consolidated

On a consolidated level, the group revenue was at Rs. 10,694 crore (Rs. 10,369 crore). The Group's international business was higher by 32.36% at Rs. 3,084 crore (Rs. 2,330 crore). Consolidated order booking for FY 2025-26 increased by 34.19% to Rs. 13,871 crore (Rs. 10,337 crore). Order booking in international markets at Rs. 4,199 crore was higher by 16.70%.

Standalone

Your Company, on a standalone basis, posted a revenue of Rs. 6,518 crore for the FY 2025-26, against last year's revenue of Rs. 6,244 crores. Revenue from exports was up 24.47% at Rs. 1,471 crore (Rs. 1,181 crore). Order booking from continuing operations stood at Rs. 7,066 crore, higher by 12.70% as compared to Rs. 6,270 crores 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

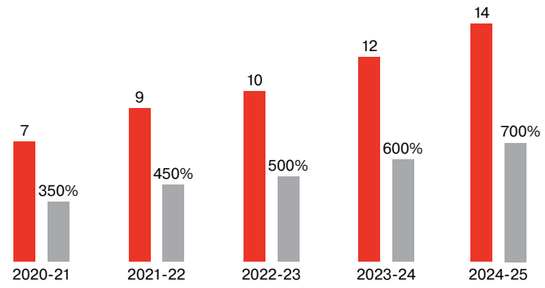
Your Company has been rated 'AA+/ Stable (Reaffirmed) for Long Term Rating and A1+ (Reaffirmed) for Short Term Rating' by Credit Rating Information Services of India Limited (CRISIL) for its banking facilities. The rating reflects your Company's continued good parentage, credit profile, liquidity position, strong corporate governance practices, financial flexibility and conservative financial policies. Your Company has been rated A1+ for short term rating by CARE for commercial paper. However, the Company did not issue any commercial papers during the year under review.

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 has recommended a final dividend of Rs. 14/-. Further, marking Thermax's 60th anniversary milestone, the Board has also recommended a special dividend of Rs. 6/-. The aggregate final dividend of Rs. 20/- per equity share of face value of Rs. 2/- each (1,000%) for the year ended March 31, 2026 will be paid subject to the approval of members at the ensuing Annual General Meeting (AGM).

Dividend Payout of Last 5 Years



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 Dividend Distribution Policy, which is made available on the Company's website and can be accessed using the link: https://www.thermaxglobal.com/sites/default/files/2025-10/Dividend-Distribution-Policy_New-1.pdf.

Investor Education and Protection Fund (IEPF) / Unclaimed Dividends

Pursuant to Section 124 of the Companies Act, 2013 ("the Act"), the dividends that are unpaid or unclaimed for a period of seven years shall be transferred to IEPF along with the underlying shares on which such dividend remains unclaimed.

Transfer to IEPF:

Details of transfer to IEPF during the year under review are as below:

Transfer of unclaimed or unpaid dividend to IEPF (net amount)	Rs. 8,70,408
Transfer of shares to IEPF	5,877
Dividend paid to IEPF in respect of shares already transferred to IEPF (net amount)	Rs. 18,73,291 (Dividend for FY 2024-25)

The information regarding unpaid / unclaimed dividends and Nodal Officer / Deputy Nodal Officer appointed as per the Act, is available on the website of the Company at https://www.thermaxglobal.com/investors/iepf-investor-education-protection-fund.

Transfer to Reserve

The closing balance of the retained earnings of the Company for FY 2025-26, after all appropriation and adjustments, was Rs. 3,871.42 crore on standalone basis and Rs. 4,773.42 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, 2026. 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, Annual Report of your Company containing inter alia, financial statements and consolidated financial statements, has been placed on our website: https://www.thermaxglobal.com/investors/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/investors/annual-reports.

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

Exactspace Technologies Private Limited ("Exactspace")

The Company entered into Share Subscription and Share Purchase Agreement and a Shareholders Agreement with Exactspace, its promoters and existing investors on February 27, 2026, for acquisition of 35.83% additional stake (on a fully diluted basis). Accordingly, following the completion of transaction on April 09, 2026, Exactspace has become a subsidiary of the Company.

Jalansar Wind Energy Private Limited ("Jalansar") and Kanakal Wind Energy Private Limited ("Kanakal")

The Boards of Directors of Jalansar ("Transferor Company") and Kanakal Wind Energy Private Limited ("Transferee Company"), both step-down subsidiaries of the Company, approved a Scheme of Amalgamation under Section 233 and other applicable provisions of the Companies Act, 2013, at their respective Board Meetings held on February 4, 2026. The said Scheme is subject to receipt of necessary approvals in accordance with the provisions of the Companies Act, 2013.

Upon the scheme becoming effective, the Transferee Company shall issue and allot one equity share against every one share held by the shareholders of the Transferor Company.

Onix Two Enersol Private Limited (OTEPL)

First Energy Private Limited (FEPL), a wholly owned subsidiary of the Company, had acquired Onix Two Enersol Private Limited (OTEPL) in 2024. However, due to non-fulfilment of certain closing conditions within the agreed and extended timelines, FEPL entered into a Share Sale and Purchase Agreement on January 3, 2026 with the original sellers for sale of its shareholding in OTEPL back to them.

Buildtech Products India Private Limited ("Buildtech")

The Board of Directors of the Company at its Meeting held on October 17, 2025 approved Scheme of Merger by Absorption of Buildtech Products India Private Limited ("Transferor Company") into Thermax Limited ("Transferee Company") and their respective Shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant Rules and Regulations framed thereunder with the appointed date as April 01, 2025. The said Scheme is subject to the receipt of necessary approvals in accordance with the provisions of the Companies Act, 2013.

First Energy Private Limited

Through its wholly owned subsidiary, First Energy Private Limited (FEPL), the Company has incorporated First Energy 12 Private Limited, First Energy 14 Private Limited, and First Energy 15 Private Limited on May 5, 2025, May 24, 2025 and December 16, 2025, respectively, as step-down subsidiaries of the Company to undertake renewable energy projects in different states of India.

Further, First Energy 8 Private Limited & First Energy 11 Private Limited ceased to be wholly owned step-down subsidiaries of the Company w.e.f. June 21, 2025 & October 28, 2025 respectively upon issue of shares to captive users in accordance with the provisions of the Electricity Act, 2003.

Fortmax Chemicals India Private Limited

Thermax Chemical Solutions Private Limited (TCSPL), a wholly owned subsidiary of the Company entered into a Shareholders Agreement with Oswaldo Cruz Quimica Industria E Comercio Ltda, Brazil ("OCQ"). Pursuant to the said agreement, FCIPL was incorporated as a wholly owned subsidiary of TCSPL on April 11, 2025. Thereafter, upon allotment of shares to OCQ on September 16, 2025, FCIPL ceased to be a wholly owned subsidiary of TCSPL.

Thermax Energy Solutions Company, KSA

Thermax Babcock and Wilcox Energy Solutions Limited (TBWES), a wholly owned subsidiary of the Company, incorporated Thermax Energy Solutions Company as a wholly owned step-down subsidiary in Kingdom of Saudi Arabia on January 28, 2026, to undertake on-site services, maintenance and supervision services, and to provide marketing support to the parent entity.

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 segments, 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 68.

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 133.

A certificate from M/s. Makarand M. Joshi & Co., Practising Company Secretaries, Mumbai, 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 160. 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/Whistleblower 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/sites/default/files/2025-10/Whistler-Blower-Policy.pdf.

Industrial Relations

The overall Industrial Relations at the manufacturing locations of the Company were peaceful during the year 2025-26.

Human Resource Management

1. Particulars of Employees

The details of employees are given below:

Category	Employee type	2025-26		2024-25	
		Male	Female	Male	Female
Thermax Limited	Permanent Employees	2,846	357	2,773	320
	Contractual	2,647	99	2,547	108
	Total	**5,493**	**456**	**5,320**	**428**

Category	Employee type	2025-26		2024-25	
		Male	Female	Male	Female
Group Level*	Permanent Employees (Staff and Workers)	5,143	482	4,946	439
	Contractual (Staff on fixed term contract)	3,187	145	3,092	159
	Total	**8,330**	**627**	**8,038**	**598**

**The above gender-wise employee data excludes 209 and 218 employees for FY 2025–26 and FY 2024–25, respectively, pertaining to certain European jurisdictions, where such disclosure is not mandated under applicable laws.*

The information required pursuant to section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), duly amended, in respect of employees of the Company, forms part of Annexure A to this Board's report.

The statement containing particulars of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Rules, forms part of this Report. In terms of Section 136 of the Companies Act, 2013, the Annual Report is being sent to all the members and others entitled to receive it excluding the aforesaid information. 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.

During the FY 2025–26, the Company received three complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, all of which were duly resolved within the prescribed timeline of 90 days. No complaints were pending as on March 31, 2026.

3. Maternity Benefit

The Company affirms that it has complied with the provisions of the Maternity Benefit Act, 1961 and the Rules framed thereunder. The Company has in place appropriate policies and processes to ensure that eligible women employees are provided maternity benefits. The Company is committed to fostering a supportive work environment and promoting the well-being of its employees.

4. 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 either the Holding Company or any of the subsidiary companies.

5. Details of Trusts for the Benefit of Employees

a) Employees Stock Option (ESOP) Trust

The Company has a Thermax Employees ESOP & Welfare Trust which holds 28,72,439 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 incentivising and rewarding eligible employees through performance linked equity-based compensation and aligning their interests with the long-term growth of the Company, the Company has instituted the "Thermax Limited Employee Stock Option Plan 2021" ("ESOP 2021" / "Plan"). The Plan is designed to enhance the competitiveness of compensation, foster a culture of ownership and collaboration, and support the attraction and retention of key talent across the Company and its group entities, including its subsidiaries and associate companies, in accordance with applicable laws.

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

All grants under the Scheme are considered and approved by the Nomination and Remuneration Committee (NRC).

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.

In line with regulation 14 of the SBEB Regulations, 2021, a statement giving complete details, as at March 31, 2026, is available on the website of the Company: https://www.thermaxglobal.com/investors/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, 2026, is available on the website of the Company: https://www.thermaxglobal.com/investors/thermax-disclosures-under-sebi-sbeb-regulations.

In compliance with the provisions of Companies Act, 2013, and the SBEB Regulations, 2021, the Trusts do not exercise voting rights in respect of the equity shares held by them.

Your Company's Secretarial Auditor, M/s. Makarand M. Joshi & Co., Practising Company Secretaries, Mumbai, has certified that the Company's above-mentioned Scheme(s) are implemented in accordance with the SBEB Regulations, 2021.

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 206.

Corporate Social Responsibility Initiatives

As a part of its initiatives under Corporate Social Responsibility (CSR), the Company undertakes projects in various areas in accordance with Schedule VII of the Companies Act, 2013. Since 2007, CSR initiatives have been undertaken through Thermax Foundation, the details of CSR initiatives are provided under CSR Activities on page 54.

The Annual Report on CSR activities is provided as Annexure 4 on page 209.

The details of the CSR Committee and CSR Policy are available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2026-06/CSR-Policy.pdf.

Directors

The Board of Directors of your Company comprises nine 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, 2026. The Board is of the opinion that the Independent Directors of the Company possess the requisite qualifications, expertise, proficiency, expertise and hold high standards of Integrity.

Based on the recommendation(s) of the Nomination and Remuneration Committee, the Board at its meeting held on May 9, 2025, had appointed Mr. Harsh Mariwala, Non-Executive Independent Director as the Lead Independent Director. The roles and responsibilities of the Lead Independent Director, as approved by the Board are made available on the website of the Company at: https://www.thermaxglobal.com/sites/default/files/2025-08/Roles-and-Responsibilities-of-Lead-ID.pdf.

At the 44th AGM held on July 31, 2025, the Members approved re-appointment of Mr. Ashish Bhandari (DIN: 05291138) as the Managing Director and Chief Executive Officer of the Company for a period of five years commencing from September 1, 2025 till August 31, 2030 (both days inclusive).

Dr. Ravi Shankar Gopinath (DIN: 00803847) was appointed as Non-Executive Independent Director of the Company from November 10, 2021 to November 09, 2026. Considering the performance evaluation, his contribution to the Company during his first term of office, his knowledge, qualifications and experience, along with skills and expertise he brings on the Board and based on recommendations of the Nomination and Remuneration Committee, the Board approved re-appointment of Dr. Gopinath for a second term of five consecutive years commencing from November 10, 2026 to November 09, 2031 (both days inclusive), subject to approval of shareholders at the ensuing AGM of the Company.

As per the articles of association of the Company, one-third of the directors, other than independent directors and the Chairperson, are liable to retire by rotation at the AGM of the Company every year. Accordingly, Mr. Ashish Bhandari (DIN: 05291138), retires by rotation and being eligible offers himself for re-appointment. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors recommends his re-appointment.

The above proposals form a part of the Notice convening 45th 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.

Independent Directors

All the Independent Directors of the Company have submitted requisite disclosures that they meet the criteria of Independent as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations. The Board reviewed and assessed the veracity of the same as required under Regulation 25(9) of the Listing Regulations to confirm that the independent directors fulfil the conditions as specified under Schedule V of the Listing Regulations and are independent of the management. In the opinion of the Board, the Independent

Directors possess the requisite integrity, experience, expertise and proficiency required to fulfil their duties as Independent Directors.

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.

Board and Independent Directors' Meeting

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

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Independent Directors meet separately without the presence of the Non-Independent Directors and members of the Management. Independent Directors meetings are held on quarterly basis, chaired by the Lead Independent Director, and the feedback arising from such meetings is shared with the Chairperson and the Managing Director & Chief Executive Officer for their consideration and appropriate action.

During, the year under review, four such meetings were held on May 9, 2025, July 31, 2025, October 17, 2025 and February 5, 2026.

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/investors/corporate-governance.

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

Ms. Janhavi Khele (Membership No. A20601) resigned from her position as the Company Secretary, Compliance Officer and Key Managerial Personnel of the Company effective April 18, 2025. Based on the recommendation(s) of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on June 27, 2025 approved the appointment of Ms. Sangeet Hunjan (Membership No. A23218) as the Company Secretary, Compliance Officer and Key Managerial Personnel of the Company. Except this, there were no other changes in Key Managerial Personnel during the year.

Nomination and Remuneration Policy

The details of Nomination and Remuneration Policy for selection, appointment and remuneration of directors, senior management including key managerial personnel and other related matters is given in the Corporate Governance Report.

The Nomination and Remuneration Policy is available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2025-10/Selection-and-appointment-of-Directors.pdf.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, annual evaluation of the performance of the Board, its Committees and individual Directors was carried out during the financial year. The evaluation is based on responses of individual Directors/Committee members on structured questionnaires and includes the following criteria:

- Board Composition, decision making, delivery of organisational purpose, performance of the Board as a team, strategic issues, GRC, etc.

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/sites/default/files/2025-08/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, 2026, 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 judgment 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, 2026, 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 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 of the Companies Act, 2013 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 on a quarterly basis.

The Company has adopted policy on Related Party Transactions which is available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2026-03/TL-RPT-Policy-Nov-2025.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, 2026, 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 342. There were no revisions to the financial statements and the Board's Report of the Company during the year under review.

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, 2026, 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.

The Company has not given any loan to any person in the employment of the Company including its directors or key managerial personnel, for purchasing or subscribing to the 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 the support of co-sourced 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.

Mr. Satish Jayaram, 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.

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 116 of the Management Discussion and Analysis section of this Report.

Compliance Management System

The Company has implemented an IT-enabled compliance management platform for monitoring compliance with applicable laws, regulations. The said system has been deployed across locations and subsidiaries. Compliance obligations are identified and mapped to designated compliance owners across functions, business units, manufacturing facilities, and offices.

The compliance management system facilitates periodic tracking, monitoring, and reporting of compliance status and is updated to reflect changes in the regulatory environment.

Based on the reports generated through the compliance management system and the certifications obtained from the concerned functions and entities, a consolidated compliance report is placed before the Board of Directors on a quarterly basis. The Board periodically reviews the status of compliance with applicable laws and regulations as part of its governance oversight framework.

Auditors

Statutory Auditors

M/s. SRBC & Co. LLP, Chartered Accountants, completed their second consecutive term of five years as the Statutory Auditors of the Company at the conclusion of the 44th AGM of the Company. Members, at the 44th AGM, 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 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.

Cost Auditors

In terms of section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the maintenance of cost records is applicable to the Company, and accordingly, all the cost records are made and maintained by the Company and audited by the cost auditors.

M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, were appointed as the cost auditors of the Company for FY 2025-26. The Cost Audit Report for the said financial year will be filed with the Registrar of Companies within prescribed timelines.

Based on the recommendation(s) of the Audit Committee, the Board of Directors of the Company at its meeting held on May 7, 2026 approved the appointment of M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune as the Cost Auditors of the Company for FY 2026-27 at a remuneration of Rs. 7,50,000/- (plus applicable taxes and reimbursement of actual out-of-pocket expenses, if any).

The remuneration payable to the cost auditors is required to be ratified by the Members of the Company. Accordingly, a resolution seeking Members' approval for the said remuneration forms part of the Notice convening the 45th Annual General Meeting of the Company.

Secretarial Auditor

In accordance with the provisions of Section 204 of the Companies Act, 2013, read the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24(1)(1) of the Listing Regulations and based on the recommendations of the Board of Directors, the Members at their 44th AGM 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.

The Secretarial Audit Report issued by M/s. Makarand M. Joshi and Co., Secretarial Auditors for FY 2025-26 is attached as Annexure 5 on page 211.

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

Details regarding Frauds reported by Auditors

During the year under audit, none of the Auditors have reported any matter under section 143(12) of the Companies Act, 2013. Therefore, no details are required to be disclosed in this regard.

Annual Return

The Annual Return of the Company for the FY 2025-26 to be filed with the Registrar of Companies is available on website of the Company at https://www.thermaxglobal.com/investors/annual-reports.

Since the Annual General Meeting is proposed to be held on July 30, 2026, the Company shall upload final copy of the Annual Return for FY 2025-26, 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 22.

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 7, 2026

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 2025-26 are as follows:

Name	DIN	Designation	Increase/ decrease (%)	Ratio of remuneration of Director to the Median remuneration for 2025-26 (MRE)
Meher Pudumjee	00019581	Chairperson and Non-Executive Director	1.09	5.87
Pheroz Pudumjee	00019602	Non-Executive Director	NIl	3.58
Dr. Jairam Varadaraj	00003361	Independent Director	NA*	NA*
Nawshir Mirza	00044816	Independent Director	NA*	NA*
Harsh Mariwala	00210342	Independent Director	1.05	3.50
Dr. S. B. (Ravi) Pandit	00075861	Independent Director	11.54	3.69
Rajani Kesari	02384170	Independent Director	(2.70)	3.27
Dr. Ravi Gopinath	00803847	Independent Director	12.38	4.12
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	(15.41)	132.75
Rajendran Arunchalam	NA	Group CFO	17.15	33.37
Janhavi Khele (Resigned effective April 18, 2025)	NA	Company Secretary	NA*	NA*
Sangeet Hunjan (Appointed w.e.f. June 27, 2025)	NA	Company Secretary	NA*	NA*

Note -

*The % increase of remuneration is provided only for those directors and KMP who have drawn remuneration from the Company for full fiscal 2025 and full fiscal 2026. 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 2026.

#The decrease in the remuneration of the Managing Director & CEO for FY 2025-26 is primarily due to the absence of any perquisite value from Employee Stock Options (ESOPs), as no ESOPs were exercised by him during the year.

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

The median remuneration of the Company for all its employees is 11,01,680 for the financial year 2025-26. For calculation of median remuneration, the employee count taken is 4,457 for FY 2025-26.

B. Percentage increase in the Median Remuneration of all employees in the financial year 2025-26

	FY25-26	FY24-25	% Change
Percentage increase in the Median Remuneration of all employees	1,101,680	1,063,689	3.57

C. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	Average percentage increase / (decrease) in salaries for FY 2026* (%)
Employees	12.70
Managerial Remuneration	(15.41)

*Remuneration considered is at actual basis.

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 is committed to upholding the highest standards of corporate governance, in both principle and practice, with the aim of delivering meaningful value to its stakeholders – customers, shareholders, employees, vendor partners and business associates, the larger community and governments of countries where it operates. It adheres firmly to the core tenets of corporate governance to drive sustainable growth and robust financial performance.

In order to strengthen and maintain the trust of its stakeholders, your Company fosters ethical conduct, integrity and commitment to strong values, transparency and accountability, the key pillars of effective corporate governance.

Anchored by the Board's oversight, your Company's key management officials implement policies and guidelines, guided by our core values and ESG principles which are at the heart of what Thermax stands for. This well established framework continues to evolve supporting greener practices, stronger social responsibility, and consistent governance standards across the organisation.

Among the several prestigious accolades received in the fiscal year 2025-26, our Annual Report 2024–25 was honoured with the Platinum Award in the Energy – Equipment & Services category at the LACP (League of American Communications Professionals) Vision Awards 2024/25, marking our second consecutive win (following a Gold Award in 2025). Ranked 81st worldwide among all entries, the Report was acknowledged for its overall excellence in annual report communications. This recognition underscores Thermax's commitment to transparency and best-in-class disclosure practices, setting industry benchmarks while ensuring stakeholders receive clear, comprehensive, and high-quality information.

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 an effective Board should have a balanced combination of executive, non-executive and independent directors to maintain its independence, and to separate governance oversight and management responsibilities. The Board of your Company consists of nine 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, has designated 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 Company's website at https://www.thermaxglobal.com/sites/default/files/2025-08/Roles-and-Responsibilities-of-Lead-ID.pdf.

None of the Directors of the Company:

- holds directorships in more than ten public companies;
- serves as a Director or an independent director (ID) in more than seven listed companies;
- is a member of more than ten committees or Chairperson of more than five committees of the Board (Audit Committee and Stakeholders Relationship Committee) across all public companies in which they hold Director positions.

It is important to note that the Managing Director & CEO does not serve as an Independent Director in any listed company.

All the Directors have made the necessary disclosures in respect of the Directorship and Committee positions held in other public companies.

The table below details the composition of the Board and the directorships held by each of the Directors of the Company as on March 31, 2026:

Name of the Director	Pecuniary or Business Relationship with the Company	Number of Directorships held in Public Companies@	Committee Position#		Number of shares held in the company
			Chairperson	Member	
NON-EXECUTIVE DIRECTORS					
Meher Pudumjee (Chairperson related to Promoter)	None except*	2	0	1	-
Pheroz Pudumjee (related to Promoter)	None	2	1	3	6,000
INDEPENDENT DIRECTORS					
Harsh Mariwala	None	5	0	1	-
Dr. S. B. (Ravi) Pandit	None	2	0	1	-
Rajani Kesari	None	3	1	2	-
Dr. Ravi Gopinath	None	2	0	0	-
Shyamak R. Tata	None	7	4	7	-
Parag Shah	None	6	0	4	-
EXECUTIVE DIRECTOR					
Ashish Bhandari	N.A.	4	0	1	4,169

@ Includes directorship held in Thermax Limited

Includes only Audit Committee and Stakeholders' Relationship Committee (including Thermax Limited)

*The Company has paid Rs. 62,25,000/-(excl of GST) as rent for premises taken on lease and given a security deposit of Rs. 53,00,000/- to Anu Aga (Promoter and relative of Meher Pudumjee, Chairperson of the Company).

B. Details of Directorships held in Listed Entities as on March 31, 2026

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
		Neuland Laboratories Limited	Independent Director
8.	Shyamak R. Tata	Thermax Limited	Independent Director
		Siemens Limited	Independent Director
		Hawkins Cookers Limited	Independent Director
		Endurance Limited	Independent Director
9.	Parag Shah	Thermax Limited	Independent Director
		HDFC Asset Management Company Limited	Independent Director
		Lumax Auto Technologies Limited	Independent Director
		KPIT Technologies Limited	Independent Director

C. Disclosure of the Relationship between Directors inter se

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

D. Certificate of Non-Disqualification of Directors

The Company has obtained a certificate from M/s. Makarand M. Joshi & Co., Practising Company Secretaries, Mumbai, 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 the Ministry of Corporate Affairs or any such authority and the same forms part of this report. Please refer to page no. 158 of this Report for the same.

E. 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 fulfil 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 the requirements 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:

Director	Key Board Qualifications / Skills / Expertise								
	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	-	✓	✓	✓	✓	✓	-	✓	-
Dr. S.B. (Ravi) Pandit	-	✓	✓	✓	✓	✓	-	-	✓
Rajani Kesari	✓	✓	✓	✓	✓	✓	-	-	✓
Shyamak R. Tata	-	✓	✓	✓	✓	✓	✓	-	✓
Dr. Ravi Gopinath	✓	✓	-	✓	✓	✓	✓	✓	✓
Parag Shah	✓	✓	✓	✓	✓	✓	-	-	✓

Detailed profiles of the Directors are available on the Company's website at: https://www.thermaxglobal.com/investors/board-of-directors.

F. Board Meetings Held During the Year

The Board met nine times during the financial year 2025-26 on the following dates:

Members	Board Meetings								
	May 9, 2025	June 27, 2025	July 31, 2025	October 17, 2025	November 11, 2025	February 2, 2026	February 4, 2026	March 11, 2026	March 25, 2026
Meher Pudumjee	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pheroz Pudumjee	✓	✓	✓	✓	✓	✓	✓	✓	✓
Harsh Mariwala	✓	✓	✓	✓	✓	✓	✓	✓	-
Dr. S. B. (Ravi) Pandit	✓	✓	✓	✓	-	✓	✓	✓	-
Rajani Kesari	✓	-	✓	✓	✓	✓	✓	✓	✓
Shyamak R. Tata	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Ravi Gopinath	✓	✓	✓	✓	✓	✓	✓	✓	-
Parag Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ashish Bhandari	✓	✓	✓	✓	✓	✓	✓	✓	-

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 of the Company held on July 31, 2025.

G. Attendance and Remuneration of each Director during the Financial Year 2025-26

(Amount in Rs.)

Name of the Director	Whether attended the last AGM held on July 31, 2025	Total Attendance at Board Meetings	Sitting Fees*	Salary and Perquisites	Commission †	Total Remuneration
Meher Pudumjee	Yes	9	11,70,000	NA	53,00,000	64,70,000
Pheroz Pudumjee	Yes	9	14,40,000	NA	25,00,000	39,40,000
Harsh Mariwala	Yes	8	8,60,000	NA	30,00,000	38,60,000
Dr. S. B. (Ravi) Pandit	Yes	7	10,60,000	NA	30,00,000	40,60,000
Rajani Kesari	Yes	8	11,00,000	NA	25,00,000	36,00,000
Shyamak R. Tata	Yes	9	13,50,000	NA	40,00,000	53,50,000
Dr. Ravi Gopinath	Yes	8	10,40,000	NA	35,00,000	45,40,000
Parag Shah	Yes	9	12,00,000	NA	8,33,333	20,33,333
Nawshir Mirza@	NA	NA	NA	NA	15,00,000	15,00,000
Dr. Jairam Varadaraj@	NA	NA	NA	NA	8,35,000	8,35,000
Ashish Bhandari^	Yes	8	NA	9,02,44,748	5,60,00,000	14,62,44,748

NA = Not applicable

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

† Amount paid at actual basis is considered for commission.

^During the year FY 2025-26, the MD & CEO has not exercised any ESOPs and hence the perquisite value of ESOPs is Nil.

@Nawshir Mirza and Jairam Varadaraj ceased to be Independent Directors of the Company w.e.f. July 21, 2024. Commission for FY 2024-25 on pro rata basis was paid during the year.

Non-Executive Directors are entitled to reimbursement of expenses incurred in the performance of their duties as directors.

As per the Employee Stock Option Scheme, 2021 of the Company, the MD & CEO has been granted 31,753 stock options until March 31, 2026, against which 8,713 options have been vested. 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 the website of the Company at https://www.thermaxglobal.com/investors/thermax-disclosures-under-sebi-sbeb-regulations.

H. Board Independence

Our definition of 'independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the Independent 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 a 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.

During the year under review, none of the Independent Directors of the Company resigned before the expiry of their respective term(s).

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/investors/corporate-governance.

J. Independent Directors' Meeting

The Independent Directors meet separately without the presence of the Non-Independent Directors and members of the Management. The Independent Directors meetings are held on quarterly basis, chaired by the Lead Independent Director, and the feedback arising from such meetings is shared with the Chairperson and the Managing Director & Chief Executive Officer for their consideration and appropriate action.

During, the year under review, four such meetings were held on May 9, 2025, July 31, 2025, October 17, 2025 and February 5, 2026.

K. Performance Evaluation of Directors, Board as a Whole & Committees thereof

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, annual evaluation of the performance of the Board, its Committees and individual Directors was carried out during the financial year. The evaluation is based on responses of individual Directors/Committee members on structured questionnaires and includes the following criteria:
Board Composition, decision making, delivery of organisational purpose, performance of the Board as a team, strategic issues, GRC, etc.

Recommendations arising from this entire process were deliberated upon by the Board to be used constructively in order to enhance its overall effectiveness.

L. 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 agendas 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 the storage and transmission of Board/ Committee agendas and pre-reads in electronic form.

M. Disclosure of Interest by Senior Management

In terms of regulation 26(5) of the Listing Regulations, the Senior Management of the Company has 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.

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 appointed by the Board. The Board formulates the terms of reference and charter of the committees as per the relevant statutory provisions for the 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, 2026 is as under:



*Text in bold indicates Chairman/Chairperson.

A. Audit Committee

The Audit Committee ("the AC") comprises three Independent Directors and one Non-Executive Director as on March 31, 2026:

1. Shyamak R. Tata - Chairman
2. Pheroz Pudumjee
3. Rajani Kesari
4. Parag Shah

The constitution of the AC 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 AC met six times during the financial year 2025-26 and the gap between any two meetings did not exceed 120 days. Attendance details are as follows:

Audit Committee Meetings									
Name of the Member	Committee Meeting Dates						Held During the year	Attended	% of Attendance
	April 11, 2025	May 8, 2025	July 30, 2025	October 16, 2025	November 11, 2025	February 2, 2026			
Shyamak R. Tata	✓	✓	✓	✓	✓	✓	6	6	100
Rajani Kesari	✓	✓	✓	✓	✓	✓	6	6	100
Pheroz Pudumjee	✓	✓	✓	✓	✓	✓	6	6	100
Parag Shah	✓	✓	✓	✓	✓	✓	6	6	100

The Chairman of the AC was present at the Annual 44th General Meeting of the Company held on July 31, 2025.

The AC reviews all information as per Regulation 18 of the Listing Regulations including various aspects of internal controls, and internal auditors' reports on a regular basis.

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

The Managing Director & Chief Executive Officer (MD & CEO), Chief Financial Officer, Chief Internal Auditor and the representatives of the Statutory Auditors are permanent invitees and attend all the meetings of the AC. The Company Secretary acts as the Secretary to the AC.

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 November 11, 2025.

The terms of reference of the committee are available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2026-06/Board-CommitteesComposition-and-Terms-of-Reference.pdf.

The charter of the Committee is available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2026-02/TL-Audit-Committee-Charter-Nov-25.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 the 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 the 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 the 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 to the above, 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 NRC") comprises three Independent Directors and one Non-Executive Director as on March 31, 2026:

1. Harsh Mariwala - Chairman
2. Dr. S. B. (Ravi) Pandit
3. Meher Pudumjee
4. Dr. Ravi Gopinath

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

The NRC met two times during the Financial Year 2025-26. Attendance details are as follows:

Nomination & Remuneration Committee Meetings					
Name of the Member	Committee Meeting dates		Held During the year	Attendance	% of Attendance
	May 8, 2025	August 22, 2025			
Harsh Mariwala	✓	✓	2	2	100
Dr. S. B. (Ravi) Pandit	✓	✓	2	2	100
Meher Pudumjee	✓	✓	2	2	100
Dr. Ravi Gopinath	✓	✓	2	2	100

The Chairman of the Committee was present at the 44th Annual General Meeting held on July 31, 2025.

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/sites/default/files/2026-06/Board-CommitteesComposition-and-Terms-of-Reference.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.
- **Remuneration to Non-Executive Directors (NEDs)**

  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.

  The NRC 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 on Selection and Appointment of Directors and their Remuneration (the Policy), which forms the basis for the remuneration of directors for the financial year 2025-26. The Policy broadly consists of:

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

As per the Policy, the NEDs, 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 Policy is available on the Company's website at: https://www.thermaxglobal.com/sites/default/files/2025-10/Selection-and-appointment-of-Directors.pdf.

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

The Members of the Company, at the Annual General Meeting held on July 22, 2014 have approved payment of commission to NEDs, as may be recommended by the NRC and decided by the Board up to a sum not exceeding 1% of net profits of the Company per annum calculated in accordance with Section 198 of the Companies Act, 2013.

- **Remuneration to Managing Director & Chief Executive Officer (MD & CEO)**

  The Company's Board presently comprises one Executive Director, Ashish Bhandari, who was appointed as MD & CEO effective September 1, 2020, for a period of five years. Based on the recommendation of the NRC and Board of Directors, Members at their 44th Annual General Meeting held on July 31, 2025 approved his re-appointment as the MD and CEO of the Company for a second consecutive term of five years effective September 1, 2025. His remuneration is governed by the agreement with the Company dated August 20, 2025. The NRC recommends annual revision in the remuneration of the MD & CEO within the overall limits approved by the Members, which is then placed before the Board for its approval. 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 the Agreement, the notice period is three months, and there is no compensation for loss of office. The remuneration of the MD & CEO is disclosed in point no. 2(b) of this report. The MD & CEO is entitled to grant of employee stock options as per the Employee Stock Option Scheme 2021. 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

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ("the SRC") comprises one Independent Director and two Non-Executive Directors and an Executive Director as members as on March 31, 2026:

1. Pheroz Pudumjee - Chairman
2. Meher Pudumjee
3. Ashish Bhandari
4. Dr. S. B. (Ravi) Pandit

The constitution of the SRC meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The SRC met three times during the financial year 2025-26. Attendance details are as follows:

Stakeholders' Relationship Committee Meetings

Name of the Member	Committee Meeting Dates			Held During the Year	Attended	% of Attendance
	April 30, 2025	July 28, 2025	November 10, 2025			
Pheroz Pudumjee	✓	✓	✓	3	3	100
Meher Pudumjee	✓	✓	✓	3	3	100
Ashish Bhandari	✓	✓	✓	3	3	100
Dr. S. B. (Ravi) Pandit	✓	✓	✓	3	3	100

The Chairman of the Committee was present at the 44th Annual General Meeting held on July 31, 2025.

The terms of reference of the Committee are available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2026-06/Board-CommitteesComposition-and-Terms-of-Reference.pdf.

The broad terms of reference of the SRC 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 holder's grievances and redress them.
- To review measures taken for the 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 the 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 Board has empowered the Stakeholders' Relationship Committee (SRC) to assist the Board and the Company in overseeing matters relating to the interests of shareholders and other stakeholders. The SRC oversees various investor-related activities, including share transfer, transmission, transposition, dematerialisation, rematerialisation, dividend-related matters and redressal of investor grievances thereto.

The SRC reviews the performance of KFin Technologies Limited, the Company's Registrar and Transfer Agent (RTA), and recommends measures for enhancing investor services.

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 2025-26

Nature	Opening Balance	Received	Resolved	Closing Balance
Non-receipt of dividend	Nil	0	0	Nil
Non-receipt of share certificate after transfer/ consolidation/ transmission exchange/ split/merger	Nil	0	0	Nil
Letters from statutory authorities	Nil	2	2	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 the IEPF authority. Simultaneously, an advertisement was also published in the newspapers.

Details of transfer to IEPF during the year under review are as below:

Transfer of unclaimed or unpaid dividends to IEPF (net amount)	Rs. 8,70,408
Transfer of shares to IEPF	5,877
Dividend paid to IEPF in respect of shares already transferred to IEPF (net amount)	Rs. 18,73,291 (Dividend for FY 2024-25

The information regarding unpaid/unclaimed dividends and Nodal Officer / Deputy Nodal Officer appointed as per the Companies Act, 2013 is available on the website of the Company at https://www.thermaxglobal.com/investors/iepf-investor-education-protection-fund.

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 comprises two Independent Directors and a Non-Executive Director as members as on March 31, 2026:

1. Meher Pudumjee - Chairperson
2. Dr. S. B. (Ravi) Pandit
3. Shyamak R. Tata

The constitution of the CSR Committee meets the requirements of Section 135 of the Companies Act, 2013.

The CSR Committee met twice during the financial year 2025-26. Attendance details are as follows:

Corporate Social Responsibility Committee Meetings					
Name of the Member	Committee Meetings dates		Held During the Year	Attended	% of Attendance
	April 11, 2025	October 10, 2025			
Meher Pudumjee	✓	✓	2	2	100
Dr. S. B. (Ravi) Pandit	✓	✓	2	2	100
Shyamak R. Tata	✓	✓	2	2	100

The Chairperson of the Committee was present at the 44th Annual General Meeting held on July 31, 2025.

The terms of reference are available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2026-06/Board-CommitteesComposition-and-Terms-of-Reference.pdf

The Board at its meeting held on February 2, 2026 amended the CSR Policy. The updated CSR Policy is available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2026-06/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 two year

E. Risk Management Committee

The Risk Management Committee ("the RMC") comprises three Independent Directors and a Non-Executive Director as on March 31, 2026:

1. Dr. S. B. (Ravi) Pandit – Chairman
2. Pheroz Pudumjee
3. Shyamak R. Tata
4. Dr. Ravi Gopinath

The constitution of the RMC meets the requirements of Regulation 21 of the Listing Regulations.

The RMC met three times during the Financial Year 2025-26. The gap between two meetings did not exceed 210 days.

Attendance details are as follows:

Risk Management Committee Meetings						
Name of the Member	Committee Meeting Dates			Held During the Year	Attended	% of Attendance
	August 21, 2025	November 26, 2025	March 11, 2026			
Dr. S. B. (Ravi) Pandit	✓	✓	✓	3	3	100
Pheroz Pudumjee	✓	✓	✓	3	3	100
Dr. Ravi Gopinath	✓	-	✓	3	2	66.67
Shyamak R. Tata	✓	✓	✓	3	3	100

The Chairman of the Committee was present at the 44th Annual General Meeting held on July 31, 2025.

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 is available on website of the Company at https://www.thermaxglobal.com/sites/default/files/2025-10/Risk-Management-Policy-1.pdf.

Additionally, the Board has also approved the Charter for the Risk Management Committee which is available on the website of the Company at: https://www.thermaxglobal.com/sites/default/files/2025-10/Risk-Management-Committee-Charter.pdf.

The terms of reference are available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2026-06/Board-CommitteesComposition-and-Terms-of-Reference.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 SBDC") of the Board is to review and guide the strategic initiatives of the Company.

The SBDC comprises two Independent Directors, two Non-Executive Directors and an Executive Director as on March 31, 2026:

1. Dr. Ravi Gopinath – Chairman
2. Pheroz Pudumjee
3. Meher Pudumjee
4. Ashish Bhandari
5. Dr. S. B. (Ravi) Pandit

The SBDC met four times during the year FY 2025-26. 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 7, 2025	July 30, 2025	October 16, 2025	December 15, 2025			
Dr. Ravi Gopinath	✓	✓	✓	✓	4	4	100
Pheroz Pudumjee	✓	✓	✓	✓	4	4	100
Meher Pudumjee	✓	✓	✓	✓	4	4	100
Ashish Bhandari	✓	✓	✓	✓	4	4	100
Dr. S. B. (Ravi) Pandit	✓	✓	✓	✓	4	4	100

The terms of reference are available on the Company's website: https://www.thermaxglobal.com/sites/default/files/2026-06/Board-CommitteesComposition-and-Terms-of-Reference.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
2022-23 (42nd AGM)	August 1, 2023	4.00 p.m.	Through Video Conference / Other Audio Visual Means
2023-24 (43rd AGM)	August 1, 2024	4.00 p.m.	
2024-25 (44th AGM)	July 31, 2025	4.30 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.

There were no resolution(s) passed via Postal Ballot during the FY 2025-26 and 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 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
July 31, 2025	Approve re-appointment of Mr. Ashish Bhandari (DIN: 05291138) as the Managing Director and CEO 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/company-overview 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/investors/annual-reports.

c) Transcripts and audio/video recordings of analyst meets are available on the Company's website: https://www.thermaxglobal.com/investors/quarterly-results.

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/investors/stock-exchange-intimations.

e) Presentations made to the institutional investors/analysts after the declaration of the financial results are submitted to the Stock Exchanges where the Company's securities are listed, and the same are also available on the Company's website: https://www.thermaxglobal.com/investors/quarterly-results.

6. Shareholder Information

A. 45th Annual General Meeting for FY 2025-26

Date and time	Thursday, July 30, 2026 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 2025-26 were announced on:

Financial Results	As Indicated	Actual Date
Quarter ended June 2025	July 31, 2025	July 31, 2025
Quarter ended September 2025	November 11, 2025	November 11, 2025
Quarter ended December 2025	February 3-4, 2026	February 2, 2026
Year ended March 2026	May 8, 2026	May 7, 2026

For FY 2026-27, the indicative announcement dates are:

Results for the quarter ended June 2026	Last week of July, 2026
Results for the quarter ended September 2026	First week of November, 2026
Results for the quarter ended December 2026	First week of February, 2027
Results for the year ended March 2027	Second week of May, 2027
Record date for payment of dividend subject to approval of shareholders	July 3, 2026
Dividend payment date	August 4, 2026
Dividend announcement	The Board of Directors have recommended a final dividend of Rs. 14/-. Further, marking Thermax's 60th anniversary milestone, the Board has also recommended a special dividend of Rs. 6/- The aggregate final dividend of Rs. 20/- per equity share of face value of Rs. 2/- each (1000%) for the year ended March 31, 2026 will be paid subject to the approval of members at the ensuing Annual General Meeting (AGM).

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 the financial year 2026-27 on the basis of the number of beneficial accounts maintained by them, as on March 31, 2026.

D. Registrar and Share Transfer Agent

KFin Technologies Limited
Selenium Tower B,
Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032.
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. In order to facilitate ease of investing for investors and to protect their rights, the SEBI vide its circular dated July 2, 2025 opened a special window for re-lodgement of transfer deeds, which were lodged prior the deadline of April 1, 2019 and rejected / not attended to due to deficiency in the documents/process/or otherwise for a period of six months i.e. from July 7, 2025 till January 06, 2026.

The SEBI vide its circular dated January 30, 2026 also opened a special window for transfer and dematerialisation of physical securities which were sold/purchased prior to April 1, 2019 for a period of one year from February 05, 2026 to Febaruary 04, 2027. As per the said circular securities so transferred shall be mandatorily credited to the transferee in demat mode only and shall be under a lock-in period of one year from the date of registration of such transfer and no transfer/pledge/lien is allowed.

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

The SEBI vide its Master Circular dated June 23, 2025 (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. The ISR forms are available on the Company's website i.e. https://www.thermaxglobal.com/investors/investor-documents.

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) The Company has sent reminders to those shareholders whose KYC details were not available.

c) The 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

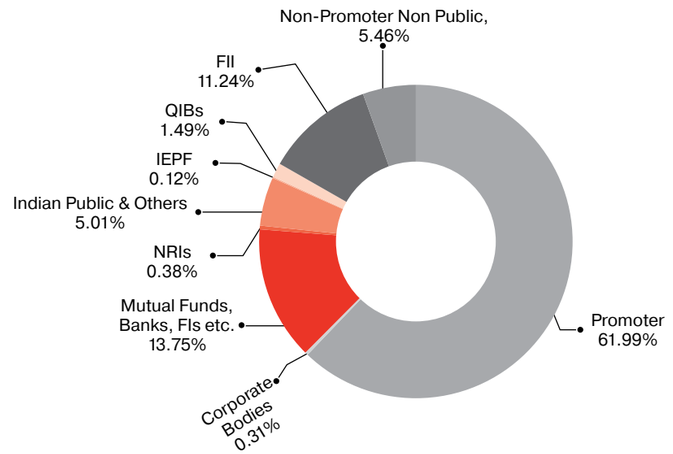
Distribution of Shareholding as on March 31, 2026

Sl. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% To Equity
1.	1 - 500	90,262	98.16	3,502,666	2.94
2.	501 - 1,000	840	0.91	636,799	0.53
3.	1,001 - 2,000	332	0.36	485,757	0.41
4.	2,001 - 3,000	115	0.13	290,557	0.24
5.	3,001 - 4,000	55	0.06	195,614	0.16
6.	4,001 - 5,000	37	0.04	169,936	0.14
7.	5,001 - 10,000	76	0.08	537,356	0.45
8.	10,001 - 20,000	60	0.07	824,092	0.70
9.	20,001 and above	178	0.19	112,513,523	94.43
	Total:	**91,955**	**100.00**	**119,156,300**	**100.00**

Category of Equity Shareholders as on March 31, 2026

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)	**Total Shareholding of Promoters**		
1.	Mutual funds, banks, financial institutions, etc.	16,379,122	13.75
2.	Foreign Institutional Investors (FII)	13,396,560	11.24
3.	Corporate bodies	373,922	0.31
4.	Non-resident individuals	452,082	0.38
5.	Indian public and others	5,968,823	5.01
6.	IEPF	145,808	0.12
7.	Qualified Institutional Buyer (QIB)	1,775,773	1.49
8.	Alternative Investment Fund (AIF)	301,276	0.25
(B)	**Total Public Shareholding**	**38,793,366**	**32.55**
(C)	**Non-Promoter Non-Public**	6,507,629	5.46
Total (A)+(B)+(C)		**119,156,300**	**100.00**

Shareholding Pattern as on March 31, 2026



J. Details of Dematerialisations

The Company's equity shares are under compulsory demat trading for all categories of investors. As on March 31, 2026 a total of 1,19,055,924 shares are in dematerialised form representing 99.92% 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.

The details on foreign currency exposures are disclosed in the notes forming part of the financial statements.

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, 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. 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 been rated A1+ for short-term rating by CARE for commercial paper. However, the Company did not issue any commercial papers during the year under review.

Your Company has also been assigned an 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 details of the Senior Management Personnel as required under the Listing Regulations are as follows:

Sr. No.	Name	Designation	Particulars of changes during the year, if any
1.	Ashish Bhandari	Managing Director & Chief Executive Officer 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 Products Business	-
4.	Rajesh B. C.	Executive Vice President and CEO – TBWES	-
5.	Dinesh Mandhana	Executive Vice President and BU Head – Chemicals	-
6.	Jasmeet Bhatia	Executive Vice President and Chief Human Resources Officer	Resigned effective January 16, 2026
7.	Kirtiraj Jilkar	Executive Vice President and BU head – P&ES	-
8.	Pravin Karve	President - TBWES	Ceased effective July 31, 2025
9.	Dr. Amit Sethi	Executive Vice President and Chief Digital and Information Officer	-
10.	Dr. Santanu Chaudhuri	Chief Technology Officer	-
11.	Arun Unni	Executive Vice President and Business Head – New Energy & Head Strategy	-
12.	Janhavi Khele	Company Secretary, Compliance Officer and KMP	Resigned on January 21, 2025 effective April 18, 2025
13.	Sangeet Hunjan	Company Secretary, Compliance Officer and KMP	Inducted effective June 27, 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 updated Related Party Transactions Policy is made available on the website of the Company at: https://www.thermaxglobal.com/sites/default/files/2026-03/TL-RPT-Policy-Nov-2025.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) Whistleblower Policy/Vigil Mechanism

The Board has adopted a Whistleblower Policy for 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. The Policy also defines processes for receiving and investigating complaints. The Company has assigned e-mail IDs - tlgovernance@gmail.com (Chairperson and MD & CEO) or govtlsrt@gmail.com (Chairman of the Audit Committee) for reporting or sending a written complaint. The Whistleblower Policy is available on the website of the Company at: https://www.thermaxglobal.com/sites/default/files/2025-10/Whistler-Blower-Policy.pdff. 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/sites/default/files/2025-08/Board-Diversity-Policy.pdff.

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 the 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/sites/default/files/2025-09/TL-revised-PIT-Policy-final.pdf.

G) Dividend Distribution Policy (DDP)

The Company has adopted the DDP effective February 8, 2017. The updated policy is made available on the Company's website at: https://www.thermaxglobal.com/sites/default/files/2025-10/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/sites/default/files/2025-10/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 2025-26 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/sites/default/files/2025-10/ABC_Policy_final.pdf.

J) The updated Policy for determining material subsidiaries is disclosed on the website of the Company: https://www.thermaxglobal.com/sites/default/files/2025-10/Policy-on-material-subsidiaries.pdf.

K) The Company has adopted the Policy of Determination of Materiality for Disclosures. The Board at its meeting held on November 13, 2024, amended the policy for the 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/sites/default/files/2026-05/Materiality%20policy%20-%20May%202026.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/sites/default/files/2025-10/Thermax-Record-Retention-Policy_1.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 were no instances wherein recommendations proposed by the committees were not approved by the Board.

P) Details of Remuneration Paid to the Statutory Auditors:

During the year under review, M/s. SRBC LLP, Chartered Accountants, completed their second consecutive term of five years as the Statutory Auditors of the Company at the conclusion of the 44th AGM of the Company.

Further, the Members at the 44th AGM, 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 details of total fees for all services paid by the Company and its subsidiaries on a consolidated basis to the erstwhile and current statutory auditors are as follows:

Payment to M/s. SRBC, Chartered Accountants (erstwhile Statutory Auditors and its Network Firms)	Amount (Rs. Lakhs)
As Auditor	
Audit and limited review fee	68.13
In Other Capacity	
Other services	0.74
Reimbursement of expenses	2.08
Total	**70.95**

Payment to M/s. Price Waterhouse Chartered Accountants LLP (Statutory Auditors and its Network Firms)	Amount (Rs. Lakhs)
As Auditor	
Audit and limited review fee	531.16
In Other Capacity	
Other services	21.50
Reimbursement of expenses	41.96
Total	**594.62**

Q) Details of Remuneration Paid to Secretarial Auditors

The Members at their 44th AGM 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. The details of total fees for Secretarial Audit and other services paid by the Company to the secretarial auditors are as follows:

Payment to Secretarial Auditors for FY 2025-26	Amount (Rs. Lakhs)
As Auditor	
Secretarial Audit Report in form MR-3	3.75
In Other Capacity	
Other services	2.95
Reimbursement of expenses	Nil
Total	**6.70**

R) Disclosure in Relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	3
Number of complaints disposed of during the financial year	3
Number of complaints pending as on end of the financial year	0

S) 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 32 on page 431.

T) 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: Price Waterhouse Chartered Accountants LLP
4. Date of Appointment of Statutory Auditors: July 29, 2025
5. Date of Re-appointment of Statutory Auditors: NA

M/s. SRBC LLP, Chartered Accountants, completed their second consecutive terms of five years as the Statutory Auditors of TBWES.

U) 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/investors/annual-reports.

V) Website

The Company's website www.thermaxglobal.com has a separate dedicated section 'Investors' where the 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. is also hosted on the website.

W) Cybersecurity Incidents or Breaches or Loss of Data or Documents

During the year under review, there were no cybersecurity incidents or instances of breach or loss of data or documents.

X) Disclosure under clause 5A of Para A of Part A of Schedule III of Listing Regulations:

The Articles of Association of the Company grant certain rights to Core Promoters of the Company relating to the 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 the website of the Company at https://www.thermaxglobal.com/sites/default/files/2026-04/SEIntimationmateriality1.pdf.

9. Mandatory and Non-Mandatory Requirements

The Company has complied with all the mandatory requirements under the Listing Regulations.

The Company has adopted the following discretionary practices as specified under Regulation 27(1) of the 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.

10. Certificate Confirming Compliance of Conditions of Corporate Governance

The Company has also obtained a certificate from M/s. Makarand M. Joshi & Co., Practising Company Secretaries, Mumbai, confirming compliance of conditions of Corporate Governance. Please refer to page 159 of this Report for the certificate.

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.

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Date: May 5, 2026
Place: Pune

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, 2026, 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
DIN: 05291138

Rajendran Arunachalam
Group CFO

Place: Pune
Date: May 5, 2026

ANNEXURE-C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of 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 disclosures provided by the Directors (as enlisted in Table A) to **Thermax Limited** having **CIN: L29299PN1980PLC022787** and having registered office D-13 MIDC, Ind Area, R. D. Aga Road, Chinchwad, Pune - 411019, India (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) Disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority as on March 31, 2026.

Table A

Sr. No.	Name of the Directors	DIN	Date of appointment in Company
1.	Meher Pheroz Pudumjee	00019581	15/01/2001
2.	Pheroz Naswanjee Pudumjee	00019602	15/01/2001
3.	Harsh Charandas Mariwala	00210342	10/11/2016
4.	Shashishekhar Pandit Balkrishna	00075861	30/05/2017
5.	Rajani Kesari	02384170	14/11/2018
6.	Ashish Bhandari	05291138	18/06/2020
7.	Ravi Shankar Gopinath	00803847	10/11/2021
8.	Shyamak Ramyar Tata	07297729	17/10/2023
9.	Parag Chandulal Shah	00374944	12/12/2024

General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Saurabh Agrawal
Partner

FCS No.: 9290
CP No.: 20907
UDIN: F009290H000306290

Date: May 07, 2026
Place: Mumbai

ANNEXURE-D

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Thermax Limited
D-13 MIDC Ind, Area R D Aga Road, Chinchwad, Pune 411019, Maharashtra, India.

We have examined the compliance of conditions of Corporate Governance by Thermax Limited ("the Company") for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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.

We further state that such compliance 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 Makarand M. Joshi & Co.
Company Secretaries

ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Deepti Kulkarni
Partner

ACS: A34733
CP: 22502
UDIN: A034733H000302264

Date: May 07, 2026
Place: Mumbai

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 411 019
5	Corporate office address	Thermax House 14, Mumbai-Pune Road, Wakdewadi, Pune 411 003, 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	2025-26
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, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ashish Bhandari E-mail: 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)	67
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	23
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	10

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	67
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	23
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	10

II. 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)	29
International (No. of Countries)	90

b. What is the contribution of exports as a percentage of the total turnover of the entity?

20%

c. A brief on types of customers

The Company operates across national and international markets, providing products and services primarily to manufacturing customers. Many of these customers place a strong emphasis on sustainability, seeking solutions that are both environmentally responsible and commercially viable. By offering sustainable products, the Company enables its manufacturing customers to reduce their environmental impact while continuing to achieve strong economic performance.

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		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1	Permanent (D)	3,339	2,969	89	370	11
2	Other than Permanent (E)	2,747	2,648	96	99	4
3	**Total Employees (D + E)**	**6,086**	**5,617**	**92**	**469**	**8**
	WORKERS					
4	Permanent (F)	623	621	100	2	0
5	Other than Permanent (G)	3,656	3,589	98	67	2
6	**Total Workers (F + G)**	**4,279**	**4,210**	**98**	**69**	**2**

b. Differently abled employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1	Permanent (D)	13	11	85	2	15
2	Other than Permanent (E)	5	5	100	-	-
3	**Total Differently Abled Employees (D + E)**	**18**	**16**	**89**	**2**	**11**
	WORKERS					
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	3	3	100	-	-
	Total Differently Abled Workers (F + G)	**3**	**3**	**100**	**-**	**-**

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 2025-26 (Turnover Rate in Current FY)			FY 2024-25 (Turnover Rate in Previous FY)			FY 2023-24 (Turnover Rate in the Year Prior to the Previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15	2	16	13	2	15	15	17	15
Permanent Workers	15	0	15	2	0	0	13	-	13

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 Limited	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 Limited	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	70	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	73	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	69	Yes
21	First Energy 12 Private Limited	Subsidiary	100	Yes
22	First Energy 14 Private Limited	Subsidiary	100	Yes
23	First Energy 15 Private Limited	Subsidiary	100	Yes
24	Fortmax Chemical India Private Limited	Subsidiary	51	Yes
25	Thermax Energy Solutions Company	Subsidiary	100	No
26	Jalansar Wind Energy Private Limited	Subsidiary	74	Yes
27	Kanakal Wind Energy Private Limited	Subsidiary	74	Yes
28	Thermax Chemical Solutions Company	Subsidiary	100	No
29	Thermax Vebro Polymers India Private Limited	Subsidiary	50.1	No
30	TSA Process Equipments Private Limited	Subsidiary	51	No
31	Buildtech Products India Private Limited	Subsidiary	100	No
32	Thermax International Limited	Subsidiary	100	No
33	Thermax Europe Limited	Subsidiary	100	No
34	Thermax Inc. (USA)	Subsidiary	100	No
35	Thermax do Brasil Energia e Equipamentos Ltda	Subsidiary	100	No
36	Thermax Netherlands BV.	Subsidiary	100	No
37	Thermax Denmark ApS	Subsidiary	100	No
38	Danstoker A/S	Subsidiary	100	No
39	Ejendomsanp artsselskabet Industrivej Nord 13	Subsidiary	100	No
40	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)
41	Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	Subsidiary	100	No
42	Rifox-Hans Richter GmbH Spezialarmaturen	Subsidiary	100	No
43	Thermax Sdn.Bhd (Malaysia)	Subsidiary	100	No
44	Thermax Engineering Singapore Pte. Ltd.	Subsidiary	100	No
45	PT Thermax International Indonesia	Subsidiary	100	No
46	Thermax Energy & Environment Philippines Corporation	Subsidiary	100	No
47	Thermax Energy & Environment Lanka (Private) Limited	Subsidiary	100	No
48	Thermax Nigeria Limited	Subsidiary	100	No
49	Thermax Engineering Construction FZE	Subsidiary	100	No
50	Thermax International Tanzania Limited	Subsidiary	100	No
51	Thermax (Thailand) Limited	Subsidiary	100	No
52	Thermax Chemical Europe A/s	Subsidiary	100	No
53	Exactspace Technologies Private Limited	Associate	15.17	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes

(ii) Turnover (in Rs. crore): 6,518.26

(iii) Net worth (in Rs. crore): 4,427.09

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 2025-26 (Current Financial Year)			FY 2024-25 (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 Year	Remarks
Communities	No	-	-	-	-	-	-
Investors (Other than Shareholders)	Yes*	-	-	-	-	-	-
Shareholders	Yes*	2	-	-	2	-	-
Employees and Workers	Yes**	13	3	-	10	2	-
Customers	Yes***	7,304	159	-	7,656	83	-
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/digital

**** https://www.thermaxglobal.com/sites/default/files/2025-12/Thermax-Code-of-Conduct-Alt.pdf

**** https://www.thermaxglobal.com/sites/default/files/2025-10/Whistler-Blower-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
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, upskilling, 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

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)
14	**Geopolitical Insatiability**	R	Increased geopolitical tensions globally resulting in trade restrictions, protectionism, global technology decoupling, raw material price increases and regulatory compliance challenges.	Evaluation and monitoring of exposure to and dependency on high-risk geographical markets. Developing alternative supply chains for raw materials and dual sourcing strategies for key components	Negative
15	**Cyber security**	R	Inadequate cybersecurity controls may result in adverse impacts on the Company, customers and other stakeholders through unauthorised access, data breaches, or service disruptions.	By implementing multi layered cybersecurity risk management framework, i.e. implementing policy, controls, continuous awareness sessions, ongoing audits aligned with industry best practices to prevent, detect, respond to, and recover from cyber threats	Negative

Section B: Management and Process Disclosures

S. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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/investors/corporate-governance								
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	ISO 9001, ISO 14001, ISO 45001								
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, using FY 2019 as the baseline year. In terms of water stewardship, the Company aims to reduce freshwater consumption by 5% by 2030, with FY 2024-25 as the reference year. The Company is also committed to reducing overall waste generation by 5% by 2030, considering FY 2024-25 as the baseline. As part of its journey toward zero waste to landfill, it has set an annual target to limit landfill disposal to below 5% of the total waste generated								
6	Performance of the Entity Against the Specific Commitments, Goals and Targets Along with Reasons in Case the Same are Not Met.	All are long-term targets and are being pursued in a phased manner, the pace of achievement has been influenced by operational and infrastructure-related factors. This year we have commenced Unit 2 at Jhagadia. We also have two acquisitions, one in the chemical & other in the WWS business. These collectively have increased overall resource consumption and emissions. With additional capacity, we have revisited and worked on the baseline data. The entity continues to implement corrective measures, strengthen monitoring mechanisms, and drive ongoing initiatives to stay aligned with its commitments by the target year. During FY 2025-26, performance against certain targets reflected the impact of business expansion and operational changes. Carbon emissions have reduced by 35% compared to the baseline. However, freshwater consumption increased by 17%, and overall waste generation increased by 38% during the year.								
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 has committed to achieving a 50% absolute reduction in carbon emissions by FY 2030, relative to the FY 2019 baseline. To achieve this, multiple initiatives are being implemented across its facilities, focusing 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. This enables 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 the 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.								
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 the Review was Undertaken by the 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 an external agency? (Yes/No). If yes, provide the name of the agency.

Disclosure Questions	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 independent assessment or evaluation of the working of the entity's policies was conducted by an external agency during the reporting period.								
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, the reasons to be stated:

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)	3	COBEC, POSH, Data Privacy*	67
Workers	4,030	POSH-COBEC, Health & Safety	100
Employees other than BoD and KMP	Online Trainings	POSH-COBEC	100

*COBEC – Code of Conduct and POSH – Prevention of Sexual Harassment at workplace

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			Nil		
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 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/sites/default/files/2025-12/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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints regarding conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
No. of Days of Accounts Payable	89	81

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2025-26 indicators in the table above. Please find the assurance report on page no. 201.

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	10%	8%
	b. Number of trading houses where purchases are made from	1,298	1,236
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	40%	39%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	7%	7%
	b. Number of dealers/distributors to whom sales are made	147	157
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors	31%	35%
Share of RPTs in	a. Purchases (purchases with related parties/total purchases)	4%	2%
	b. Sales (sales to related parties/total sales)	7%	6%
	c. Loans & advances (loans & advances given to related parties/total loans & advances)*	67%	39%
	d. Investments (investments in related parties/total investments made)^	59%	50%

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2025-26 indicators in the table above. Please find the assurance report on page no. 201.

*For loans and advances and investments, closing balances disclosed in the audited standalone financial statements for the year ended March 31, 2026, 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	21

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/sites/default/files/2025-12/Code-of-Conduct-for-Thermax-Employees.pdf

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of Improvements in Environmental and Social Impacts
R&D	9	6	(1) Mobile air conditioning system (HVAC) – Environmental - This helps in saving the diesel consumption, and in turn also reduces CO_2 emissions (2) Power Roll Solar Film - Environmental: To generate renewable power working on flexible solar, which will help reduce the CO_2 emissions for power generation (3) AEM Development - Environmental: This will help in reducing the carbon emissions in other Hydrogen producing technology (Grey/blue/etc) (4) Bio Hydrogen - Environmental: This will help in reducing the carbon emissions in other Hydrogen producing technology (Grey/blue/etc). (5) Absorption based H_2 compressor - The ABHC system aims to reduce carbon footprints by utilising industrial waste heat to drive the hydrogen compression, eliminating the need for high-grade electrical energy. This thermal-driven approach transforms low-grade thermal energy into high-pressure hydrogen, creating a sustainable industrial ecosystem (6) WW1610 – CDI development for drinking - Social - This will help us in saving in water reject quantity and power consumption

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of Improvements in Environmental and Social Impacts
Capex	3	6	(1) Auto tube cleaning system for improving chiller efficiency - Improved chiller efficiency with ~8–12% energy savings (~800–1200 kWh/month reduction), reduced chemical cleaning and maintenance costs, ensured consistent cooling performance. (2) BKC-50% storage tanks - Decreases human efforts in handling chemicals. (3) Procurement of acrylamide storage tanks - Decreases human efforts in handling chemicals. (4) EC Fans for AHUs - Reduced 17,800 kWh/year grid energy consumption (~30% reduction), reduced ~13.5 tCO_2e emissions, lowered maintenance costs, and improved operational efficiency with demand-based airflow control.

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?

   58 %

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:**

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, take steps 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.

Leadership Indicator

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format.**

NIC Code	Name of Product/ Service	% of Total Turnover Contributed	The Boundary for which the Life Cycle Perspective/ Assessment was Conducted	Whether Conducted by an Independent External Agency (Yes/No)	Results Communicated in Public Domain (Yes/No) If yes, provide the web-link.
No LCA was conducted in FY 2025-26					

2. **If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

   Not Applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for the service industry).**

Indicate Input Material	Recycled or Re-Used Input Material to Total Material	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Due to the highly diversified nature of input materials used, it is not feasible to accurately measure the percentage of recycled or reused input material by value.		

4. **Of the products and packaging reclaimed at the end of life of products, the amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

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 a % of total products sold in the 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	2,969	2,969	100	2,969	100	-	-	2,969	100	2,969	100
Female	370	370	100	370	100	370	100	-	-	370	100
Total	**3,339**	**3,339**	**100**	**3,339**	**100**	**370**	**100**	**2,969**	**100**	**3,339**	**100**
Other than Permanent Employees											
Male	2,648	2,648	100	2,648	100	-	-	2,648	100	2,648	100
Female	99	99	100	99	100	99	100	-	-	99	100
Total	**2,747**	**2,747**	**100**	**2,747**	**100**	**99**	**100**	**2,648**	**100**	**2,747**	**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	621	621	100	621	100	-	-	621	100	-	-
Female	2	2	100	2	100	2	100	-	-	-	-
Total	**623**	**623**	**100**	**623**	**100**	**2**	**100**	**621**	**100**	**-**	**-**
Other than Permanent Workers											
Male	3,589	-	-	-	-	-	-	-	-	-	-
Female	67	-	-	-	-	-	-	-	-	-	-
Total	**3,656**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of the total revenue of the Company	0.25	0.19

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2025-26 indicators in the table above. Please find the assurance report on page no. 201.

2. Details of retirement benefits, for the current and previous financial year

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	0	0	Y	1	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/sites/default/files/2025-12/Code-of-Conduct-for-Thermax-Employees.pdf

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	-	-
Female	100	100	-	-
Total	**100**	**100**	**-**	**-**

*No permanent workers have availed parental leave during FY 2025-26.

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	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 e-mail 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.
Other than Permanent Workers	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.
Permanent Employees	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.
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or unions recognised by the listed entity:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	2,969	-	-	2,773	-	-
- Female	99	-	-	319	-	-
Total Permanent Workers						
- Male	621	546	88	610	538	88

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (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)
- Female	2	-	-	2	-	-

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees (Permanent + Other than Permanent)										
Male	5,617	3,434	61	2,623	47	5,423	4,542	84	2,225	41
Female	469	139	30	335	71	456	262	57	300	66
Total	**6,086**	**3,573**	**59**	**2,958**	**49**	**5,879**	**4,804**	**82**	**2,525**	**43**
Workers										
Male	10,959	10,744	98	621	6	11,326	11,008	97	610	5
Female	252	242	96	2	1	206	180	87	2	1
Total	**11,211**	**10,986**	**98**	**623**	**6**	**11,532**	**11,188**	**97**	**612**	**5**

Note: Training to workers includes workers deployed at site locations.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (D)	No.(E)	% (E/D)
Employees						
Male	5,613	5,613	100	5,423	5,423	100
Female	459	459	100	456	456	100
Total	**6,072**	**6,072**	**100**	**5,879**	**5,879**	**100**
Workers						
Male	621	621	100	610	445	73
Female	2	2	100	2	2	100
Total	**623**	**623**	**100**	**612**	**447**	**73**

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (Per One Million-Person Hours Worked)	Employees	-	-
	Workers (including the contract workforce)	0.22	0.11
Total Recordable Work-Related Injuries#	Employees	2	1
	Workers (including the contract workforce)	35	24
No. of Fatalities	Employees	1	-
	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 2025-26 indicators in the table above. Please find the assurance report on page no. 201.

#The incidents that occurred at manufacturing locations and offices are included.

Note: As per the industry standards released by SEBI, the 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

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	100
Working Conditions	100

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.

During the reporting period, no safety-related incidents occurred, and no significant risks or concerns were identified from assessments of health and safety practices or working conditions. Accordingly, no corrective actions were required or are currently underway.

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

Note - Only permanent workers are considered. The Company has started extending the Group Term Life and Group Medical Insurance coverage to the workers at the Savli Factory. Currently, workers engaged at two manufacturing units are covered under the Death Benevolent Fund as a part of the wage settlement agreement. Chinchwad, Paudh, Sri City and Savli workers are covered under the Group Personal Accident Policy.

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

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, the Company does not provide any transition assistance programmes.

5. **Details on assessment of value chain partners:**

	% of Value Chain Partners (by Value of Business Done with Such Partners) That Were Assessed
Health and Safety Practices	58
Working Conditions	58

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No specific significant risk/concerns identified during the assessment. The Company has implemented measures to address certain areas of value chain partners to uplift health & safety practices and working conditions. The Company actively engages with value chain partners to enhance their sustainability performance by sharing identified improvement opportunities, particularly with those assessed under the Responsible Supply Chain programme.

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 (E-mail, 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) E-mails (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

Stakeholder Group	Whether Identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (E-mail, 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
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 the 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
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 focused 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 2025-26 (Current Financial Year)			FY 2024-25 (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	4,054	4,054	100	3,511	3,511	100
Other than Permanent	5,226	5,226	100	4,473	4,473	100
Total Employees	**9,280**	**9,280**	**100**	**7,984**	**7,984**	**100**
Workers						
Permanent	623	623	100	612	612	100
Other than Permanent	3,656	Not Applicable*		2,438	Not Applicable*	
Total Workers	**4,279**		**-**	**3,050**		**-**

*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 focused 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 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent										
Male	2,969	-	-	2,969	100	2,773	-	-	2,773	100
Female	370	-	-	370	100	319	-	-	319	100
Other than Permanent										
Male	2,648	-	-	2,648	100	2,650	-	-	2,650	100
Female	99	-	-	99	100	137	-	-	137	100
Workers										
Permanent										
Male	621	-	-	621	100	610	-	-	610	100
Female	2	-	-	2	100	2	-	-	2	100
Other than Permanent										
Male	3,589	1,489	41	2,100	59	2,340	759	32	1,581	68
Female	67	67	100	0	0	98	62	63	36	37

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	3,940,000	2	5,035,000
Key Managerial Personnel	2	56,150,394	1	5,607,477
Employees other than BoD and KMP	5,617	606,180	469	737,364
Permanent Workers	621	35,208	2	12,863
Contractual Workers	3,340	18,228	67	16,219

Note - The temporary workers whose duration of work is around approx.3-6 months are not considered for the media in contractual workers.

(b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Gross wages paid to females as % of total wages	7	7

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2025-26 indicators in the table above. Please find the assurance report on page no. 201.

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:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (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
Sexual Harassment	3	0	Complaints are resolved	2	0	Complaints are 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	2
Complaints on POSH as a % of female employees/workers	0.55	0.41
Complaints on POSH upheld	3	2

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2025-26 indicators in the table above. Please find the assurance report on page no. 201.

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 Your Plants and Offices that Were Assessed (by Entity or Statutory Authorities or Third Parties)
Sexual Harassment	58
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.

There were no significant risks or concerns identified from the assessments referred to in Question 4 during the reporting period. As a result, no corrective actions were required or undertaken.

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:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From Renewable Sources		
Total Electricity Consumption (A)	33,543	32,120
Total Fuel Consumption (B)	123,998	103,848
Energy Consumption through Other Sources (C)	-	-
Total Energy Consumed from Renewable Sources (A+B+C)	**157,541**	**135,968**
From Non-Renewable Sources		
Total Electricity Consumption (D)	72,874	59,715
Total Fuel Consumption (E)	84,265	81,144
Energy Consumption through Other Sources (F)	-	-
Total Energy Consumed from Non-Renewable Sources (D+E+F)	**157,139**	**140,859**
Total Energy Consumed (A+B+C+D+E+F)	**314,680**	**276,827**
% of energy consumed from renewable sources	50	49
Energy Intensity per Rupee of Turnover (Total Energy Consumption/Revenue from Operations)	0.0000048	0.0000044
Energy Intensity per Rupee of Turnover Adjusted for Purchasing Power Parity (PPP)*$ (Total Energy Consumed/Revenue from Operations Adjusted for PPP)	0.00009819	0.00009145
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 2025-26 indicators in the table above (other than Energy Intensity per rupees of turnover), please find the assurance report on page no. 201.

*For FY 2024-25, the revenue from operations has been adjusted for PPP based on PPP conversion factor published for the year 2025 by the International Monetary Fund which is 20.66.

$For FY 2025-26, the revenue from operations has been adjusted for PPP based on PPP conversion factor published for the year 2026 by the International Monetary Fund which is 20.34.

#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.

No. The entity does not have any sites or facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water Withdrawal by Source (in Kilolitres)		
(i) Surface Water	98,345	115,794
(ii) Groundwater	-	-
(iii) Third Party Water	764,528	618,232
(iv) Seawater/desalinated water	-	-
(v) Others (Rainwater)	38,796	38,458
Total Volume of Water Withdrawal (in Kilolitres) (i + ii + iii + iv + v)	**901,669**	**772,484**
Total Volume of Water Consumption (in Kilolitres)	**419,774**	**393,393**
Water Intensity Per Rupee of Turnover (Water Consumed/Turnover)	0.00000644	0.00000629
Water Intensity Per Rupee of Turnover Adjusted for Purchasing Power Parity (PPP) (Total Water Consumption/Revenue from Operations Adjusted for PPP)#$	0.00013099	0.00012996
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 FY 2025-26 indicators in the table above (other than Water Intensity per rupees of turnover), please find the assurance report on page no. 201.

#For FY 2024-25, the revenue from operations has been adjusted for PPP based on PPP conversion factor published for the year 2025 by the International Monetary Fund which is 20.66.

$For FY 2025-26, the revenue from operations has been adjusted for PPP based on PPP conversion factor published for the year 2026 by the International Monetary Fund which is 20.34.

^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

	FY 2025-26 (Current Financial Year)	FY 2024-25 (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	4,69,358	3,67,958
No Treatment	-	-
With Treatment – Please Specify Level of Treatment (Tertiary Treatment)	4,69,358	3,67,958
(iv) Sent to Third Parties	12,537	11,133
No Treatment	9,469	7,401
With Treatment – Please Specify Level of Treatment (Secondary Treatment)	418	1,129
With Treatment – Please Specify Level of Treatment (Tertiary Treatment)	2,650	2,603
(v) Others	-	-
No Treatment	-	-
With Treatment – Please Specify Level of Treatment	-	-
Total Water Discharged (in Kilolitres)	**4,81,895**	**3,79,091**

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 2025-26 indicators in the table above, please find the assurance report on page no. 201.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Four 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	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	MT	31	15
SOx	MT	22	13
Particulate Matter (PM)	MT	21	33
Persistent Organic Pollutants (POP)	MT	Not Applicable	Not Applicable
Volatile Organic Compounds (VOC)	MT	2	6
Hazardous Air Pollutants (HAP)	MT	Not Applicable	Not Applicable
Others – Please Specify			

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	Please Specify Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if Available)	Metric tonnes of CO_2 equivalent	7,422	7,384
Total Scope 2 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if Available)	Metric tonnes of CO_2 equivalent	14,372	12,059
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	0.00000033	0.00000031
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)*$		0.00000680	0.00000642
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 2025-26 indicators in the table above (other than Emission Intensity per rupees of turnover), please find the assurance report on page no. 201.

*For FY 2024-25, the revenue from operations has been adjusted for PPP based on PPP conversion factor published for the year 2025 by the International Monetary Fund which is 20.66

$For FY 2025-26, the revenue from operations has been adjusted for PPP based on PPP conversion factor published for the year 2026 by the International Monetary Fund which is 20.34.

#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 2025-26 and FY 2024-25 is 13,514 $MTCO_2$ and 11,337 MTCO, respectively.

8. Does the entity have any projects related to reducing greenhouse gas emission? If yes, then provide details.

Yes, the entity has undertaken multiple initiatives to curb greenhouse gas (GHG) emissions by focusing on fuel transition and enhancing energy efficiency. The conversion from LPG to Piped Natural Gas (PNG) has led to better combustion performance and lower CO_2 emissions. At Jhagadia, High-Speed Diesel (HSD) has been replaced with biomass fuel, reducing dependence on fossil fuels and associated emissions. At the Paudh unit, Low Sulphur Heavy Stock (LSHS) has been replaced with biofuel, resulting in lower SO_2 and carbon emissions. Furthermore, the Chinchwad facility has increased its hybrid energy contribution from 4% to 15%, taking the overall green energy share to 62% and thereby reducing reliance on conventional energy sources.

In addition, the entity has implemented nine energy efficiency projects such as solar street lighting, daylight-based lighting automation, solar panel cleaning systems to enhance generation efficiency, installation of sun films to reduce air-conditioning load, provision of skylights to limit daytime lighting needs, chiller descaling for improved performance, and optimisation of compressed air systems. Collectively, these initiatives have strengthened energy efficiency and supported overall emission reduction efforts.

9. Provide details related to waste management by the entity, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste Generated (in metric tonnes)		
Plastic Waste (A)	125	151
E-waste (B)	11	15
Bio-medical Waste (C)	0**	0**
Construction and Demolition Waste (D)	2,695	71
Battery Waste (E)	2	0***
Radioactive Waste (F)	-	-
Other Hazardous Waste. Please Specify, if Any. (G)	16,339	13,355
Other Non-Hazardous Waste Generated (H). Please Specify, if Any.	5,546	4,124
Total (A+B + C + D + E + F + G+ H)^	**24,718**	**17,716**
Waste Intensity Per Rupee of Turnover (Total Waste Generated/Revenue From Operations)	0.00000038	0.00000028
Waste Intensity Per Rupee of Turnover Adjusted For Purchasing Power Parity (PPP).*$ (Total Waste Generated/Revenue from Operations Adjusted for PPP)	0.00000771	0.00000585
Waste Intensity in Terms of Physical Output#		
For Each Category of Waste Generated, Total Waste Recovered Through Recycling, Reusing or Other Recovery Operations (in Metric Tonnes)		
Category of waste		
(i) Recycled	19,258	14,040
(ii) Reused	2,695	71
(iii) Other Recovery Operations	-	-
Total	**21,953**	**14,111**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
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)	2,225	2,469
(ii) Landfilling	540	1,137
(iii) Other Disposal Operations	-	-
Total	**2,765**	**3,606**

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 2025-26 indicators in the table above (other than waste Intensity per rupees of turnover), please find the assurance report on page no. 201.

*For FY 2024-25, the revenue from operations has been adjusted for PPP based on PPP conversion factor published for the year 2025 by the International Monetary Fund which is 20.66

$For FY 2025-26, the revenue from operations has been adjusted for PPP based on PPP conversion factor published for the year 2026 by the International Monetary Fund which is 20.34.

**Bio-medical Waste - 0.03 for FY 2024-25 and 0.03 for FY 2025-26

***Battery Waste is 0.04 for FY 2024-25

#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.

At the Jhagadia manufacturing plant, a production-driven initiative was undertaken to minimise packing material waste by transitioning raw material procurement from containers to tankers. Enabled by automation in Performance Product Group (PPG) and Construction chemical (CC) streams, the project enhanced operational efficiency while substantially reducing empty container waste. Completed within the financial year, the initiative has resulted in reduction of hazardous empty barrel waste.

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.
The Company does not have any operations or offices in or around ecologically sensitive areas			

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
During the current financial year, no projects requiring environmental impact assessment (EIA) under applicable laws were undertaken by the Company.					

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
There were no instances of non-compliance during the reporting period. Accordingly, disclosure of non-compliance details is not applicable.				

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:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface Water	-	-
(ii) Groundwater	-	-
(iii) Third Party Water	4,199	4,333
(iv) Seawater/Desalinated Water	-	-
(v) Others	-	-
Total Volume of Water Withdrawal (in kilolitres)	4,199	4,333
Total Volume of Water Consumption (In kilolitres)	839	918
Water Intensity per Rupee of Turnover (Water consumed/turnover)	0.00000001	0.00000001
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	3,360	3,415
- No Treatment	2,060	1,735
- With Treatment – Tertiary Treatment	1,300	1,680
(v) Others	-	-
- No Treatment	-	-
- With treatment – Please Specify Level of Treatment	-	-
Total Water Discharged (in Kilolitres)	**3,360**	**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:

	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if Available)	Metric tonnes of CO_2 equivalent	Not captured in FY 2025-26	Not captured in FY 2024-25
Total Scope 3 Emissions Per Rupee of Turnover	Metric tonnes of CO_2 equivalent	Not captured in FY 2025-26	Not captured in FY 2024-25
Total Scope 3 Emission Intensity (Optional) – The Relevant Metric May Be Selected by the Entity	Metric tonnes of CO_2 equivalent	Not captured in FY 2025-26	Not captured in FY 2024-25

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 the outcome of such initiatives, as per the following format:

S. No.	Initiative Undertaken	Details of the Initiative (Web-Link, if Any, May Be Provided Along with Summary)	Outcome of the Initiative
1	Switched from LPG to PNG in Sri City	Transitioned fuel source from LPG to Piped Natural Gas (PNG) to improve combustion efficiency and reduce emissions.	Reduction in CO_2 emissions, improved energy efficiency, and lower operational costs.
2	Switched from HSD to Biomass at Jhagadia	Replaced High-Speed Diesel (HSD) with biomass-based fuel for boiler operations to adopt a renewable energy source.	Significant reduction in fossil fuel dependency and greenhouse gas emissions; improved sustainability performance.
3	Switched from LSHS to Biofuel at Paudh	Transitioned from Low Sulphur Heavy Stock (LSHS) to biofuel in boiler to reduce environmental impact.	Lower SO_2 and carbon emissions, supporting cleaner production processes.
4	Zero Waste to Landfill Certification (Savli, Sri City, Chinchwad, Solapur, WWS Bhosari, Dahej & Jhagadia)	Implemented comprehensive waste management practices including source segregation, recycling, co-processing, and recovery across all listed locations. Achieved Zero Waste to Landfill certification from TUV SUD.	Significant reduction in waste sent to landfill, enhanced material recovery, and strengthened circular waste management practices across certified sites.
5	Single use Plastic free certification (Savli, Sri City, Chinchwad, Solapur, WWS Bhosari, Dahej, Jhagadia, Paudh and Chemical R&D)	Eliminated single-use plastics by replacing them with reusable and eco-friendly alternatives, supported by employee awareness and procurement controls across all locations. Certification obtained from TUV SUD.	Significant reduction in plastic waste generation, improved compliance, and enhanced environmental stewardship.
6	Reduction of generation of hazardous empty barrels at Jhagadia	Transitioned raw material procurement from barrel-based supply to bulk tankers, along with process automation improvements in key streams.	Reduction of hazardous empty barrel waste by ~11.47 MT, leading to lower disposal costs and minimised environmental risk.
7	Water Neutrality Certification (Savli, Sricity, Solapur & Chinchwad)	Achieved water neutrality through a combination of water conservation measures, recycling and reuse systems, and groundwater recharge initiatives. Certification obtained from an independent agency.	Balanced water consumption with replenishment, strengthening sustainable water management and reducing freshwater dependency.

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 was found during the assessment.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   58% 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:***

   (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
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		

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public Policy Advocated	Method Resorted for such Advocacy	Whether Information is Available in the Public Domain? (Yes/No)	Frequency of Review by Board	(Annually/Half Yearly/Quarterly/ Others – Please Specify)	Web Link, if Available
No public policy has been advocated by the Company						

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 that 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 for 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 such project was initiated that requires Social Impact Assessment.					

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 e-mail 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:**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly Sourced from MSMEs/Small Producers	67	66
Directly from Within India	99	98

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2025-26 indicators in the table above. Please find the assurance report on page no. 201.

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)**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	3	6
Semi-urban	4	2
Urban	9	8
Metropolitan	83	84

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2025-26 indicators in the table above. Please find the assurance report on page no. 201.

For the purpose of categorisation of people employed at locations into Rural/Semi-Urban/Urban/Metropolitan all manufacturing locations and offices are mapped basis their respective actual addresses. All employees are reported on the basis of their base office location.

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	15,39,300

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 the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on Traditional Knowledge	Owned/Acquired (Yes/No)	Benefit Shared (Yes/No)	Basis of Calculating the Benefit Share
The Company did not own or acquire any intellectual property related to traditional knowledge. As a result, no benefits were gained or shared from such intellectual property.				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein the usage of traditional knowledge is involved.**

S. No.	Name of Authority	Brief of the Case	Corrective Action Taken
There were no adverse orders or disputes related to intellectual property or the use of traditional knowledge during the reporting period. Therefore, no corrective actions were needed or taken.			

6. **Details of beneficiaries of CSR projects:**

S. No.	CSR Project	No of Persons Benefitted from the 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.	1,812	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.	3,987	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.	810	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 e-mail, 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 Centre (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:**

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Received During the Year	Pending Resolution at End of Year	Remarks	Received During the Year	Pending Resolution at End of Year	Remarks
Data Privacy	-	-	No such complaint received in FY 2025-26	-	-	No such complaint received in FY 2024-25
Advertising	-	-	No such complaint received in FY 2025-26	-	-	No such complaint received in FY 2024-25
Cybersecurity	-	-	No such complaint received in FY 2025-26	-	-	No such complaint received in FY 2024-25
Delivery Of Essential Services	-	-	No such complaint received in FY 2025-26	-	-	No such complaint received in FY 2024-25
Restrictive Trade Practices	-	-	No such complaint received in FY 2025-26	-	-	No such complaint received in FY 2024-25
Unfair Trade Practices	-	-	No such complaint received in FY 2025-26	-	-	No such complaint received in FY 2024-25
Other	-	-	No such complaint received in FY 2025-26	-	-	No such complaint received in FY 2024-25

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for Recall
Voluntary Recalls	0	Not Applicable
Forced Recalls	0	Not Applicable

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; cybersecurity and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

There were no issues or incidents relating to advertising practices, delivery of essential services, cybersecurity and customer data privacy, product recalls, or any penalties/actions taken by regulatory authorities regarding the safety of products or services.

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 2025-26 indicators in the table above. Please find the assurance report on page no. 201.

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 January 8, 2026, 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 Report of the Company for the financial year ended March 31, 2026, pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations").

This engagement was conducted by a team comprising assurance practitioners and engineers/environment experts.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2026, 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, 2026.

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 Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, and the 'Industry Standards on Reporting of BRSR Core' issued by the Securities and Exchange Board of India ("SEBI") vide circular SEBI/HO/CFD-PoD-1/P/CIR/2024/177 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.

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.

Independent Practitioner's Reasonable Assurance Report

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) issued by the International Ethics Standard Board for Accountants ("IESBA Code"), which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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, 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.
- Made enquiries of Company's management, including the various teams such as Sustainability team, Human Resource team, etc., and those with responsibility for managing the Company's BRSR.
- Obtained an understanding and performed an evaluation of the design of the key systems, and processes for managing, recording and reporting on the Identified Sustainability Information within the standalone reporting boundary (as mentioned in the BRSR). This did not include testing the operating effectiveness of management systems and controls.
- Based on above understanding and 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 sites and corporate office within the standalone 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 within the standalone 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 the records and performed testing including recalculation of sample data to establish an assurance trail.
- Assessed the level of adherence to the BRSR Core format issued by SEBI and followed by the Company in preparing 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 Identified Sustainability Information and relevant source data/information.
- 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, 2026 and the underlying books and records.
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the Management in the preparation of the Identified Sustainable Information.
- Obtained written representations from the Company's Management.

Independent Practitioner's Reasonable Assurance Report

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, 2026.
- 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, 2026, are prepared, in all material respects, in accordance with the Criteria specified in the "Criteria" section of our report.

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 auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditor of the Company.

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 SEBI Circulars 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 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/N500016

Hirak Patwa
Partner
Membership Number: 128990
UDIN: 26128990RSCLZN8842

Place: Ahmedabad
Date: May 7, 2026

Independent Practitioner's Reasonable Assurance Report

Appendix 1

Identified Sustainability Information (BRSR Core KPIs)

S. 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 CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available) 2. Total Scope 2 emissions (Break-up of the GHG (CO_2e) into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, 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, reusing or other recovery operations 12. For each category of waste generated, total waste disposed by nature of disposal method
5.	Principle 3 – E1(C) Principle 3 – E11	Enhancing employee well-being 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 (including contract workforce) 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 cybersecurity events 2. Number of days of accounts payable
9.	Principle 1 – E9	Openness of business	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 %) in- a) Purchases b) Sales c) Loans & advances d) Investments

*'E' denotes 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

At Thermax, conservation of energy is not viewed as a standalone initiative but as a fundamental business principle that underpins operational excellence, cost competitiveness, and environmental stewardship. Anchored in our purpose of "Conserving Resources, Preserving the Future," we believe that responsible energy use is central to building resilient and sustainable operations. Our approach goes beyond compliance, focusing on continuously improving energy intensity, integrating cleaner energy sources, and embedding efficiency into design, processes, and day-to-day decision-making. Across the organisation, energy conservation is driven through a combination of technology, innovation, and behavioural alignment, ensuring that every unit of energy consumed delivers maximum value. This philosophy enables Thermax to reduce its environmental footprint while strengthening long-term value creation for all stakeholders.

a. Electricity:

The Company implemented a wide range of energy efficiency initiatives across its plants, with a strong focus on utility optimisation, process improvements, and automation. Key measures included optimisation of compressed air systems, deployment of variable frequency drives (VFDs), automation of idle equipment shutdowns, and redesign of energy-intensive processes such as shot blasting and hydraulic systems.

Some plants also adopted intelligent controls and PLC-based automation, resulting in measurable reductions in energy consumption. Collectively, these initiatives have delivered significant electricity savings and contributed to a reduction in greenhouse gas emissions. From the base year, the Company has achieved a reduction of 3,877 tCO_2e in the current financial year through various operational efficiency projects.

b. Fuel:

Thermax further strengthened its focus on fuel optimisation and transition to cleaner energy sources during the year. Key initiatives included shifting from HSD to biomass at Jhagadia, from LSHS to green biofuel at Paudh, and from LPG to PNG at Sri City.

These transitions have contributed to lower carbon emissions, improved energy efficiency, and optimised operating costs. The Company remains committed to scaling up low-carbon fuel adoption while systematically addressing operational challenges to enable wider and sustained implementation.

c. Water:

This year marks a significant milestone, with five of our units - Sri City, Solapur, Shirwal, Savli, and Chinchwad achieving water neutrality, reinforcing our commitment to sustainable operations. At Thermax, we are driving a transformative shift in water stewardship through a strong focus on reduction, reuse, and recycling. Innovative measures such as the deployment of robotic arms for water-efficient solar panel cleaning, extensive use of treated water for flushing, hydrotesting, and gardening, and increased reliance on harvested rainwater over freshwater delivering tangible impact. These efforts reflect our resolve to decouple growth from water consumption and build long-term resilience.

(ii) Steps Taken by the Company for Utilising Alternate Sources of Energy:

Thermax's approach to decarbonisation is best reflected through its site-level transformations, where energy, fuel, and process innovations come together:

- At Sri City, large-scale solar adoption, energy efficiency projects, and circular initiatives have created a benchmark low-carbon manufacturing ecosystem, delivering substantial annual emission reductions.
- At Jhagadia, integration of solar energy, biomass fuel, and condensate recovery systems highlights a holistic approach to energy and resource efficiency.
- At Savli, advanced automation, VFD-enabled systems, and process redesign have delivered measurable improvements in energy performance while reducing emissions.
- At Dahej, optimisation of compressed air systems and renewable energy sourcing has significantly lowered energy intensity.
- At Chinchwad and Shirwal, increased renewable energy procurement and process electrification are accelerating the shift towards cleaner operations.

(iii) Capital Investment on Energy Conservation Equipments

The company invested Rs. 4.74 crore in capital expenditure towards carbon reduction projects during FY 2025–26, reinforcing its commitment to decarbonisation and sustainable operations.

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 2026-27.

- **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.

RTIC and HPCL have signed a Memorandum of Understanding (MoU) entering into a strategic collaboration with an aim to exchange scientific information, carry out joint research, and encourage demonstration & deployment in the field of HP AEM electrolysers, CO_2 capture solutions, bio-pyrolysis oil processing and other emerging new energy areas. This collaboration will accelerate the deployment of indigenous, sustainable energy technologies and significantly advance the "Make in India" vision aligned with India's energy transition and climate objectives.

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
Gas Seperation Unit (GSU)	FY 2025-26	The technology is yet to be absorped	The technology transfer is currently under progress for transfer of design and engineering document for GSU
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 and run a pilot project by December 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. No such project is received yet.
Anaerobic system for ETP	FY 2024-25	The technology is yet to be absorbed.	Technology transfer from Symbiona is in progress on case specific basis. Based on the inputs we have successfully got two commercial orders, namely ADS Sprit & Redico Khaitan.

D. Expenditure on R&D

Amount (Rs. Crore)

Particulars	Current Year 2025-26	Previous Year 2024-25
Capital	13.72	3.94
Recurring	41.26	37.40
Total	**54.98**	**41.34**
Total R&D expenditure as a percentage of turnover	**0.5%**	**0.4%**

E. Foreign Exchange Earnings and Outgo

The Company's operations in export markets are elaborated in the Management Discussion and Analysis section which is a part of this Report.

The details of the foreign exchange earnings and outgo are given below:

Amount (Rs. Crore)

Particulars	Current Year 2025-26	Previous Year 2024-25
Inflow	2,252	1,549
Outflow	547	488
Net	1,705	1,061

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

Meher Pudumjee
Chairperson
DIN: 00019581
Pune, May 7, 2026

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 Corporate Social Responsibility (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 focusing predominantly in the area of education of economically underprivileged children. Apart from education, Thermax is also involved, in addressing the issue of social discrimination through affirmative action, research-based policy advocacy, skill development and employability initiatives. The Company is also considering activities relating to the welfare of animals, including initiatives for their protection, care, and preservation, to help maintain biodiversity, environmental balance, and foster compassion and responsibility. The Company also plans to implement other initiatives that promote environmental sustainability.

The CSR activities of the Company are carried out through Thermax Foundation, a Section 8 company under the Companies Act, 2013, in accordance with the CSR Policy and applicable provisions of the Companies Act, 2013.

2. Composition of the CSR Committee

The Committee met two times on April 11, 2025 and October 10, 2025, 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 & Non-Executive Independent Director	2	2
3.	Shyamak R. Tata Committee Member & Non-Executive Independent Director	2	2

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/investors/corporate-governance.
4. Average net profit of the company as per section 135(5): Rs. 477.28 cr
5. (a) 2% of average net profit of the company as per section 135(5): Rs. 9.55 cr
   (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): Rs. 9.55 cr
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)]: Rs. 9.55 cr

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	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
9.55 Cr	Nil	-	Nil	-	-

(b) Excess amount for set off, if any

Sr. No.	Particulars	Amount (in Rs.)
(i)	2% of the average net profit of the company as per section 135(5)	9.55 cr
(ii)	Total amount spent for the financial year	9.55 cr
(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 proviso 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		
Nil								

Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

8. 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
DIN: 05291138
Managing Director & CEO

Meher Pudumjee
DIN: 00019581
Chairperson, CSR Committee

FORM NO. MR.3

Annexure 5(a) to the Directors' Report

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2026
[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 Limited
D-13 MIDC Ind, Area R D Aga Road,
Chinchwad, Pune 411019 Maharashtra, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Thermax Limited (hereinafter referred as '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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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 from April 01, 2025 to March 31, 2026 (hereinafter referred as the '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 and in the manner reporting made hereinafter:

We have examined books, papers, minutes books, forms and returns filed and other records maintained by the Company for financial year ended on March 31, 2026 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and Foreign Direct Investment; (External Commercial Borrowings is 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'): -

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, 2025 erstwhile 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)

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. ('Buy-back Regulations') (Not Applicable to the Company during the Audit Period) and

i. The Securities and Exchange Board of India (Depositories and Participants) Regulation 2018.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations').

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under.

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 audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

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 except for the meeting which was held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee 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 has entered into a Share Purchase Agreement with Infinite Uptime Inc., USA on April 03, 2025 for the sale of its stake in Covacsis Technologies Private Limited ("Covacsis"). Consequently, Covacsis has ceased to be an associate company of the Company.

2. Thermax Chemical Solutions Private Limited, a wholly owned subsidiary of the Company, has incorporated a new subsidiary named Fortmax Chemicals India Private Limited on April 11, 2025.

3. First Energy 8 Private Limited (FE8PL) had entered into a Share Subscription and Shareholders Agreement (SSHA) with First Energy Private Limited (FEPL), a wholly owned subsidiary of the Company, along with MRF Limited, being the Captive User (end user of electricity) under the Electricity Act, 2003. Pursuant to the terms of the SSHA, the Captive User and FEPL subscribed to the equity share capital of FE8PL. Further, the Captive User acquired 2,11,00,000 equity shares of face value Rs.10 each from FEPL, constituting 27.20% of the total share capital of FE8PL. Consequently, FE8PL ceased to be a wholly owned subsidiary of FEPL.

4. First Energy 11 Private Limited (FE11PL), a wholly owned step-down subsidiary of the Company, has entered into a Share Subscription and Shareholders Agreement (SSHA) with First Energy Private Limited (FEPL), a wholly owned subsidiary of the Company, and Garden Silk Mills Private Limited, being the Captive User (end user of electricity) under the Electricity Act, 2003. Pursuant to the terms of the SSHA, the Captive User has subscribed to 3,45,87,000 equity shares of face value Rs.10 each of FE11PL, and FEPL, has subscribed to 8,39,90,000 equity shares. Consequently, FE11PL ceased to be a wholly owned step-down subsidiary of the Company pursuant to the aforesaid allotment.

5. The Company has entered into a Technology Licensing and Agreement for Supply of Stacks with HydrogenPro ASA ("HydrogenPro") to obtain license for gas separator unit technology, enter into supply, installation, commissioning, and after-sales services of alkaline electrolyser systems.

6. The Company holds 76.97% equity stake in Thermax Bioenergy Solutions Private Limited (TBSPL), a subsidiary of the Company, and has entered into a Share Purchase Agreement with Everenviro Resource Management Private Limited on August 13, 2025, for the acquisition of the remaining 23.03% equity stake in TBSPL. Consequently, TBSPL became a wholly owned subsidiary of the Company upon completion of the aforesaid transaction.

7. Fortmax Chemicals India Private Limited ("FCIPL"), vide its resolution passed on September 16, 2025, has approved the allotment of equity shares to Oswaldo Cruz Química Indústria e Comércio Ltda., Brazil (OCQ). Pursuant to the said allotment, FCIPL has ceased to be a wholly owned step-down subsidiary of the Company.

8. The Company on October 17, 2025, has approved the Scheme of Merger by absorption of Buildtech Products India Private Limited ("Buildtech" or the "Transferor Company"), a wholly owned subsidiary of the Company, with Thermax Limited ("Thermax" or the "Transferee Company") and their respective shareholders ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013 and applicable rules. The Scheme is subject to necessary statutory and regulatory approvals, including that of the jurisdictional Hon'ble National Company Law Tribunal (NCLT) and other authorities, as required.

9. First Energy Private Limited (FEPL), a wholly owned subsidiary of the Company, has incorporated a company named First Energy 15 Private Limited (FE15) on December 16, 2025. Consequently, FE15 has become a wholly owned subsidiary of FEPL and a wholly owned step-down subsidiary of the Company.

10. First Energy Private Limited ("FEPL"), a wholly subsidiary of the Company has sold the shares of Onix-Two Enersol Private Limited ("OTEPL") dated January 03, 2026.

11. Thermax Babcock and Wilcox Energy Solutions Limited (TBWES), a wholly owned subsidiary of the Company has incorporated a Company with the name Thermax Energy Solutions Company on January 28, 2026. Accordingly, Thermax Energy Solutions Company has become a wholly owned subsidiary of TBWES and a wholly owned step-down subsidiary of the Company.

12. The Company, which currently holds 15.17% of the share capital in Exactspace Technologies Private Limited ("Exactspace") and is classified as an associate company, has entered into a Share Subscription and Share Purchase Agreement and a Shareholders' Agreement (collectively, the "Definitive Agreements") with Exactspace, its promoters, and existing investors for the acquisition of an additional 35.83% stake (on a fully diluted basis) in Exactspace. Pursuant to the completion of the aforesaid transaction, the Company's shareholding has increased to 51% (on a fully diluted basis), resulting in Exactspace becoming a subsidiary of the Company on April 9, 2026

13. Jalansar Wind Energy Private Limited ("Transferor Company" or "JWEPL") and Kanakal Wind Energy Private Limited ("Transferee Company" or "KWEPL"), both step-down subsidiaries of the Company, have approved a Scheme of Amalgamation under Section 233 and other applicable provisions of the Companies Act, 2013, at their respective Board Meetings held on February 4, 2026.

For Makarand M. Joshi & Co.
Company Secretaries

ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Deepti Kulkarni
Partner

ACS: A34733
CP: 22502
UDIN: A034733H000302176

Date: May 07, 2026
Place: Mumbai

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 Limited
D-13 MIDC Ind, Area R D Aga Road,
Chinchwad, Pune 411019 Maharashtra, India.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
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 management. Our examination was limited to the verification of procedures on 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 Makarand M. Joshi & Co.
Company Secretaries

ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Deepti Kulkarni
Partner

ACS: A34733
CP: 22502
UDIN: A034733H000302176

Date: May 07, 2026
Place: Mumbai

Form No. MR-3
Annexure 5(b) to the Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 (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 31st March, 2026 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;

(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 an 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, were complied with as confirmed by the Company:

a. The Boilers Act, 2025

I have also examined compliance with applicable clauses of the following:

(i) Secretarial Standards (SS.1 relating to meetings of 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 Board of Directors or Committee of 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:

- The Company at Extra Ordinary General meeting held on 3rd July, 2025, passed a special resolution to increase the limit under section 186 upto Rs.2000 Cr.

For Amit Jaste & Associates
Practising Company Secretaries

Amit Jaste
Proprietor

FCS No.: 7289
CP No.: 12234

UDIN: F007289H000294950
Peer review No: 1751/2022

Date: May 6, 2026
Place: Mumbai

This report is to be read with my 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

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.

2) I 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4) Wherever required, I 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 management. My examination was limited to the verification of procedures on 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

UDIN: F007289H000294950
Peer review No: 1751/2022

Date: May 6, 2026
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of Thermax Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Thermax Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (and trusts) [Holding Company and its subsidiaries (and trusts) together referred to as "the Group"] and its associates (refer Note 47 to the consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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, 2026, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' 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 ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Key audit matter	How our audit addressed the key audit matter
1. Accounting for Revenue from Contracts with Customers The total revenue for the year is recognised based on the accounting policies disclosed in Note 21 to the consolidated financial statements. The Group recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers", based on the nature and type of contract (i.e., products, projects and services) involved. This involves application of significant judgements including: • identification of distinct performance obligations; • allocation of consideration to identified performance obligations; and • recognition of revenue over a period of time or at a point in time, based on the terms of the contract. We considered the above as a key audit matter as there is an inherent and presumed risk of fraud in revenue recognition, including identification of contractual obligations, timing of transfer of control, complexities involved and significant management judgement in making forecasts of future cost to complete the contract, assessment of contract risk contingencies, expected cost savings or cost overruns, right to receive payments for performance completed till date, recognition for potential onerous obligations, variable consideration (liquidated damages and others), all of which have a consequential impact on the amount of revenue recognised in the consolidated financial statements.	As part of our audit, our procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of internal ¬financial controls pertaining to revenue recognition. • Assessed the appropriateness of the revenue recognition accounting policies in accordance with Ind AS 115 "Revenue from Contracts with Customers". • Obtained and examined, on a sample basis, underlying documents to assess the nature of contractual performance obligations, the timing of transfer of control and other relevant terms with respect to revenue recognition. • Tested, on a sample basis, revenue transactions recorded closer to the financial year-end date by verifying the underlying dispatch documents to assess whether revenue is recognised in the correct financial period. With respect to a sample of contracts wherein revenue is recognised under 'over a period of time' method, performed the following procedures: • Obtained management's calculations of the measure of progress determined using the input method, tested the mathematical accuracy of the cost to complete and re-performed the calculation of revenue recognised during the year. • Verified supporting documents and performed cut off procedures for contract related costs incurred during the reporting period. • Evaluated Management's assessment of right to receive payments for performance completed till date, variable consideration, claims, penalties, price or scope variations. • Tested the actual cost incurred and billing done during the year with supporting documents. • Obtained the breakdown of estimated total contract costs and tested elements of the committed costs by obtaining executed underlying documents. • Performed procedures on balance cost estimation including contingencies, compared actual costs to budgeted costs and assessed the variances with management and the rationale for recording changes to the estimated cost during the year. • Evaluated the adequacy of the presentation and disclosures in consolidated financial statements.
2. Assessment of Impairment of trade receivables and contract assets As at March 31, 2026, the Group recorded an impairment allowance of INR 464.00 crore for its trade receivables and contract assets (Refer note 7 (c)). Impairment of financial assets and contract assets is accounted through allowance for Expected Credit Losses (ECL) in accordance with Ind AS 109 "Financial Instruments". Management uses a provision matrix to compute impairment under ECL in respect of such balances. The assumptions used for estimating the ECL in respect of these balances is an area which is influenced by significant management judgement. It requires the Group to estimate the timing and amount of realisation of these receivables based on past collection experience, contract status, and consideration of other internal and external sources of information. Given the relative significance of these balances to the consolidated ¬financial statements, management judgement and uncertainties involved to assess the recoverability of trade receivables and contract assets, we determined this to be a key audit matter.	As part of our audit, our procedures included the following: • Evaluated the design and tested the operating effectiveness of the internal controls over the Management's assessment for impairment of trade receivables and contract assets. • Assessed the appropriateness of the Group's accounting policies for recognition and measurement of ECL in accordance with Ind AS 109 "Financial Instruments". • Obtained an understanding of Management's assessment of recoverability of outstanding trade receivables and contract assets and evaluated the consistency of Management's assessment with underlying documents and recovery expectations. • Assessed the completeness of balances considered for ECL and tested its ageing on a sample basis by agreeing those to contractual terms. • Tested the key assumptions and arithmetical accuracy of the provision matrix model used by the Management to calculate the probability of default and estimate the ECL, including specific provisions, if any, in respect of trade receivables and contract assets. • Evaluated the adequacy of the presentation and disclosures in the consolidated financial statements.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

   Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors (and Trustees) of the companies (and trusts) 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 the assets of the Group and its associates 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 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.

7. In preparing the consolidated financial statements, the respective Board of Directors (and Trustees) of the companies (and trusts) included in the Group and of its associates are responsible for assessing the ability of the 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 the Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors (and Trustees) of the companies (and trusts) included in the Group and of its associates are responsible for overseeing the financial reporting process of the respective companies.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

9. 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 auditors' 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.

10. 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 Company has adequate internal financial controls with reference to consolidated 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 auditors' 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 auditors' 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 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. We remain solely responsible for our audit opinion.

11. 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.

12. 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.

13. 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Matter

14. The consolidated financial statements of the Holding Company for the year ended March 31, 2025, were audited by prior auditors under the Act who, vide their report dated May 9, 2025, expressed an unmodified opinion on those consolidated financial statements.

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the Holding Company and by the respective auditors in their CARO 2020 reports issued in respect of the financial statements of the companies which are included in these Consolidated Financial Statements, to whom CARO 2020 is applicable.

16. 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year (Refer note 42 A to consolidated financial statements) and except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and its associates incorporated in India, none of the directors of the Group companies and its associates incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above and paragraph 16(h)(vi) below.

(g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(h) With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 30 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 on long-term contracts including derivative contracts as at March 31, 2026 – Refer Note 18 and Note 19 to the consolidated financial statements in respect of such items as it relates to the Group and 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, its subsidiaries and its associates incorporated in India during the year.

iv. (a) The respective managements of the Holding Company, its subsidiaries and its associates 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 and associates respectively that, to the best of their knowledge and belief, other than as disclosed in Note 40 to the consolidated 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 Holding Company or any of such subsidiaries or associates 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 Holding Company or any of such subsidiaries or associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of the Holding Company, its subsidiaries and its associates 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 or associates respectively that, to the best of their knowledge and belief, as disclosed in the Note 40 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries or associates 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 or associates 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.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries or associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid by the Holding Company and its subsidiary incorporated in India during the year in respect of the prior year ended March 31, 2025 is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend.

The interim dividend declared and paid by one subsidiary company incorporated in India during the year is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of interim dividend.

Further, as stated in Note 15(b) to the consolidated financial statements, the Board of Directors of the Holding Company and its subsidiary, have proposed final dividend for the year which is subject to the 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.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and associates, which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and such subsidiaries and associates have used multiple accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except as disclosed in note 42 B to the consolidated financial statements. During the course of performing our procedures, in respect of the accounting software where the audit trail feature was enabled and operated during the year, we and the respective auditors of such subsidiaries and associates, did not notice any instance of the audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved as per the statutory requirements for record retention.

17. The Group incorporated in India have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846
UDIN: 26109846WQUOJB8300

Place: Pune
Date: May 7, 2026

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 16(g) of the Independent Auditors' Report of even date to the members of Thermax Limited on the consolidated financial statements as of and for the year ended March 31, 2026.

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of Thermax Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and its associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associates, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditors' Responsibility

3. 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 issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A Company's internal financial control with reference to 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 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

8. In our opinion, the Holding Company, its subsidiaries and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846
UDIN: 26109846WQUOJB8300

Place: Pune
Date: May 7, 2026

CONSOLIDATED BALANCE SHEET

as at March 31, 2026

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

	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
I. Non-current assets			
Property, plant and equipment	4 (a)	2,640.07	2,441.52
Capital work-in-progress	4 (a)	1,391.83	560.84
Right-of-use assets	4 (b)	227.81	173.67
Goodwill	4 (c)	80.19	80.19
Other intangible assets	4 (c)	99.51	110.51
Intangible assets under development	4 (c)	50.00	1.74
Financial assets:			
(a) Investments			
Investment in associates	5	9.30	9.71
Other investments	6 (a)	497.48	121.01
(b) Loans	8 (a)	3.76	4.55
(c) Finance lease receivables	31	249.10	228.96
(d) Other financial assets	9 (a)	403.14	304.37
Contract assets	7 (b)	-	158.61
Deferred tax assets (net)	10	174.70	154.38
Income tax assets (net)	10	155.46	143.79
Other non-current assets	11 (a)	190.96	222.19
Total non-current assets		**6,173.31**	**4,716.04**
II. Current assets			
Inventories	12	909.50	716.55
Financial assets:			
(a) Investments	6 (b)	1,276.74	1,567.92
(b) Trade receivables	7 (a)	2,204.84	2,003.01
(c) Cash and cash equivalents	13 (a)	674.45	416.55
(d) Other bank balances	13 (b)	516.21	730.49
(e) Loans	8 (b)	1.29	1.27
(f) Finance lease receivables	31	39.34	37.41
(g) Other financial assets	9 (b)	119.22	93.32
Contract assets	7 (b)	773.08	481.95
Income tax assets (net)	10	9.14	2.09
Other current assets	11 (b)	584.99	636.39
Total current assets		**7,108.80**	**6,686.95**
III. Assets classified as held for sale	5 (i)	-	9.10
Total Assets		**13,282.11**	**11,412.09**
Equity and Liabilities			
IV. Equity			
Equity share capital	14	22.53	22.53
Other equity	15 (a)	5,527.44	4,914.36
Equity attributable to owners of the parent company		**5,549.97**	**4,936.89**
Non-controlling interests	34	29.22	5.69
Total Equity		**5,579.19**	**4,942.58**
V. Non-current liabilities			
Financial liabilities:			
(a) Borrowings	16 (a)	1,615.83	1,161.55
(b) Lease liabilities	31	57.54	18.83
(c) Trade payables	17 (a)		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	54.37
(d) Other financial liabilities	18 (a)	79.15	118.68
Provisions	19 (a)	47.71	40.38
Deferred tax liabilities (net)	10	40.15	30.04
Other non-current liabilities	20 (a)	42.18	36.50
Total non-current liabilities		**1,882.56**	**1,460.35**
VI. Current liabilities			
Financial liabilities:			
(a) Borrowings	16 (b)	672.18	531.79
(b) Lease liabilities	31	6.98	5.49
(c) Trade payables	17 (b)		
Total outstanding dues of micro enterprises and small enterprises		938.15	749.78
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,119.23	943.10
(d) Other financial liabilities	18 (b)	616.36	225.27
Provisions	19 (b)	324.54	374.09
Income tax liabilities (net)	10	32.38	91.21
Other current liabilities	20 (b)	2,110.54	2,088.43
Total current liabilities		**5,820.36**	**5,009.16**
Total Liabilities		**7,702.92**	**6,469.51**
Total Equity and Liabilities		**13,282.11**	**11,412.09**
Summary of material accounting policies	2		
Summary of critical accounting estimates and judgements	3		
The accompanying notes are an integral part of these consolidated financial statements			

As per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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

Sangeet Hunjan
Company Secretary
M. No. A23218

Place: Pune
Date: May 07, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

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

	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	21	10,694.15	10,369.26
Other income	22	267.48	252.22
Total Income (I)		**10,961.63**	**10,621.48**
Expenses			
Cost of raw materials and components consumed	23	5,424.02	5,534.24
Purchases of stock-in-trade		184.67	193.19
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(49.08)	66.64
Site expenses and contract labour charges		1,396.11	1,210.76
Net impairment losses on financial and contract assets		42.82	80.53
Employee benefits expense	25	1,421.20	1,268.94
Finance costs	26	138.96	116.78
Depreciation and amortisation expense	4 (e)	207.64	158.51
Other expenses	27	1,248.15	1,107.18
Total Expenses (II)		**10,014.49**	**9,736.77**
Profit before tax, share of (loss) of associates and exceptional items (III) = (I-II)		**947.14**	**884.71**
Share of (loss) of associates (IV)	5	(0.41)	(0.24)
Profit before exceptional items and tax (V) = (III+IV)		**946.73**	**884.47**
Exceptional items (VI)	43	61.21	-
Profit before tax (VII) = (V+VI)		**1,007.94**	**884.47**
Tax expense	10		
Current tax		268.05	299.63
Deferred tax		19.63	(41.86)
Total tax expense (VIII)		**287.68**	**257.77**
Profit for the year (IX) = (VII-VIII)		**720.26**	**626.70**
Other comprehensive income (OCI)			
A. Items that will be reclassified subsequently to profit or loss	29		
Net (loss) on cash flow hedges		(123.16)	(7.35)
Income tax effect on above		31.01	1.85
		(92.15)	(5.50)
ii) Exchange differences on translating of foreign operations		71.58	10.08
		(20.57)	4.58
B. Items that will not be reclassified subsequently to profit or loss	29		
Re-measurement gain/(loss) on defined benefit plan		2.36	(9.24)
Income tax effect on above		(0.59)	2.33
		1.77	(6.91)
Total other comprehensive income for the year (net of tax) (X)		**(18.80)**	**(2.33)**
Total comprehensive income for the year (XI) = (IX + X)		**701.46**	**624.37**
Profit for the year			
Attributable to :			
Owners of the parent company		720.50	634.47
Non-controlling interests	34	(0.24)	(7.77)
Other comprehensive income for the year			
Attributable to :			
Owners of the parent company		(18.92)	(2.33)
Non-controlling interests	34	0.12	-
Total comprehensive income for the year			
Attributable to :			
Owners of the parent company		701.58	632.14
Non-controlling interests	34	(0.12)	(7.77)
Earnings per share [Nominal value per share Rs. 2/- each (March 31, 2025: Rs. 2/-)]	28		
(computed on the basis of profit for the year attributable to owners of the parent company)			
Basic		63.95	56.33
Diluted		63.94	56.31
Summary of material accounting policies	2		
Summary of critical accounting estimates and judgements	3		
The accompanying notes are an integral part of these consolidated financial statements			

As per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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

Sangeet Hunjan
Company Secretary
M. No. A23218

Place: Pune
Date: May 07, 2026

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

		Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
A)	**Cash flows from operating activities**			
	Profit before tax		1,007.94	884.47
	Adjustments to reconcile profit before tax to net cash flows from operations			
	Depreciation/amortisation and impairment on property, plant and equipment, right-of-use assets and intangible assets	4 (e)	207.64	158.51
	Net impairment losses on financial and contract assets		42.82	80.53
	Reversal of provision on account of litigation		(50.63)	-
	Provision for advances (net)	27	23.81	7.35
	Share of loss on associates		0.41	0.24
	Profit on sale of associate		(0.90)	-
	Interest expense	26	125.24	141.14
	Unwinding of discount on provisions	26	13.72	12.87
	Unrealised foreign exchange (gain)/loss (net)		(1.03)	4.13
	Interest income	22	(141.77)	(67.58)
	Insurance Claim		(37.19)	-
	Liabilities no longer required written back	22	(6.59)	(12.25)
	Net gain on financial instruments at fair value through profit and loss	22	(80.53)	(84.08)
	Loss on sale/discard of assets (net)	27	11.66	2.63
	Share based payment expenses	25	4.89	5.84
	Working capital adjustments			
	(Increase) in trade receivables		(193.71)	(328.15)
	(Increase)/decrease in inventories		(173.51)	81.32
	(Increase) in other financial assets		(189.24)	(359.19)
	(Increase)/decrease in other assets		(112.18)	20.07
	Increase in trade payables		303.76	152.47
	Increase in other liabilities		12.85	519.34
	(Decrease)/increase in provisions		(7.34)	42.30
	Increase in other financial liabilities		130.92	3.56
	Cash generated from operations		**891.04**	**1,265.52**
	Income taxes paid (net of refunds received)		(349.49)	(185.73)
	Net cash flows from operating activities		**541.55**	**1,079.79**
B)	**Cash flows (used in) investing activities**			
	Purchase of property, plant and equipment, right-of-use assets and intangible assets		(952.40)	(902.03)
	Sale of property, plant and equipment and right-of-use assets		9.95	2.45
	Investment in fixed deposits		(572.04)	(971.98)
	Proceeds from redemption of fixed deposits		748.88	532.65
	Proceeds from Insurance Claim		37.19	-
	Proceeds from sale of Associate		10.00	-
	Purchase of investments		(5,272.53)	(4,221.37)
	Proceeds from sale of investments		5,267.77	4,362.57
	Payment for acquisition of subsidiaires		-	(138.12)
	Interest received		136.12	63.84
	Net cash flows (used in) investing activities		**(587.06)**	**(1,271.99)**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

		Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
C)	**Cash flows from financing activities**			
	Proceeds from issue of shares including premium		0.00	0.01
	Proceeds from borrowings		1,469.19	1,293.90
	Repayments of borrowings		(910.73)	(861.20)
	Interest paid		(161.88)	(175.76)
	Dividend paid (including earlier dues)		(157.69)	(135.23)
	Payment of lease liabilities (Including interest)	31	(27.93)	(6.20)
	Transactions with non-controlling interests including redemption liabilities		36.67	7.00
	Net cash flows from financing activities		**247.63**	**122.52**
	Net (decrease)/increase in cash and cash equivalents		**202.12**	**(69.68)**
	Cash and cash equivalents at the beginning of the year		411.84	466.75
	Effects of exchange difference on translation of cash and cash equivalents		22.24	4.42
	Cash and cash equivalents of acquired subsidiaries	44	-	10.35
	Cash and cash equivalents at the end of the year		**636.20**	**411.84**
	Non-cash financing and investing activities			
	Acquisition of right-of-use assets	4 (b)	66.34	6.24

Reconciliation of cash and cash equivalents as per the Consolidated Statement of Cash Flows:

	Notes	As at March 31, 2026	As at March 31, 2025
Balances with banks	13 (a)		
- in current accounts		228.76	170.44
- in Exchange Earners Foreign Currency (EEFC) account		0.05	27.89
- in deposits with original maturity of less than three months		444.84	216.66
Cheques, drafts on hand		0.42	1.35
Cash on hand		0.38	0.21
Bank overdraft	16 (b)	(38.25)	(4.71)
Total cash and cash equivalents		**636.20**	**411.84**

The above consolidated statement of cash flows has been prepared under the “indirect method” as set out in Ind AS 7 ‘Statement of cash flows’.

Summary of material accounting policies — Note 2
Summary of critical accounting estimates and judgements — Note 3
The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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 07, 2026

Sangeet Hunjan
Company Secretary
M. No. A23218

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

A Equity Share Capital

	Notes	As at March 31, 2026		As at March 31, 2025	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	14	11,26,39,946	22.53	112,620,748	22.52
Changes in equity shares capital during the year	14	8,725	0.00	19,198	0.01
Balance at the end of the year	14	112,648,671	**22.53**	11,26,39,946	**22.53**

B Other Equity

Description	Attributable to the owners of the parent company										
	Reserves and surplus					Other reserves					
	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Securities premium account	Share options outstanding account	Cash flow hedge reserve	Foreign currency translation reserve	Total other equity	Non-controlling interest	Total
As at April 1, 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**
Profit for the year	-	-	-	720.50	-	-	-	-	**720.50**	(0.24)	**720.26**
Other comprehensive income (net)	-	-	-	1.65	-	-	(92.15)	71.58	**(18.92)**	0.12	**(18.80)**
Total comprehensive income	-	-	-	722.15	-	-	(92.15)	71.58	**701.58**	(0.12)	**701.46**
Share based payments (Refer note 39)	-	-	-	-	-	4.89	-	-	**4.89**	-	**4.89**
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	**-**	23.65	**23.65**
Fair value of redemption liability	-	-	-	64.30	-	-	-	-	**64.30**	-	**64.30**
Exercise of share options	-	-	-	-	2.62	(2.62)	-	-	**-**	-	**-**
Dividends paid	-	-	-	(157.69)	-	-	-	-	**(157.69)**	-	**(157.69)**
As at March 31, 2026	**113.04**	**95.12**	**435.31**	**4,773.36**	**67.17**	**8.24**	**(99.48)**	**134.68**	**5,527.44**	**29.22**	**5,556.66**
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 (Refer note 39)	-	-	-	-	-	5.84	-	-	**5.84**	-	**5.84**
Redemption of preference shares	52.70	-	-	(52.70)	-	-	-	-	**-**	-	**-**
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	**-**	13.46	**13.46**
Fair value of 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 per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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

Sangeet Hunjan
Company Secretary
M. No. A23218

Place: Pune
Date: May 07, 2026

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

1 CORPORATE INFORMATION

Thermax Limited ("the Holding Company", "the Parent" 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 including associated services;
- **Green solutions** - Build, Own and Operate (BOO) model, Energy management solutions, Renewable Energy (Solar/Wind); and
- **Chemicals** - Ion Exchange Resins, Performance Chemicals, Water Treatment Chemicals, Oil Field Chemicals, Paper Chemicals and Construction Chemicals and related services.

The Group further has investments in Associates.

The Holding Company is a public limited company and was incorporated under the provisions of the Companies Act, 1956 and is presently governed by the Companies Act, 2013 ("the Act") and domiciled in India. Its equity shares are 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 consolidated financial statements on May 07, 2026. The CIN of the Company is L29299PN1980PLC022787.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation, measurement and consolidationa.

a. Basis of preparation

The financial statements ("financial statements" or "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 critical to the consolidated financial statements are disclosed in note 3.

The accounting policies adopted for preparation and presentation of these consolidated financial statements have been consistently applied except for changes resulting from amendments to Ind AS issued by the Ministry of Corporate Affairs, effective for financial years beginning on or after
April 01, 2025 as disclosed in note 2.3.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

b. Basis of measurement

The consolidated financial statements have been prepared on an accrual and going concern basis under a historical cost convention except the following:

- Certain financial assets and liabilities (including derivative instruments and redemption liability) are measured at fair value;
- Assets held for sale measured at fair value less cost to sell;
- 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.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its associates as at March 31, 2026. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

d. Business combinations

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are 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;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of 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 Consolidated 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 Consolidated 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

An entity shall classify an asset as current when:

(i) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle

(ii) it holds the asset primarily for the purpose of trading

(iii) it expects to realise the asset within twelve months after the reporting period (other than for long-term projects), or

(iv) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets shall be classified as non-current.

An entity shall classify a liability as current when:

(i) it expects to settle the liability in its normal operating cycle

(ii) it holds the liability primarily for the purpose of trading

(iii) the liability is due to be settled within twelve months after the reporting period (other than for long-term projects), or

(iv) it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities shall be classified as non-current.

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

During the year ended March 31, 2026, the Group has reassessed the period of its normal operating cycle based on the nature of its business, the time required for procurement of inputs, execution of operations, delivery of goods and services, and realisation of receivables in the ordinary course of business. Based on this assessment, management has concluded that the Group's normal operating cycle for the purpose of classification of assets and liabilities under Ind AS in case of long term projects is contract specific.

Accordingly, the classification of assets and liabilities as current and non-current in these financial statements has been revised to reflect the updated operating cycle in accordance with Ind AS 1, "Presentation of Financial Statements", and Schedule III to the Companies Act, 2013.

In the case of long-term projects, operating cycle of the Group exceeds one year covering the duration of the contract and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective contract. Accordingly, for classification of assets and liabilities related to such contracts as current, duration of each individual contract is considered 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 Holding Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are 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 and 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 respective 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 the Consolidated Statement of Profit and 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 for disclosures about fair value measurements except for Ind AS which prescribe measurement and disclosures such as:

a) Share based payment transactions covered by Ind AS 102 - "Share based payments";

b) Leasing transactions covered by Ind AS 116 - "Leases".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 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 (Refer note 35);
- Financial instruments (including those carried at amortised cost) (Refer note 35).

For assets and liabilities that are recognised in the consolidated 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

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those to be measured at amortised cost.

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its instruments:

(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 fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in scope of Ind AS 109 - "Financial Instruments", are subsequently measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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 and Contract Assets-** Refer note 7;
- **Loans and other financial assets -** Refer note 36(a)(ii).

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 on trade receivables. 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 Consolidated Statement of Profit and Loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount

Financial liabilities

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 or 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 to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI in cash flow hedge reserve within equity 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 and are accounted for, as cash flow hedges.

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. 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". 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 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 Group initially measures the cost of transactions with employees using fair value of option granted using black scholes option pricing model to measure the cost of service received.

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 39.

2.3 Changes in accounting policies and disclosures

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, 2025.
The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Ministry of Corporate Affairs vide notification dated May 07, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 01, 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the group changed its accounting policy for the classification of borrowings:

Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification.

This new policy did not result in a change in the classification of the Group's borrowings. The group did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below:

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Group does not expect this amendment to have an impact on its operations or financial statements.

(b) International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12

The Holding Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the Holding Company operates. For other entities in the group, no material impact is assessed.

(c) Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not.

(d) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the group provided new disclosures for liabilities under supplier finance arrangements in note 16(b) .

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 CRITICAL 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 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. Estimates and assumptions related to useful lives of Intangible assets (Refer note 4);

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 ESOP Scheme (Refer note 2.2.g and 39);

h. Judgements related to segment reporting (Refer note 33);

i Judgements used in determining an Investment in Associates as an associate (Refer note 5).

j. Estimations used for fair value measurement (Refer note 35);

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 costs directly attributable to the acquisition and installation of PPE are capitalised. Subsequent costs/replacement costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the financial year in which they are incurred.

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

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 Group depreciates each part of an item of property, plant and equipment separately if cost of the part is significant in relation to the total cost of the item or principle asset and useful life is materially different from the principle asset.

The management has estimated the useful lives of certain classes of assets in order to reflect the actual usage of the assets. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The following useful lives are estimated by the management:

Asset category	Group's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Factory buildings	3 to 30	30
Roads	3 to 30	5 to 10
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	4 to 6	3 to 6
Vehicles	5 to 8	8

The assets residual value, 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 Group determines, based on 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 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 assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and 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. Such reversal is recognised in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase, if applicable.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(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, 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/capitalisations	-	(0.87)	(8.10)	(0.99)	(9.98)	(0.57)	(3.03)	(23.54)	(858.25)
Translation 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**
Additions	8.97	28.26	300.37	4.70	17.77	3.64	7.83	371.54	1,202.53
Disposals/capitalisations	-	(0.06)	(23.10)	(2.94)	(8.75)	(1.63)	(4.04)	(40.52)	(371.54)
Translation differences	-	17.26	11.74	1.30	0.12	0.21	0.20	30.83	-
Gross carrying amount as at March 31, 2026	**40.05**	**976.54**	**2,650.69**	**49.69**	**112.61**	**44.44**	**31.39**	**3,905.41**	**1,391.83**
Accumulated depreciation as at April 1, 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)	-
Translation differences	-	0.92	1.17	(0.15)	(0.01)	-	0.00	1.93	-
Accumulated depreciation as at March 31, 2025	**-**	**283.62**	**691.19**	**26.88**	**62.76**	**26.85**	**10.74**	**1,102.04**	**-**
Charge for the year	-	31.15	109.47	2.98	16.71	1.91	4.90	167.12	-
Disposals	-	(0.05)	(7.44)	(2.42)	(8.08)	(1.39)	(2.95)	(22.33)	-
Translation differences	-	7.81	9.22	1.14	0.11	0.17	0.06	18.51	-
Closing accumulated depreciation as at March 31, 2026	**-**	**322.53**	**802.44**	**28.58**	**71.50**	**27.54**	**12.75**	**1,265.34**	**-**
Net Block as at March 31, 2026	**40.05**	**654.01**	**1,848.25**	**21.11**	**41.11**	**16.90**	**18.64**	**2,640.07**	**1,391.83**
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**

*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 and Bio CNG plants.

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

Refer note 16 for information on property, plant and equipment pledged as security by the group.

Refer note 30 B (a) and (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

^Refer note 44

^^Buildings include those constructed on leasehold land and roads.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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	More than 2 years^	Total
Projects in progress	March 31, 2026	1,074.53	304.21	13.09	1,391.83
	March 31, 2025	*460.41*	*93.01*	*7.42*	*560.84*
Projects temporarily suspended	March 31, 2026	-	-	-	-
	March 31, 2025	-	-	-	-
Total Capital work-in-progress	**March 31, 2026**	**1,074.53**	**304.21**	**13.09**	**1,391.83**
	March 31, 2025	***460.41***	***93.01***	***7.42***	***560.84***

^Includes amount of Rs. 5.70 (March 31, 2025: Nil) for more than three years.

*For CWIP, there are no projects, except as mentioned below, where completion date is overdue or has exceeded its cost as compared to its original plan for the year ended and as at March 31, 2026 and March 31, 2025.

- Capital work in progress of Rs. 31.39 (March 31, 2025: Rs. 33.67) consists of a Bio CNG project which became overdue as compared to its original plan and expected to completed by FY 26-27.
- Capital work in progress of Rs. 522.39 (March 31, 2025 : Rs. 437.02) is relating to solar/ hybrid renewable energy plants. These projects are expected to be completed and capitalised between Apr-26 to Oct-26.
- CWIP includes plant and equipment overdue amounting to Rs. 2.01 and office building of Rs. 0.26 expected to be completed in FY 2026-27.
- Plant and equipment for manufacturing facility was overdue for pending trials as at March 31, 2025 of Rs. 33.55 has been completed and capitalised during the year.
- The amount of borrowing costs capitalised during the year ended March 31, 2026 was Rs. 44.32 (March 31, 2025: Rs. 37.23). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.2% to 9.5%,which is the effective interest rate of the specific borrowing.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) RIGHT-OF-USE (ROU) ASSETS

Accounting policy

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

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

Description	Leasehold Land	Buildings	Vehicles	Total ROU Assets
Gross carrying amount as at April 1, 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)
Translation 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**
Additions	56.07	8.95	1.32	66.34
Disposals	(1.89)	(5.43)	(2.19)	(9.51)
Translation differences	3.33	0.73	0.87	4.93
Gross carrying amount as at March 31, 2026	**234.42**	**26.52**	**5.27**	**266.21**
Accumulated depreciation as at April 1, 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)
Translation differences	(0.01)	0.07	0.09	0.15
Accumulated depreciation as at March 31, 2025	**15.78**	**11.49**	**3.51**	**30.78**
Charge for the year	7.07	3.79	1.49	12.35
Disposals	0.00	(4.04)	(2.05)	(6.09)
Translation differences	0.21	0.58	0.57	1.36
Closing accumulated depreciation as at March 31, 2026	**23.06**	**11.82**	**3.52**	**38.40**
Net Block as at March 31, 2026	**211.36**	**14.70**	**1.75**	**227.81**
Net Block as at March 31, 2025	**161.13**	**10.78**	**1.76**	**173.67**

*Refer note 31 for further disclosure on leases.
For assets pledged as security, refer note 16.
^Refer note 44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(c) GOODWILL AND OTHER INTANGIBLE ASSETS

Accounting policy

Goodwill is initially measured at 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.

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

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro-rata, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the Consolidated Statement of Profit and 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.

Development costs for internally generated intangibles that are directly attributable to the design and testing of identifiable and unique intangible controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use
- management intends to complete the intangible asset and use or sell it
- there is an ability to use or sell the intangible asset
- it can be demonstrated how the intangible will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

The cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of intangible assets. 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.

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 Consolidated Statement of Profit and Loss when the asset is derecognised.

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 Consolidated

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 quarter 3 i.e. December quarter.

The following useful lives are estimated by the management:

Assets category	Group's estimate of useful life (years)
Technical know-how	3 to 7
Computer software	3 to 10
Customer rights	3 to 5
Customer relationship and brand	7
Non-compete	6 to 7

Description	Goodwill	Other intangible assets					Total other intangible assets	Intangibles under development^
		Computer software	Customer rights	Technical know-how#	Customer relationship and brand	Non-Compete		
Gross carrying amount as at April 1, 2024*	**168.29**	**89.60**	**0.09**	**81.91**	**-**	**-**	**171.60**	**5.44**
Additions	-	11.76		10.85	-	-	22.61	18.91
Addition on account of business acquisition^^	77.16	-	0.01	44.50	28.10	9.00	81.61	-
Disposals/capitalisations	-	(0.82)	-	-	-	-	(0.82)	(22.61)
Translation differences	-	(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**
Additions	-	13.49		2.57	-	-	16.06	64.32
Disposals/capitalisations	-	(5.13)	-	-	-	-	(5.13)	(16.06)
Translation differences	-	0.32	-	-	-	-	0.32	-
Gross carrying amount as at March 31, 2026	**245.45**	**109.20**	**0.10**	**139.86**	**28.10**	**9.00**	**286.26**	**50.00**
Accumulated amortisation and impairment as at April 1, 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)	-
Translation differences	-	0.00	-	0.00	-	-	-	-
Accumulated amortisation as at April 1, 2025	**165.26**	**76.69**	**0.09**	**83.14**	**3.23**	**1.35**	**164.50**	**-**
Charge for the year	-	12.65		10.94	3.23	1.35	28.17	-
Disposals	-	(5.10)		-	-		(5.10)	-
Translation differences	-	(0.82)		-	-		(0.82)	-
Closing accumulated amortisation as at March 31, 2026	**165.26**	**83.42**	**0.09**	**94.08**	**6.46**	**2.70**	**186.75**	**-**
Net Block as at March 31, 2026	**80.19**	**25.78**	**0.01**	**45.78**	**21.64**	**6.30**	**99.51**	**50.00**
Net Block as at March 31, 2025	**80.19**	**23.83**	**0.01**	**54.15**	**24.87**	**7.65**	**110.51**	**1.74**

*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.
There are no restrictions over the title of the Group's intangible assets, nor are any intangible assets are pledged as security for liabilities.
Refer note 30 B (a) for disclosure of contractual commitments for the acquisition of intangible assets.
^^Refer note 44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(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 intangibles under development
		Less than 1 year	1- 2 years	2-3 years	
Project in progress	March 31, 2026	49.38	0.62	-	***50.00***
	March 31, 2025	*0.89*	*0.85*	-	***1.74***
Project temporarily suspended	March 31, 2026	-	-	-	**-**
	March 31, 2025	-	-	-	**-**
Total Intangible asset under development	**March 31, 2026**	**49.38**	**0.62**	**-**	**50.00**
	March 31, 2025	***0.89***	***0.85***	**-**	***1.74***

^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, 2026 and March 31, 2025.

Intangible asset under development is on account of technology license [March 31, 2025: warehouse management system] and is expected to be completed by financial year 2027.

(d) IMPAIRMENT TESTS FOR GOODWILL

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

As at the March 31, 2026, the carrying amount of goodwill is Rs. 80.19 (March 31, 2025: Rs. 80.19). The Group performs impairment testing annually. 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 goodwill was required. As at March 31, 2026, 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, 2026	As at March 31, 2025
Carrying value at the beginning	80.19	3.03
Goodwill on acquisitions during the year (Refer note 44)	-	77.16
Carrying value at the end	**80.19**	**80.19**

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 entity level, after allocation of the goodwill to CGUs or groups of CGUs.

A CGU level summary of the goodwill allocation is given below

	As at March 31, 2026	As at March 31, 2025
TSA Process Equipments Private Limited	44.34	44.34
Buildtech Products India Private Limited	32.82	32.82
Rifox-Hans Richter GmbH Spezialarmaturen	3.03	3.03
Carrying value at the end	**80.19**	**80.19**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The key assumptions used for the calculations are as follows:

	As at March 31, 2026	As at March 31, 2025
Cash flow projections	5 years	5 years
Discount rate	14.24% to 16.4%	14.75% to 16.5%
Terminal Growth	4% to 5%	4% to 5%
EBIDTA Margins	9% to 19%	11% to 38%
Sales growth rate	10% to 39%	17% to 38%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
EBIDTA Margins	Based on past performance and management's expectations for the future.
Sales growth rate	Average annual growth rate over the forecast period; based on past performance and management's expectations of market development.
Discount rate	Reflect specific risks relating to the relevant segments and the countries in which they operate.
Terminal Growth	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As of March 31, 2026, 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, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment (Refer note 4(a))	167.12	128.52
Depreciation on right-of-use assets (Refer note 4(b))	12.35	8.09
Amortisation of intangible assets (Refer note 4(c))	28.17	21.90
Total	**207.64**	**158.51**

(f) CAPITALISATION OF EXPENSES

Accounting policy

Salaries and wages, interest expenses, and other expenses are capitalised when directly attributable to the acquisition, construction, or production of a qualifying asset. These costs are capitalised during the development or construction phase and subsequently amortised or depreciated over the asset's useful life once the asset is ready for use.

During the year, the Group has capitalised the following expenses 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, 2026	For the year ended March 31, 2025
Salaries and wages (Refer note 25)	23.32	15.68
Interest expenses (Refer note 26)	44.32	37.23
Others (Refer note 27) - includes site expenses Rs. 0.41 (March 31, 2025: Nil)	7.62	6.74
Total	**75.26**	**59.65**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

5 INVESTMENT IN ASSOCIATES

Particulars	Face value per share	Number of shares (Nos.) As at March 31, 2026	Number of shares (Nos.) As at March 31, 2025	Amount As at March 31, 2026	Amount As at March 31, 2025
Investments in Equity Instruments :					
Investments accounted using the equity method					
Cumulative convertible preference shares in associate (unquoted)					
Covacsis Technologies Private Limited (Nil; March 31, 2025: 16.67%)	Rs. 10	-	43,192	-	9.10
ExactSpace Technologies Private Limited (15.17%) (March 31, 2025 : 15.17%)	Rs. 10	1,921	1,921	9.30	9.71
Subtotal				**9.30**	**18.81**
Less : classified as held for sale (Refer note (a) (i) below)				-	(9.10)
Total Investment in Associates				**9.30**	**9.71**

(a) Investment in associates - Equity method

(i) Investment in Covacsis Technologies Private Limited

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

Subsequently, the Holding Company had entered into an agreement dated March 26, 2025 to dispose of its entire investment in Covacsis to Infinite Uptime, Inc. (transferee company), for an upfront consideration of Rs. 10 crore. As the criteria specified in Ind AS 105 for classification as held for sale were met, the investment had been classified as a non-current asset held for sale in the previous year and was no longer accounted for using the equity method. On reclassification, the investments had been measured at the lower of carrying amount and fair value less cost to sell and consequently, no impairment loss in respect of Covacsis had been recognised in the Consolidated Statement of Profit and Loss in the previous year. In the current year, a gain of Rs. 0.90 has been recognised on this sale in the Consolidated Statement of Profit and Loss which was completed on April 8, 2025.

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
Current assets	
Cash and cash equivalents	0.05
Other current assets	2.80
Total current assets (A)	**2.85**
Total non-current assets (B)	**6.52**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Particulars	As at March 31, 2025
Non-current liabilities	
Financial liabilities	0.20
Other non-current liabilities	0.75
Total non-current liabilities (C)	**0.95**
Current liabilities	
Financial liabilities	1.84
Other current liabilities	4.18
Total current liabilities (D)	**6.02**
Net assets (E) = (A+B-C-D)	**2.40**
Group's share in net assets - 16.67%	0.40
Other adjustments	0.09
Goodwill	8.61
Carrying amount	**9.10**
Less: Classified as held for sale (Refer note above)	9.10
Carrying amount after classification	**-**

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
Total income	8.61
Cost of raw materials and components consumed	1.06
Depreciation and amortisation expenses	1.44
Finance costs	0.23
Employee benefits expenses	4.52
Other expenses	3.25
(Loss) before tax	**(1.89)**
Tax expenses	-
(Loss) for the year	**(1.89)**
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)**
Group's share of (loss) - 16.67%	**(0.32)**

(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, 2026	As at March 31, 2025
Current assets		
Cash and cash equivalents	0.84	1.09
Other current assets	0.36	4.49
Total current assets (A)	**1.20**	**5.58**
Total non-current assets (B)	**7.92**	**6.51**
Non-current liabilities		
Financial liabilities	1.19	0.10
Other non-current liabilities	0.50	0.39
Total non-current liabilities (C)	**1.69**	**0.49**
Current liabilities		
Financial liabilities	0.35	0.49
Other current liabilities	2.32	1.65
Total current liabilities (D)	**2.67**	**2.14**
Net assets (E) = (A+B-C-D)	**4.76**	**9.46**
Group's share in net assets - 15.17% (March 31, 2024: 15.17%)	0.72	1.44
Other adjustments	-	(0.31)
Goodwill	8.58	8.58
Carrying amount	**9.30**	**9.71**

The information disclosed reflects the amounts presented in the unaudited 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, 2026	For the year ended March 31, 2025
Total income	6.58	6.60
Cost of raw materials and components consumed	0.08	0.13
Depreciation and amortisation expenses	0.69	0.24
Finance costs	0.04	-
Employee benefits expenses	4.79	5.38
Other expenses	2.04	1.77
(Loss) before tax	**(1.06)**	**(0.92)**
Exceptional items	1.66	
Tax expenses	-	-
(Loss) for the period	**(2.72)**	**(0.92)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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, 2026	For the year ended March 31, 2025
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	**(2.72)**	**(0.92)**
Group's share of (loss)	**(0.41)**	**(0.14)**

The Group has entered into a Share Subscription and Share Purchase Agreement and a Shareholders' Agreement with ExactSpace Technologies Private Limited (ExactSpace), its Promoters and existing investors to acquire an additonal 35.83% stake (on a fully diluted basis) in ExactSpace. The transaction was completed on April 9, 2026, and effective from that date, ExactSpace has become a subsidiary of the Group.

6 OTHER INVESTMENTS

(a) NON-CURRENT INVESTMENTS

Particulars	Face value per share	Number of shares (Nos.)		Amount	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Investments at fair value through profit and loss:					
Investments in Equity Instruments :					
Unquoted equity shares (fully paid up)					
Sicom Limited#	Rs. 10	10,000	10,000	-	-
Total investment in equity shares				**-**	**-**
Investments in Mutual Funds :					
Units of Mutual Funds				128.64	79.94
Total value of investments (Quoted)				**128.64**	**79.94**
Investments at fair value through other comprehensive income:					
Investment in preference shares					
Exposome Private Limited (0.0001% compulsorily convertible preference shares) (Unquoted)^	Rs. 100	132	-	8.25	-
Total investment in preference shares (Unquoted)				**8.25**	**-**
Investments at amortised cost					
Investments in Corporate Bonds and non-convertible debentures (NCDs) (Quoted)				288.75	-
Investments in Corporate Deposits (Unquoted)				71.84	41.07
Sub total				**360.59**	**41.07**
Total non-current investments				**497.48**	**121.01**
Aggregate amount of quoted investments and market value thereof				417.39	79.94
Aggregate amount of unquoted investments				80.09	41.07

#Deemed cost is considered to be Nil as on April 1, 2015.

Refer note 35 for determination of their fair values.

^The Group has invested in Compulsorily Convertible Preference Shares of Exposome Private Limited, which is engaged in developing advanced air filtration solutions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) CURRENT INVESTMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Investments at fair value through profit and loss:		
Investments in Mutual Funds:		
Units of Mutual Funds (Quoted)	1,010.91	1,390.91
Investments at amortised cost		
Investments in Corporate Bonds and non-convertible debentures (NCDs) (Quoted)	57.16	150.35
Investments in Corporate Fixed Deposits (Unquoted)	208.67	26.66
Total current investments	**1,276.74**	**1,567.92**
Aggregate amount of quoted investments and market value thereof	1,068.07	1,541.26
Aggregate amount of unquoted investments	208.67	26.66

Refer note 35 for determination of their fair values.

7 (a) TRADE RECEIVABLES - AT AMORTISED COST

Accounting policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

	As at March 31, 2026	As at March 31, 2025
Trade receivables from:		
i) Related parties (Refer note 32)	0.44	0.50
ii) Others - unbilled^	46.56	21.64
iii) Others - billed	2,157.84	1,980.87
Total	**2,204.84**	**2,003.01**
Sub-classification of trade receivables		
Secured, considered good	315.15	118.53
Unsecured, considered good	2,144.27	2,135.83
Trade receivables which has a significant increase in credit risk	8.21	12.66
Trade receivables - credit impaired	32.56	48.22
	2,500.19	**2,315.24**
Less: Loss allowance*	(295.35)	(312.23)
Total	**2,204.84**	**2,003.01**

^The receivable is 'unbilled' because the Group has not yet issued an invoice; However, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Further there are no receivable from firms or private companies in which any director is a partner, a director or a member, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

*Includes provision amounting to Rs. 8.21 (March 31, 2025 : Rs. 12.66) for trade receivables which have a significant increase in credit risk and Rs. 32,56 (March 31, 2025 : Rs. 48.22) for trade receivable which are credit impaired.

Pursuant to an arrangement with a bank, 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 customer. 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, 2026, the amount of trade receivables de-recognised pursuant to the aforesaid arrangement of Rs. 190 (March, 31 2025: Rs. 422.08).

For terms and conditions relating to related party receivables, refer note 32.

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

For assets pledged as security, refer note 16.

The ageing of trade receivables:

Particulars			Unbilled	Not due	Outstanding for the following period from due date of payments					Total
					Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed trade receivables - Considered good	March 31, 2026	46.56	1,010.06	931.05	130.36	183.19	66.40	87.88	**2,455.50**
		March 31, 2025	*21.64*	*850.52*	*892.73*	*197.38*	*143.93*	*50.15*	*96.44*	***2,252.79***
(ii)	Undisputed trade receivables - Which have significant increase in credit risk	March 31, 2026	-	-	-	-	-	-	3.77	**3.77**
		March 31, 2025	-	-	-	-	-	-	*8.79*	***8.79***
(iii)	Undisputed trade receivables - Credit impaired	March 31, 2026	-	0.15	0.04	3.49	12.33	4.18	10.09	**30.28**
		March 31, 2025	-	*8.20*	*4.08*	*5.13*	*17.13*	*6.23*	*6.05*	***46.82***
(iv)	Disputed trade receivables - Considered good	March 31, 2026	-	-	-	-	0.34	0.48	3.10	**3.92**
		March 31, 2025	-	-	-	-	-	-	*1.57*	***1.57***
(v)	Disputed trade receivables - Which have significant increase in credit risk	March 31, 2026	-	-	-	-	-	0.57	3.87	**4.44**
		March 31, 2025	-	-	-	-	-	-	*3.87*	***3.87***
(vi)	Disputed trade receivables - Credit impaired	March 31, 2026	-	-	-	1.21	-	0.74	0.33	**2.28**
		March 31, 2025	-	-	-	-	*1.19*	-	*0.21*	***1.40***
Sub-total		**March 31, 2026**	**46.56**	**1,010.21**	**931.09**	**135.06**	**195.86**	**72.37**	**109.04**	**2,500.19**
		March 31, 2025	***21.64***	***858.72***	***896.81***	***202.51***	***162.25***	***56.38***	***116.93***	***2,315.24***
Less: Impairment allowance		March 31, 2026								(295.35)
		March 31, 2025								*(312.23)*
Total		**March 31, 2026**								**2,204.84**
		March 31, 2025								***2,003.01***

The above ageing includes retention receivables which are classified as due on the basis of the contractual terms with respective customers.

(b) CONTRACT ASSETS - AT AMORTISED COST

Accounting policy

A contract asset represents the Group's right to consideration in exchange for goods or services that the entity has transferred to a customer where that right is conditioned on something other than the passage of time. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

	As at March 31, 2026	As at March 31, 2025
Contract assets	941.73	781.94
Less: Loss allowance	(168.65)	(141.38)
Total	**773.08**	**640.56**
Non - Current Portion	-	158.61
Current Portion	773.08	481.95

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(c) EXPECTED CREDIT LOSS (ECL)

Accounting policy

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. A contract asset represents the Group's right to consideration in exchange for goods or services that the entity has transferred to a customer where that right is conditioned on something other than the passage of time; and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Credit risk on trade receivables and contract assets are managed by the Group subject to it's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Group's businesses, trade receivables and contract assets are spread over a number of customers with no significant concentration of credit risk.

For trade receivables and contract assets, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 3 years past due.

Impairment losses on trade receivables and contract assets are presented as expected credit loss in the Consolidated Statement of Profit and Loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

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 judgment 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 and contract assets. 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. The Group follows provisioning norms based on ageing of receivables to estimate the impairment allowance under ECL.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

	Loss allowance on trade receivables		Loss allowance on contract assets (Refer note 9(b))	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	312.23	386.29	141.38	27.38
Less: Bad debts/write off	(27.01)	(41.48)	-	-
	285.22	**344.81**	**141.38**	**27.38**
Add: Provision made during the year	141.25	40.53	51.20	115.38
Less: Reversed during the year	(125.70)	(70.36)	(23.93)	(2.27)
Translation differences	(5.42)	(2.75)	0.00	0.89
At the end of the year	**295.35**	**312.23**	**168.65**	**141.38**

Also refer note 32 for loss allowance on related party balances.

8 LOANS - AT AMORTISED COST

(a) NON-CURRENT LOANS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Loans to employees	3.76	4.55
Less: Loss allowance	-	-
Total	**3.76**	**4.55**
Classification of above is as follows:		
Loans receivables - considered good - Secured	-	-
Loans receivables - considered good - Unsecured	3.76	4.55
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Total	**3.76**	**4.55**

(b) CURRENT LOANS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Loans to employees	1.29	1.27
Less: Loss allowance	-	-
Total	**1.29**	**1.27**
Classification of above is as follows:		
Loans receivables - considered good - Secured	-	-
Loans receivables - considered good - Unsecured	1.29	1.27
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Loans receivables - credit impaired	**1.29**	**1.27**

Loans are 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

9 OTHER FINANCIAL ASSETS

(a) OTHER NON-CURRENT FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good:		
Bank deposits with remaining maturity more than twelve months[#]	295.23	248.65
Government Grant receivable*	70.08	41.05
Security deposits	37.83	14.67
Total	**403.14**	**304.37**

[#]Includes bank deposits Rs. Nil (March 31, 2025: Rs. 1.50) which are pledged as margin money and 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. 5.14 (March 31, 2025: Rs. 6.55).

(b) OTHER CURRENT FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good:		
Derivative instruments at fair value though OCI		
Cash flow hedges		
Foreign exchange forward contracts	0.52	4.99
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	10.43	11.24
At amortised cost		
Export incentive receivable	9.41	8.53
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	19.72	7.50
Security deposits[#]	17.66	14.56
Government grant receivable*	33.68	24.58
Other receivables	27.80	21.92
Total	**119.22**	**93.32**

*Includes Rs 103.76 (March 31, 2024: Rs 65.63) 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 2024-25. (Refer note 21(b))

[#]Includes lease deposits given to directors of Rs. 0.53 (March 31, 2025 : Rs. 0.53). The maximum amount due from directors during the year amounted to Rs. 0.53 (March 31, 2025: Rs. 0.53), refer note 32. This also includes deposits given to various other parties for rent, utilities etc.

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.

For assets pledged as security, refer note 16.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

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. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss) and does not give rise to equal taxable and deductible temporary differences.

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 liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Estimates and assumptions

Recoverability of Deferred tax assets

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The major components of tax expense for the year ended March 31, 2026 and March 31, 2025 are:

Consolidated Statement of Profit and Loss	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax*	268.05	299.63
Deferred tax#	19.63	(41.86)
Total	**287.68**	**257.77**

*Includes impact of current tax in respect of earlier years. Refer table below.

#Deferred tax income/(expense) during the period recognised in profit or loss includes charge of Rs. 17 pertaining to earlier periods

Other comprehensive income	For the year ended March 31, 2026	For the year ended March 31, 2025
Tax related to items recognised in other comprehensive income during the year		
Net loss or (gain) on movement of cash flow hedges	(31.01)	(1.85)
Net (loss) on remeasurements of defined benefit plans	0.59	(2.33)
Total	**(30.42)**	**(4.18)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit before tax (after share of (loss)/profit of associates and exceptional items)	**946.73**	**884.47**
Exceptional items gain	61.21	-
Share of loss of associates - added back	0.41	0.24
Accounting profit after exceptional items	**1,008.35**	**884.71**
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17% (March 31, 2025: 25.17%)	253.80	222.68
- Tax (Income)/Expenses for earlier years (net)	(11.06)	3.29
- Deferred tax on account of utilisation of losses of earlier years	-	(4.11)
- Unrecognised tax benefits on tax losses	30.21	42.40
- Non-deductible business Expenses	10.32	5.28
- Tax rate difference on Long Term Capital Gains	(5.13)	(9.75)
- Others	9.54	(2.02)
Total tax expense reported in the Consolidated Statement of Profit and Loss	**287.68**	**257.77**

Deferred tax

Consolidated Statement of Profit and Loss and OCI	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax relates to the following :		
Accelerated depreciation for tax purposes	82.20	46.89
Deferred tax utilised / created on unabsorbed losses of earlier years	(66.48)	(44.17)
Expected credit loss and liquidated damages	12.70	(5.56)
Fair value gains on investments classified as fair value through profit and loss	(15.35)	7.36
Recognised on account of Business combination (Refer note 44)	(18.20)	-
Temporary differences in accounting treatment as required by Income tax standards	(5.32)	0.75
Items allowed on payment basis/temporary disallowances	1.99	(40.89)
Others*	(2.34)	(6.24)
Deferred tax expense/(income) in the Consolidated Statement of Profit and Loss and OCI	**(10.79)**	**(41.86)**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Balance Sheet	As at March 31, 2026	As at March 31, 2025
Deferred tax relates to the following :		
Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purposes	(258.28)	(176.08)
Losses available for offsetting against future taxable income	169.42	102.94
Expected credit loss	123.50	136.20
Fair value gains on investments classified as fair value through profit and loss	(10.43)	(25.78)
Recognised on account of Business combination (Refer note 44)	-	(18.20)
Temporary differences in accounting treatment as required by Income tax standards (ICDS)	21.96	16.64
Items allowed on payment basis/temporary difference	71.30	73.29
Others*	17.08	15.33
Net deferred tax assets	**134.55**	**124.34**

*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, 2026	For the year ended March 31, 2025
Opening balance as at April 1	**124.34**	**96.27**
Tax (expense)/income during the year recognised in profit or loss	(19.63)	41.86
Tax (expense)/income during the year recognised in OCI - Items that will not be reclassified subsequently to profit or loss	(0.59)	2.33
Tax (expense)/income during the year recognised in OCI - Items that will be reclassified subsequently to profit or loss	31.01	1.85
Recognised on account of Business combination (Refer note 44)	-	(18.20)
Translation differences	(0.58)	0.23
Closing balance as at March 31	**134.55**	**124.34**

Break up of gross deferred tax assets/liabilities	As at March 31, 2026	As at March 31, 2025
Deferred tax assets	174.70	154.38
Deferred tax liabilities	(40.15)	(30.04)
Net deferred tax assets	**134.55**	**124.34**

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.

No income tax was recognised directly in equity during the year ended March 31, 2026 & March 31, 2025. Refer note 15 for further details.

The Group has tax losses of Rs. 296.46 (March 31, 2025: Rs. 287.15) 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. 72.08 (March 31, 2025: Rs. 70.18).

As at March 31, 2026, there is deferred tax liability of Rs. 4.37 (March 31, 2025: Rs. 4.71) for taxes that would be payable on the unremitted earnings of the Group's branches/subsidiaries wherein the Group has determined that

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 have not been recognised to the extent where the Group is able to control the reversal of the temporary difference.

Income Tax Assets/Liabilities for income tax:

Movement	As at March 31, 2026	As at March 31, 2025
Opening balance as at April 1	**54.67**	**168.05**
Add: Current tax payable for the year	(268.05)	(299.63)
Less: Taxes paid (net of refunds received)	349.49	185.73
Translation difference	(3.89)	0.52
Closing balance as at March 31	**132.22**	**54.67**

Tax payable for the year includes credit of Rs. 28 pertaining to earlier periods.

The above balance is represented in the balance sheet as below:

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax asset - non current	155.46	143.79
Income tax asset - current	9.14	2.09
Liabilities for income tax (net) - current	32.38	91.21

11 OTHER ASSETS

(a) OTHER NON-CURRENT ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advance to suppliers	2.50	-
Capital advances	141.96	157.04
Balances with government authorities	52.35	47.76
Prepayments	14.30	17.39
Less: loss allowance for doubtful advances	(20.15)	-
Total	**190.96**	**222.19**

(b) OTHER CURRENT ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advance to suppliers	233.31	183.22
Advance to employees	10.09	7.50
Prepayments	43.08	31.92
Balances with government authorities	279.72	175.13
Prepaid employee benefits (Refer note 19)	0.84	3.07
Deposit against litigation (Refer note 30 (d) and 43)	-	218.45
Others	17.95	17.10
Total	**584.99**	**636.39**

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

For assets pledged as security, refer note 16.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

12 INVENTORIES

Accounting policy

Raw materials and components, stores and spares, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and components and stores and spares and stock-in-trade comprises of cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs of all classes of inventories are determined on weighted average basis. Write down of inventories is calculated based on an analysis of foreseeable changes in demand, technology, market conditions and ageing of inventories.

	As at March 31, 2026	As at March 31, 2025
Raw materials and components*	563.96	426.47
Work-in-progress#	171.68	147.71
Finished goods**	104.03	104.58
Stores and spares	22.50	16.12
Stock-in-trade	47.33	21.67
Total	**909.50**	**716.55**

*Includes goods in transit Rs. 43.81 (March 31, 2025 : Rs. 17.61)

#Includes goods in transit Rs. 5.47 (March 31, 2025 : Rs. 49.77)

**Includes goods in transit Rs. 48.53 (March 31, 2025 : Rs. 55.71)

For the year ended March 31, 2026 Rs. 17.20 (March 31, 2025: Rs. 6.46) 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 "Changes in inventories of finished goods, work-in-progress and stock-in-trade" in the Consolidated Statement of Profit and Loss.

For assets pledged as security, refer note 16.

13 (a) CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents in the balance sheet comprises 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 presentation in the statement of cash flows, cash and cash equivalents consists of cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts as they are considered an integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

	As at March 31, 2026	As at March 31, 2025
Balances with banks		
- in current accounts	228.76	170.44
- in Exchange Earners Foreign Currency (EEFC) account	0.05	27.89
- in deposits with original maturity of less than three months*	444.84	216.66
Cheques, drafts on hand	0.42	1.35
Cash on hand	0.38	0.21
Total	**674.45**	**416.55**

*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. Nil (March 31, 2025 : Rs. 2.98).

Cash and cash equivalents include Rs. 3.63 (March 31, 2025 : Rs. 1.13) held by irrevocable trust controlled by the Group.

For assets pledged as security, refer note 16.

(b) OTHER BANK BALANCES - AT AMORTISED COST

	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity more than three months and less than twelve months*	489.76	728.74
Bank deposits - Earmarked for import commitments	25.86	1.13
Unpaid dividend account (restricted)^	0.59	0.62
Total	**516.21**	**730.49**

^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. 18.91 (March 31, 2025 : Rs. 1.83).

(c) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings	Unpaid dividend	Lease liabilities
As at April 1, 2024	**1,236.12**	**0.61**	**21.48**
Addition on account of acquisition (Refer note 44)	18.51	-	1.73
Cash flow (net - including overdraft)	432.70	0.01	(4.69)
Unrealised foreign exchange (gain)/loss / Translation differences	1.39	-	0.55
Interest expense	137.14	-	1.39
Interest paid	(132.52)	-	(1.39)
New lease	-	-	5.25
As at March 31, 2025	**1,693.34**	**0.62**	**24.32**
Cash flow (net - including overdraft)	596.71	(0.03)	(22.95)
Unrealised foreign exchange (gain)/loss / Translation differences	(2.04)	-	0.84
Interest expense	161.88	-	4.01
Interest paid	(161.88)	-	(4.01)
New lease	-	-	62.31
As at March 31, 2026	**2,288.01**	**0.59**	**64.52**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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, 2026	As at March 31, 2025
Authorised shares (Nos)		
375,000,000 (March 31, 2025: 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, 2025: 119,156,300) equity shares of Rs. 2/- each.	23.83	23.83
Less: 6,507,629 (March 31, 2025: 6,516,354) equity shares held by Trusts of Rs. 2/- each.	(1.30)	(1.30)
Total issued, subscribed and fully paid-up share capital	**22.53**	**22.53**

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

	No. of shares	Amount
Equity share of Rs. 2 each issued, subscribed and fully paid		
As at April 1, 2024	112,620,748	22.52
Changes during the year*	19,198	0.01
As at March 31, 2025	**112,639,946**	**22.53**
Changes during the year*	8,725	0.00
As at March 31, 2026	**112,648,671**	**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.

(c) Equity shares held by Holding Company

	As at March 31, 2026	As at March 31, 2025
Holding Company		
RDA Holding Private Limited	12.87	12.87
64,328,500 (March 31, 2025: 64,328,500) equity shares of Rs. 2/- each fully paid		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

	As at March 31, 2026	As at March 31, 2025
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		
%	7.80	6.03
No. of shares	9,300,082	7,184,525
Nalanda India Equity Fund Ltd.		
%	5.13	5.13
No. of shares	6,118,073	6,118,073

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, 2026	As at March 31, 2025
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	-	-

Note: Promoters for the purpose of this disclosure means promoters as defined under section 2(69) of Companies Act 2013.
*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, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

15 (a) OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
Reserves and surplus		
Capital redemption reserve		
Opening balance	113.04	60.34
Add: Redemption of preference shares of a subsidiary	-	52.70
Closing balance	**113.04**	**113.04**
Capital reserve	**95.12**	**95.12**
General reserve	**435.31**	**435.31**
Retained earnings		
Opening balance	4,144.60	3,710.64
Add: Profit for the year	720.50	634.47
Add: Adjustments on account of acquisition of non-controlling interest	25.95	-
Add/ (less): Fair value of redemption liability	38.35	(5.70)
Less: Dividends paid	(157.69)	(135.20)
Less: Adjustment on account of redemption of preference shares in a subsidiary	-	(52.70)
Movement during the year	**627.11**	**440.87**
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement (loss)/gain on defined benefit plans, net of tax Rs. (0.59) (March 31, 2025 : Rs. 2.33)	1.65	(6.91)
Share of OCI of associates (Re-measurement of defined benefit plans (net of tax))	-	-
Net surplus in the Consolidated Statement of Profit and Loss	**4,773.42**	**4,144.60**
Securities premium account		
Opening balance	64.55	58.71
Add: Exercise of share options	2.62	5.84
Closing balance	**67.17**	**64.55**
Share options outstanding account		
Opening balance	5.97	5.97
Add: Share based payments	4.89	5.84
Less: Exercise of share options	(2.62)	(5.84)
Closing balance	**8.24**	**5.97**
Total Reserves and Surplus	**5,492.24**	**4,858.59**
Other reserves		
Cash flow hedge reserve		
Opening balance	(7.33)	(1.83)
Add: Movement during the year (net)	(123.16)	(7.35)
Less: Tax on movement during the year	31.01	1.85
Closing balance	**(99.48)**	**(7.33)**
Foreign currency translation reserve		
Opening balance	63.10	53.02
Add: Movement during the year (net)	71.58	10.08
Closing balance	**134.68**	**63.10**
Total	**5,527.44**	**4,914.36**

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 reserve arising on amalgamations in the past which is required to be maintained as per statute and is not available for distribution to shareholders.

General reserve

Represents amounts transferred from retained earnings.

Retained earnings

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

Securities premium account

Securities premium account 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.

FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 is the movement of amounts recognised in other comprehensive income on account of defined benefit obligation:

	As at March 31, 2026	As at March 31, 2025
Opening balance	45.81	36.57
Add: Re-measurement (gain)/loss on defined benefit plan	(2.36)	9.24
Closing balance	**43.45**	**45.81**

(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, 2026	For the year ended March 31, 2025
Cash dividend on equity shares declared and paid by Holding company:		
Final 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 dividend of Holding Company on equity shares:		
Proposed dividend for the year ended 2025-2026: Rs. 20 per share (2024-2025: Rs. 14 per share) (gross of consolidation adjustments)	238.31	166.82
	238.31	**166.82**

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at the reporting date.

16 BORROWINGS - AT AMORTISED COST

(a) Non-current borrowings

	As at March 31, 2026	As at March 31, 2025
Term loans (from banks)		
Secured loans - Foreign currency	15.30	14.06
Secured loans - Indian currency	1,347.48	870.39
Unsecured loan - Indian currency	25.00	25.18
Term loans (from Financial Institutions)		
Secured loans - Indian currency	295.60	300.00
Total non-current borrowings	**1,683.38**	**1,209.63**
Less: Amount disclosed under the head "Current borrowings" (Refer note 16 (b))		
- Current maturities of term loans	(67.55)	(48.08)
	1,615.83	**1,161.55**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Current borrowings

		As at March 31, 2026	As at March 31, 2025
Loans (from banks and financial institutions)			
Secured loans	- Packing credit - Indian currency	65.00	33.43
	- Current borrowings - Indian currency	108.49	22.88
	- Overdraft - Indian currency	38.25	4.71
	- Buyer line of credit - Indian currency	158.90	99.57
Unsecured loans	- Packing credit - Indian currency	35.00	25.90
	- Financial Institutions - Indian currency	199.00	295.00
	- Current borrowings-Foreign currency	-	2.22
Current maturities of long-term borrowings		67.55	48.08
Total		**672.18**	**531.79**

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

For March 31, 2026:	Amount of loan	Repayment timelines	Tenure of loan	Rate of interest
Non-current Borrowings:				
Foreign currency borrowings				
- Secured from bank	15.30	Annual/Monthly	20 years/5 years	3.65%/5.85%
Indian rupee borrowings				
- Secured from bank	1,347.48	Quarterly/Monthly /At Maturity	4 to 21 years	7.44-8.65%
- Secured from financial institutions	295.60	Quarterly	19 years	8.65%
- Unsecured from bank	25.00	At Maturity	6 years	7.30% p.a.
Current Borrowings:				
Indian rupee borrowings - Bank overdraft	38.25	On demand	Upto 12 months	7.5-8.85%
Indian rupee borrowings				
- Packing Credit (Secured)	65.00	At Maturity	90 to 180 days	5.82-6.19%
- Packing Credit (Unsecured)	35.00	At Maturity	90 to 180 days	5.82-6.19%
- Secured buyer line of credit	158.90	At Maturity	60 to 180 days	6.30% to 7.27%
- Secured Borrowings	108.49	Monthly/At Maturity	9 to 12 months	7.58-8.30%
- Unsecured from Financial Institutions	199.00	At Maturity	11 months	7.67% p.a.

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 institutions	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

For March 31, 2025:	Amount of loan	Repayment timelines	Tenure of loan	Rate of interest
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.

As at March 31, 2026, some of the subsidiaries have not complied with some of the covenants under loan agreements in respect of its borrowings of Rs. 26.97 (March 31, 2025 Rs. 292.46). The subsidiaries have received the confirmation from the Banks 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, 2026	As at March 31, 2025
Current		
Financial assets		
Cash and cash equivalents	38.58	24.59
Trade receivables	29.53	63.61
Finance lease receivables	29.67	22.23
Other financial assets*	468.21	21.63
Non-financial assets		
Inventories (work-in-progress)	-	84.88
Other current assets	6.20	5.69
Total current assets pledged as security	**572.19**	**222.63**
Non-current		
Financial assets		
Finance lease receivables	233.43	174.90
Other financial assets	-	0.65
Non-financial assets		
Property, plant and equipment	1,420.81	1,281.65
Capital work-in-progress - Plant and machinery	547.30	291.88
Right of use asset - Leasehold land	621.50	14.40
Other assets	1.40	6.88
Total non-currents assets pledged as security	**2,824.44**	**1,770.36**
Total assets pledged as security	**3,396.63**	**1,992.99**

*Includes intercompany receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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.

Short term borrowings (foreign currency loans from banks) amounting to Rs. 2.22 (March 31, 2025: Rs. 2.22) are repayable on a fixed date (March 31, 2025: fixed date). Letter of comfort from Holding Company has been provided as collateral for these borrowings.

Packing credit are 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, 2026.

Note: The quarterly returns/statements filled with the banks are in agreement with the books of accounts.

Note: Current borrowings include interest accrued on non-current and current borrowings.

Note: The Group was in compliance with all of its debt covenants for outstanding borrowings for both years except as disclosed above.

Supplier finance arrangements

Buyer's credit arrangements are characterised by one or more finance providers offering to pay amounts that an entity owes its suppliers for purchases of property, plant and equipments. The entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than when suppliers are paid. These arrangements provide the entity with extended payment terms, compared to the related invoice payment due date.

Range of payment due dates	March 31, 2026	March 31, 2025
Liabilities under supplier finance arrangement	60 - 180 days from invoice date	NA*
Comparable capital payables that are not part of the supplier finance arrangement (same line of business)	45-60 days from invoice date	NA*
Carrying amount of liabilities under supplier finance arrangement		
Liabilities under supplier finance arrangement	158.90	99.57
of which the supplier has received payment from the finance provider	158.90	NA*

*The Group has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows entities not to present comparative disclosures for prior periods.

17 TRADE PAYABLES - AT AMORTISED COST

(a) NON-CURRENT TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
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	-	54.37
Total	**-**	**54.37**

Trade payables are non-interest bearing.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The ageing of non-current trade payables :

Particulars		Not Due	Outstanding for the following period from due date of payments				Total
			Less than a year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - Micro enterprises and small enterprises	March 31, 2026	-	-	-	-	-	-
	March 31, 2025	-	-	-	-	-	-
(ii) Undisputed dues - Other than micro enterprises and small enterprises	March 31, 2026	-	-	-	-	-	-
	March 31, 2025	*54.37*	-	-	-	-	***54.37***
(iii) Disputed dues - Micro enterprises and small enterprises	March 31, 2026	-	-	-	-	-	-
	March 31, 2025	-	-	-	-	-	-
(iv) Disputed dues - Other than micro enterprises and small enterprises	March 31, 2026	-	-	-	-	-	-
	March 31, 2025	-	-	-	-	-	-
Total	**March 31, 2026**	-	-	-	-	-	-
	March 31, 2025	***54.37***	-	-	-	-	***54.37***

(b) CURRENT TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	938.15	749.78
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related parties (Refer note 32)	3.97	2.57
ii) Others	1,115.26	940.53
Total	**2,057.38**	**1,692.88**

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:

Particulars		Not Due	Outstanding for the following period from due date of payments				Total
			Less than a year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - Micro enterprises and small enterprises	March 31, 2026	857.50	55.02	9.32	5.55	10.03	**937.42**
	March 31, 2025	*667.86*	*60.31*	*10.40*	*3.25*	*7.23*	***749.05***
(ii) Undisputed dues - Other than micro enterprises and small enterprises	March 31, 2026	639.21	92.04	86.51	8.06	6.47	**832.29**
	March 31, 2025	*487.61*	*151.65*	*11.51*	*7.44*	*20.48*	***678.69***
(iii) Disputed dues - Micro enterprises and small enterprises	March 31, 2026	-	-	-	-	0.73	**0.73**
	March 31, 2025	-	-	-	-	*0.73*	***0.73***
(iv) Disputed dues - Other than micro enterprises and small enterprises	March 31, 2026	0.12	-	-	-	0.51	**0.63**
	March 31, 2025	*0.12*	-	-	-	*0.51*	***0.63***
Sub-total	**March 31, 2026**	**1,496.83**	**147.06**	**95.83**	**13.61**	**17.74**	**1,771.07**
	March 31, 2025	***1,155.59***	***211.96***	***21.91***	***10.69***	***28.95***	***1,429.10***

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Particulars		Not Due	Outstanding for the following period from due date of payments				Total
			Less than a year	1-2 years	2-3 years	More than 3 years	
Unbilled trade payable*	March 31, 2026						**286.31**
	March 31, 2025						***263.78***
Total	**March 31, 2026**						**2,057.38**
	March 31, 2025						***1,692.88***

*Unbilled trade payables includes accruals which are not classified as provisions under IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

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 NCI 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, 2026	As at March 31, 2025
At amortised cost (except for redemption liability pertaining to TSA)		
Trade deposits	28.63	21.60
Redemption liability*	50.52	97.08
Total	**79.15**	**118.68**

*One of the subsidiaries, 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 26% to 30% stake in these entities. A redemption liability of Rs. 50.52 (March 31, 2025: Rs. 31.65) classified as non current has been accounted in respect of the said stake.

Further in another subsidiary, TSA Process Equipments Private Limited (TSA) the company has accounted for a redemption liability of Rs. 32 classified as current (March 31, 2025: Rs. 65.43 classified as non current) on account of non-controlling interest portion. This redemption liability is accounted for a fair value. Refer note 35 for further details.

(b) OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	123.78	6.52
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	25.79	6.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	As at March 31, 2026	As at March 31, 2025
At amortised cost (except for redemption liability pertaining to TSA)		
Employee related payables	136.31	140.18
Payables for PPE, intangible assets, CWIP and intangible assets under development	278.93	48.21
Liability towards employee separation scheme#	0.05	0.84
Unpaid dividend	0.59	0.62
Redemption liability (Refer note 18(a))	32.00	-
Purchase consideration payable	4.12	10.20
Other payables*	14.79	11.99
Total	**616.36**	**225.27**

*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, 2026 is Rs. 0.05 (March 31, 2025 : Rs. 0.84).

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.

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 estimate of warranty related costs is revised annually.

Provision for onerous contracts

Present obligations arising under onerous contracts are recognised, measured and disclosed as provisions in financial statements. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provision for litigation

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

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 Consolidated Statement of Profit and Loss as finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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 obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 75.67 (March 31, 2025 - Rs. 67.09).

The Government of India has implemented four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, by consolidating 29 existing labour laws on 21 November 2025. The Ministry of Labour & Employment have published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in the regulations. The Labour Codes have prescribed a uniform definition of “Wages” to be used for the purpose of calculating employee benefits like gratuity and extending eligibility to fixed-term employees (“FTEs”). Under the Labour Codes, the base on which employee benefits are calculated has increased, which has resulted in increase in the Group’s liability for employee benefits.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Group provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in accordance with the Code on Social Security, 2020, in line with the notification of the Labour Codes with effect from 21 November 2025. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. The Group’s liability is determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Any increase in gratuity liability arising due to implementation of Labour Codes in respect of past service cost is recognised immediately in the Consolidated Statement of Profit and Loss, to the extent that the benefits are already vested, and is recognised over the vesting period in the Consolidated Statement of Profit and Loss in respect of the unvested portion. The Group has considered a proposed restructuring of its employees compensation, and assessed the impact of the changes, consistent with the Labour Codes, the draft rules, FAQs and opinion obtained from the Group’s advisors.

The Group makes annual contributions through trusts to a funded gratuity scheme administered by the Life Insurance Corporation of India (LIC).

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 Consolidated Statement of Profit and Loss in subsequent periods. Further also refer note 43.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

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

Accumulated leave, which is expected to be 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.

However, based on past experience and actuarial valuation performed, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. Leave obligations which are not expected to be settled within the next 12 months amounts to Rs. 58.76 (March 31, 2025 : 62.03).

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.

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.

Estimates and assumptions

- **Provision for onerous contracts:** The Group provides for onerous contracts when a present obligations arises as the unavoidable costs of meeting an obligations under a contract exceed the economic benefits expected to be received from that contract. Estimating these future losses involves a number of assumptions about the achievement of contract performance targets and the likely levels of future cost including escalation over time.
- **Warranty provision:** The Group offers warranty for its various products and projects. 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.

  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. 17.96 higher or lower (March 31, 2025 : Rs. 18.27).

- **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. Further, another important parameter is salary considered while assessing the definition of "wages" as given in The Code on Social Security, 2020. 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, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for gratuity	2.06	2.21
Other long-term employee benefits	4.68	3.12
	6.74	**5.33**
Other provisions		
Provision for warranties	24.87	20.28
Provision for decommissioning liability	16.10	14.77
	40.97	**35.05**
Total	**47.71**	**40.38**

(b) CURRENT PROVISIONS

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for gratuity	34.76	12.50
Provision for leave encashment	83.52	91.92
	118.28	**104.42**
Other provisions		
Provision for onerous contracts	38.21	56.59
Provision for liquidated damages	13.33	-
Provision for warranties	154.72	162.45
Provision for litigation (Refer note 43)	-	50.63
	206.26	**269.67**
Total	**324.54**	**374.09**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Movement in other provisions for the year ended March 31, 2026:

	Provision for Liquidated Damages	Provision for Litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
Balance as at April 1, 2025	**-**	**50.63**	**56.59**	**182.73**	**14.77**
Additional provision recognised	13.33	-	146.43	110.52	-
Unused amounts reversed	-	(50.63)	(22.91)	(76.16)	-
Unwinding of discount	-	-	-	9.72	1.33
Utilised during the year	-	-	(141.90)	(47.22)	-
Balance as at March 31, 2026	**13.33**	**-**	**38.21**	**179.59**	**16.10**
Breakup of provisions:					
Current	13.33	-	38.21	154.72	-
Non-current	-	-	-	24.87	16.10
Total	**13.33**	**-**	**38.21**	**179.59**	**16.10**

Movement in other provisions for the year ended March 31, 2025:

	Provision for Liquidated Damages	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**

(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 employees.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The Holding Company and its Indian subsidiaries have considered a proposed restructuring of its employees compensation, and assessed the impact of the changes, consistent with the Labour Codes, the draft rules, FAQs and opinion obtained from the Group's advisors. In accordance with Ind AS 19 and the FAQs issued by ICAI, the changes to gratuity benefit resulting from the Labour Codes are treated as past service costs and accordingly, the increase in the Group's obligation due to application of the Labour Codes has been recognised in the Consolidated Statement of Profit and Loss. The Group continues to monitor the finalisation of Central/ State Rules and further clarifications from the Government and would give appropriate accounting effect considering those developments, as may be applicable.

	As at March 31, 2026	As at March 31, 2025
Current asset	0.84	3.07
Current liability	(34.76)	(12.50)
Non-current liability	(2.06)	(2.21)
Net asset/(liability)	**(35.98)**	**(11.64)**

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, 2024	**141.50**	**(138.36)**	**3.14**
Arising on account of acquisition	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 (Refer note 25)	**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/(gain) from change in demographic assumptions	(0.05)	-	(0.05)
Actuarial loss/(gain) from change in financial assumptions	5.50	0.34	5.84
Total amount recognised in Other Comprehensive (Income)/ Loss	**8.83**	**0.41**	**9.24**
Employer contributions	-	(5.80)	(5.80)
Benefits paid	(15.78)	3.37	(12.41)
As at March 31, 2025	**161.94**	**(150.30)**	**11.64**
Current service cost	26.44	-	26.44
Past service cost	20.89	-	20.89
Interest expense/(income)	10.07	(10.12)	(0.05)
Total amount recognised in (Profit) or Loss (Refer note 25)*	**57.40**	**(10.12)**	**47.28**
Experience adjustments	3.79	(0.51)	3.28
Return on plan assets (income)	-	(0.03)	(0.03)
Actuarial loss/(gain) from change in demographic assumptions	(0.01)	-	(0.01)
Actuarial loss/(gain) from change in financial assumptions	(5.32)	(0.28)	(5.60)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	Present value of obligation	Fair value of plan assets	Net amount
Total amount recognised in Other Comprehensive (Income)/ Loss	**(1.53)**	**(0.83)**	**(2.36)**
Employer contributions	-	(2.57)	(2.57)
Benefits paid	(18.80)	0.78	(18.01)
As at March 31, 2026	**199.01**	**(163.03)**	**35.98**

*Includes amount Rs. 20.89 (March 31, 2025 Rs. Nil) shown as an exceptional item. Refer note 43.

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

	As at March 31, 2026	As at March 31, 2025
Present value of funded obligation	199.01	161.94
Fair value of plan assets	(163.03)	(150.30)
Deficit of funded plan	**35.98**	**11.64**

III Significant assumptions

The principal actuarial assumptions were as follows :

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.2% to 7.8%	6.6% to 6.9%
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
Attrition rate	1%-12%	5%-12%

IV Sensitivity analysis

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

Assumptions	As at March 31, 2026		As at March 31, 2025	
	Impact of 1% increase	Impact of 1% decrease	Impact of 1% increase	Impact of 1% decrease
Discount rate	Decrease by 10.07	Increase by 11.20	Decrease by 10.88	Increase by 11.83
Future salary growth rate	Increase by 9.26	Decrease by 8.50	Increase by 10.09	Decrease by 9.41
Attrition rate	Decrease by 0.13	Increase by 0.15	Decrease by 2.07	Increase by 2.04

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

	As at March 31, 2026	As at March 31, 2025
Within next 12 months	39.18	27.27
Between 2-5 years	108.91	88.90
Next 5 years	148.13	125.15

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.12 years to 17.73 years (March 31, 2025: 7.4 years to 18.98 years)

V The major categories of plan assets are as follows:

	As at March 31, 2026	As at March 31, 2025
Investments with insurer (LIC of India)	100.00%	100.00%

VI Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below :

Asset Volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields. If plan assets underperform, this yield will create a deficit. The plan assets are maintained with fund manager of LIC. They are subject to interest rate risk which is managed by the insurer.

Changes in bond yield:

A decrease in bond yields will increase plan liabilities.

Asset risk:

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also, interest rate and inflation risk are taken care of.

Future salary escalation and Inflation risks:

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this risk.

Life expectancy:

Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

(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. 4.68 (March 31, 2025: Rs. 3.12).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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, 2026	As at March 31, 2025
Contract liabilities		
Unearned revenue*	25.68	22.63
Advance lease rentals	16.50	13.87
Total	**42.18**	**36.50**

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

(b) OTHER CURRENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Contract liabilities		
Unearned revenue*	119.64	522.88
Customer advances (Refer note 32 for details of related party balances)	1,899.53	1,469.20
Advance lease rentals	2.92	2.24
Statutory dues and other liabilities**	88.45	94.11
Total	**2,110.54**	**2,088.43**

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

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

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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The Group has the 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 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 uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred.

  The Group estimates variable consideration amount which it expects to be entitled under the contract and includes it in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue 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. Penalties/claims 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.

  Costs associated with bidding for contracts are charged to the Standalone 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.

  The Group provides for warranty provision for general repairs up to 12 – 24 months on its EPC contracts, in line with the industry practice. A liability is recognised at the time the contract is concluded. The Group does not provide any extended warranties.

  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 contracts 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.

The Group combines two or more contracts entered into at or near the same time with the same customer (or related parties of the customer) and accounts for the contracts as a single contract if one or more of the following criteria are met:

(a) the contracts are negotiated as a package with a single commercial objective;

(b) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or

(c) the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

- **Revenue from sale of goods (Other than EPC contracts)**

  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 when control has been transferred. The Group provides for warranty provision for general repairs up to 12 - 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 contracts, 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.

- **Revenue from rights of return**

  The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognised for the goods that are expected to be passed on. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

- **Government Grant**

  Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

  Grants and subsidies from the government are recognised if the following conditions are satisfied- There is reasonable assurance that the group will comply with the conditions attached to it Such benefits are earned and reasonable certainty exists of the collection.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Estimates and assumptions

- **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 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.

- **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.

Judgments

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, whether the customer controls the work-in-progress, whether the asset created has no alternative use and 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, 2026	For the year ended March 31, 2025
Revenue from projects and products	9,465.00	9,093.75
Revenue from services	1,001.89	1,052.25
Revenue from power supply	138.88	90.38
Finance income on leased assets	36.78	31.70
Total revenue from contracts with customers (a)	**10,642.55**	**10,268.08**

(b) OTHER OPERATING REVENUE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Export incentives	22.52	20.73
Sale of scrap	24.26	23.36
Commission income	9.46	8.60
Exchange fluctuation gain/(loss) (net)*	(79.86)	(17.79)
Government Grant#	68.18	65.63
Miscellaneous income	7.04	0.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Total other operating revenue (b)	**51.60**	**101.18**
Total revenue from operations (a+b)	**10,694.15**	**10,369.26**

*Includes mark to market gain/(loss) on forward contracts not subjected to hedge accounting Rs. (22.33) (March 31, 2025: Rs. 4.53).

#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.

(c) DISCLOSURE PURSUANT TO IND AS 115: REVENUE FROM CONTRACT WIH CUSTOMERS

i) By category of contracts

	For the year ended March 31, 2026	For the year ended March 31, 2025
Over a period of time basis	7,180.97	6,575.88
At a point-in-time basis	3,461.58	3,692.20
Total revenue from contracts with customers	**10,642.55**	**10,268.08**

Revenue by segment (refer note 33)

	For the year ended March 31, 2026				
	Industrial Products	Industrial Infra	Green Solutions	Chemicals	Total
Revenue from contracts with customers					
Revenue before inter segment elimination	5,106.27	4,291.60	729.97	754.53	10,882.37
Less: Inter segment	(205.76)	(5.20)	(15.59)	(13.27)	(239.82)
Total revenue from contracts with customers	**4,900.51**	**4,286.40**	**714.38**	**741.26**	**10,642.55**
Other operating revenue	(10.18)	56.45	2.27	3.06	51.60
Total revenue from operations	**4,890.33**	**4,342.85**	**716.65**	**744.32**	**10,694.15**

	For the year ended March 31, 2025				
	Industrial Products	Industrial Infra	Green Solutions	Chemicals	Total
Revenue from contracts with customers					
Revenue before inter segment elimination	4,511.37	4,619.53	688.59	756.15	10,575.64
Less: Inter segment	(279.82)	(4.30)	(11.00)	(12.44)	(307.56)
Total revenue from contracts with customers	**4,231.55**	**4,615.23**	**677.59**	**743.71**	**10,268.08**
Other operating revenue	18.29	74.92	1.29	6.68	101.18
Total revenue from operations	**4,249.84**	**4,690.15**	**678.88**	**750.39**	**10,369.26**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

ii) Contract balances

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

	As at March 31, 2026	As at March 31, 2025
Contract assets (Refer note 7)	773.08	640.56
Unearned revenue (Contract liability) (Refer note 20)	145.32	545.51
Customer advances (Contract liability) (Refer note 20)	1,899.53	1,469.20

Each contract is presented on a net basis as either a contract asset or a contract liability including for retention money (contract asset) and customer advances (contract liability) in the current year (refer note 49). Accordingly, the disclosures made for recognition of revenue and receivables out of opening contract liabilities and contract assets respectively for previous year, have also been amended to this extent.

Contract assets have increased from previous year as entity has entered into new contracts during the year and has supplied more products and services ahead of the agreed billing and payment schedules as per contractual terms.

During the year ended March 31, 2026, Rs. 640.56 (March 31, 2025: Rs. 476.57) of opening contract asset has been reclassified to trade receivables upon completion of milestones. (Refer note 7).

Unearned revenue has decreased in current year as entity has recognised revenue from opening unearned revenue. The movement in advance from customer is on account of advances received and utilised during the year. During the year the Company has recognised revenue of Rs. 545.51 (March 31, 2025: Rs. 631.22) arising from opening unearned revenue.

iii) Performance obligations

EPC and other than EPC contracts - 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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.

	As at March 31, 2026	As at March 31, 2025
Amount of revenue yet to be recognised for contracts in progress*	7,600.97	5,615.29

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.

Due to change in transaction price, the Group has recognised revenue of Rs. 79.18 in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

iv) Reconciliation between revenue recognised in Consolidated 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.

v) Information about geographic segments

Information regarding segment wise disaggregation of revenue has been included in segment note (Refer note 33).

22 OTHER INCOME

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income from financial assets carried at amortised cost		
Bank and other deposits	84.96	67.58
Other interest income**	25.19	26.24
Liabilities no longer required written back	6.59	12.25
Net gain on fair value changes of mutual funds	53.78	102.66
Net gain on sale of mutual funds	26.75	15.24
Insurance claim (refer note 45)	41.20	-
Miscellaneous income^^	29.01	28.25
Total	**267.48**	**252.22**

^^Includes rent income of Rs. 0.76 (March 31, 2025: Rs. 0.85) refer note 31(i)(b).

**Includes interest accretion on government grant of Rs. 11.19 (March 31, 2025: Rs 2.89).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

23 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year	426.47	425.52
Add: Addition on account of business combination (Refer note 44)	-	20.05
Add: Purchases	5,561.51	5,515.14
	5,987.98	**5,960.71**
Less: Inventories at the end of the year	(563.96)	(426.47)
Total	**5,424.02**	**5,534.24**

24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year		
Work-in-progress	147.71	243.45
Finished goods	104.58	75.36
Stock-in-trade	21.67	8.95
Total (A)	**273.96**	**327.76**
Add: Addition on account of business combination (Refer note 44)		
Work-in-progress	-	12.21
Finished goods	-	0.63
Total (B)	**-**	**12.84**
Less: Inventories at the end of the year		
Work-in-progress	171.68	147.71
Finished goods	104.03	104.58
Stock-in-trade	47.33	21.67
Total (C)	**323.04**	**273.96**
Total (A+B-C)	**(49.08)**	**66.64**

25 EMPLOYEE BENEFITS EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages*	1,256.48	1,130.27
Contribution to provident and other funds	75.67	67.09
Gratuity expenses (Refer note 19)	26.39	16.57
Share-based payment expenses (Refer note 39)	4.89	5.84
Staff welfare expenses	81.09	64.85
	1,444.52	**1,284.62**
Less: Capitalised during the year (Refer note 4(f))	(23.32)	(15.68)
Total	**1,421.20**	**1,268.94**

*Salaries and wages includes director sitting fees.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 consists 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

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, 2026	For the year ended March 31, 2025
Interest expense	161.88	137.14
Interest and finance charges on lease liabilities	4.01	1.39
Unwinding of discount	13.72	12.87
Finance cost on redemption liability	3.67	2.61
	183.28	**154.01**
Less: Capitalised during the year (Refer note 4(f))	(44.32)	(37.23)
Total	**138.96**	**116.78**

27 OTHER EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spare parts	134.97	116.18
Power and fuel	68.13	57.16
Freight and forwarding charges (net of recovery)	236.16	215.03
Drawing, design and technical service charges	60.49	58.09
Sales commission	39.21	36.32
Advertisement and sales promotion	38.52	30.82
Rent (Refer note 31(ii))	30.40	29.71
Rates and taxes	24.02	16.12
Insurance	26.03	20.57
Repairs and maintenance:		
Plant and equipment	26.82	28.07
Buildings	14.68	12.82
Others	84.61	80.25
Travelling and conveyance	130.53	113.75
Legal and professional fees	180.22	162.98
Provision for doubtful advances (net)	23.81	7.35
Warranty expenses (net) (Include free of cost supply)	45.86	45.06
Loss on sale/discard of assets (net)	11.66	2.63
Expenditure on Corporate Social Responsibility	14.36	11.05
Miscellaneous expenses (includes printing, communication, security expense, etc.)	64.88	69.96
	1,255.36	**1,113.92**
Less: Capitalised during the year (Refer note 4(f))	(7.21)	(6.74)
Total	**1,248.15**	**1,107.18**

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, 2026	For the year ended March 31, 2025
Net profit after tax attributable to the equity shareholders (a)	720.50	634.47
Weighted average number of shares considered for calculating basic EPS (b) (in units)	112,658,731	112,642,240
Weighted average number of shares considered for calculating diluted EPS (c) (in units)*	112,677,209	112,667,134
Nominal value per share (Rs.)	2.00	2.00
Basic earnings per share (d) = (a)/(b) (in Rupees)	63.95	56.33
Diluted earnings per share (e) = (a)/(c) (in Rupees)	63.94	56.31

*Dilution includes share options granted under ESOP Scheme.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 in equity is shown below:

For the year ended March 31, 2026	Cash flow hedge reserve	Foreign Currency translation reserve	Retained earnings	Total
Foreign currency translation differences	-	71.58	-	71.58
Foreign exchange forward contracts (cash flow hedges)	(92.15)	-	-	(92.15)
Re-measurement gains on defined benefit plans	-	-	1.77	1.77
Total	**(92.15)**	**71.58**	**1.77**	**(18.80)**

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 (cash flow hedges)	(5.50)	-	-	(5.50)
Re-measurement gains on defined benefit plans	-	-	(6.91)	(6.91)
Total	**(5.50)**	**10.08**	**(6.91)**	**(2.33)**

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, indirect taxes, transfer pricing and other legal matters. 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 makes provisions for probable losses. 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 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, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

a) Details of contingent liabilities

During earlier years, the Group with respect to it's Industrial Infra business had received demand notices from the Excise department covering period from July 2000 till June 2017 for Rs. 1,385.47 crore. 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.

In August 2023, the Commissioner of CGST & CE, Pune–I filed an appeal before the Hon'ble Supreme Court of India challenging CESTAT order and the appeal was admitted on July 10, 2024. Based on independent legal advice, the Group is confident of the issue being ultimately decided in its favour and accordingly, no provision has been considered necessary.

b) Taxes*

	As at March 31, 2026	As at March 31, 2025
Excise Duty, Customs Duty and Service tax**	12.72	11.30
Local Body Tax^^	39.03	39.03
Goods and Services tax**	69.86	63.35
Sales tax***	28.48	28.93
Income tax$@^***	89.56	116.32
References/appeals preferred by the Income tax department in respect of which, should the ultimate decision be unfavourable to the Group^	27.25	16.36
Others	-	0.25

*Excluding interest and penalty thereon.

@The above excludes the effects of similar disallowances, if any, for any subsequent period that are pending for open assessments. Income tax matters mainly relate to the issues of certain disallowances of certain expenses (Liquidated damages, Legal and Professional Fees and onerous provision) made by the department.

**Indirect tax matters include issues such as disallowance of CENVAT/VAT credit; sales tax/value-added tax disputes; customs duty implications on warehousing; GST applicability on corporate guarantees; and reversal of ITC where supplier invoices remain unpaid beyond 180 days.

^^Local Body Tax matter pertains to best-judgment assessment under Rule 33(5) due to non-submission of documents, resulting in disallowances related to 'Local RD purchases' and 'intra-city transfers.

***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, 2025 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. 72.96 (March 31, 2025: Rs. 55.56).

$During the FY 2022-23, the Group has received an income tax order for AY 2021-22 adding back income of Rs 200.10 (March 31, 2025: Rs. 200.10) for Goods and Services Tax ("GST") on sales. The Group has filed an stay of demand against the said order. Based on the advice obtained from tax expert, 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.

^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 a stay of demand against the said order. Based on the advice obtained from tax expert, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 wholly owned subsidiaries. The management has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here.

d) Others^

	As at March 31, 2026	As at March 31, 2025
Liability for export obligations	1.13	1.13
Claims against the Group not acknowledged as debt*#	103.68	179.88

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 dispute with a customer amounting to Rs. 35.30 (March 31, 2025: Rs. 167.82). In June 2023, an arbitral award of Rs. 218.45, including interest, was passed against the Group and challenged before the Bombay High Court. Pursuant to the stay granted by the High Court, the Group deposited Rs. Nil (March 31, 2025: Rs. 218.45), which was refundable with interest. Based on independent legal opinion, the Group recognised a provision of Rs. Nil (March 31, 2025: Rs. 50.63), and no provision was considered necessary for the balance. On December 9, 2025, the High Court set aside the award and directed refund of the deposit with interest at 6% per annum. The customer's special leave petition was dismissed by the Supreme Court on February 16, 2026, and the Group received the deposit along with interest of Rs. 31.62 on March 12, 2026. The customer has filed an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 before the Division Bench of the High Court. Based on legal advice, the Group remains reasonably confident of a favourable outcome. Also refer note 43.

*Transfer Premium Demand - Chinchwad (MIDC) Land - The Group holds leasehold rights in respect of MIDC plots Nos. 13, 13A and 7/1 situated in the Pimpri Industrial Area, Pune, which were acquired prior to 1980. The Group had also owned MIDC plots Nos. 25, 26, 12 (Part) and 21 (Part) in the same industrial area, which were disposed of during FY 2022–23. Pursuant to such disposal, MIDC levied a differential premium of Rs. 9.93, which was duly paid by the Group in August 2023.

Subsequently, vide letter dated January 23, 2026, MIDC has raised a further demand of Rs. 33.55 (comprising Rs. 28.43 towards differential premium and Rs. 5.12 towards GST) in respect of said plots, alleging that certain changes in shareholding constitute a deemed transfer attracting premium. The Group has evaluated the said demand and based on its assessment and external legal opinion obtained, believes that the liability is not probable and accordingly has disclosed the same as contingent liability.

#Includes a dispute arose between the Group and its subcontractor, for alleged non-payment of an amount of Rs. 3.67 (March 31, 2025 :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, 2025 :Rs. 3.45) (principal plus interest) , despite having no jurisdiction to entertain the claims of the subcontractor. It is pertinent to mention that the subcontractor was not registered as MSME at the time when the contract was executed, hence, MSMEFC has 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 June 29, 2026 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 was listed May 04, 2026. The hearing on May 04, 2026 could not be conducted due to unavailability of Presiding Officer. The next date of hearing is awaited. 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.

#Include disputes with multiple customers pertaining to warranty and other claims amounting to Rs. 21.02. 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. 633.89 (March 31, 2025: Rs. 150.64).

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. 2.85 (March 31, 2025: Rs. 11.10).

c) Estimated amounts of contract remaining to be executed as part of Other commitments is Rs. 2.85 (March 31, 2025: Rs. 21.62).

d) For lease commitments, refer note 31.

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 fulfilment 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 judgment.

Segregation of lease and non-lease components of the consideration

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 -

Particulars	Gross investment in lease		Present value of minimum lease payments	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Within one year	78.82	70.48	39.34	37.41
Between 1 and 2 years	73.84	66.44	39.06	33.43
Between 2 and 3 years	67.50	61.95	37.95	33.41
Between 3 and 4 years	58.10	56.38	33.63	32.40
Between 4 and 5 years	55.10	47.84	35.30	28.23
More than five years	139.14	146.17	103.16	101.49
	472.50	**449.26**	**288.44**	**266.37**
Less: Unearned finance income	184.06	182.89	-	-
Present value of minimum lease payments receivable	288.44	266.37	288.44	266.37
Allowance for uncollectible lease payments	-	-	-	-
Total	**288.44**	**266.37**	**288.44**	**266.37**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current portion of finance lease receivables*	39.34	37.41
Non-current portion of finance lease receivables*	249.10	228.96

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest rate inherent in the lease per annum	13.92% - 28.19%	9.13% - 28.19%

*Lease receivables amounting to Rs. 263.10 (March 31, 2025: Rs. 197.13) have been hypothecated against borrowings.

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, 2026	For the year ended March 31, 2025
Lease rental received for the year	0.76	0.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

ii) WHERE THE GROUP IS LESSEE:

Accounting policy

The Group's leases primarily consist of leases for land, office buildings, guest houses and vehicle. 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 right to obtain substantially all of the economic benefits from use of the asset through the period of the lease; and

(3) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 liabilities 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 payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing
- makes adjustments specific to the lease, for example, term, country, currency and security.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

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 liabilities and ROU asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

For contracts that contains 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.

Details of Leases :

The Group has taken land, office buildings, factory sheds, guest house, warehouse and vehicles on lease for a tenure of 1 to 99 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Some of the lease contract further give rights on subleasing the assets. The Group 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 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 year:

	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	24.32	21.48
Additions (for new lease during the year)	62.31	5.25
Addition on account of business combination (Refer note 44)	-	1.73
Discontinuation of lease	-	-
Accretion of interest	4.01	1.39
Translation differences	0.84	0.55
Payments made	(26.96)	(6.08)
At the end of the year^	**64.52**	**24.32**
Current portion	6.98	5.49
Non-current portion	57.54	18.83
Total^	**64.52**	**24.32**

^Pertains to offices and vehicles taken on lease. The total lease payment for the leasehold land rights for the lease period has already been made. Therefore, the Group is not required to create any corresponding liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Details of amounts recognised in Consolidated Statement of Profit and Loss

	As at March 31, 2026	As at March 31, 2025
Depreciation expense of right-of-use assets	12.35	8.09
Interest expense on lease liabilities	4.01	1.39
Expense relating to short-term leases (included in other expenses and staff welfare expenses)	30.40	35.11
Gain/loss on termination of lease	-	-
Total amount recognised in Consolidated Statement of Profit and Loss	**46.76**	**44.59**

Refer note 36(a) III for maturities of finance lease liabilities.

32 RELATED PARTY DISCLOSURES

Group information

A SUBSIDIARIES

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

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2026	As at March 31, 2025	
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 International Limited	Mauritius	100%	100%	Investment Company.
5	Thermax Europe Limited	United Kingdom	100%	100%	Sale and service of vapour absorption chillers.
6	Thermax Inc.	USA	100%	100%	Sale and service of vapour absorption chillers and sale of chemicals.
7	Thermax do Brasil Energia e Equipamentos Ltda	Brazil	100%	100%	Rendering services including technical assistance.
8	Thermax Netherlands BV.	Netherlands	100%	100%	Investment Company.
9	Thermax Denmark ApS	Denmark	100%	100%	Investment Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2026	As at March 31, 2025	
10	Danstoker A/S	Denmark	100%	100%	Produces and sells boilers to the energy market.
11	Ejendomsanp artsselskabet Industrivej Nord 13	Denmark	100%	100%	Own and lease out property within Group.
12	Boilerworks A/S	Denmark	100%	100%	Produces and supplies high-pressure boilers and components.
13	Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	Poland	100%	100%	Produces and supplies high-pressure boilers and components.
14	Rifox-Hans Richter GmbH Spezialarmaturen	Germany	100%	100%	Manufacturing steam trap systems.
15	Thermax Sdn.Bhd	Malaysia	100%	100%	Turnkey solutions provider and marketing & sales support
16	Thermax Engineering Singapore Pte. Ltd.	Singapore	100%	100%	Investment Company and marketing & sales support
17	PT Thermax International Indonesia	Indonesia	100%	100%	Manufacturing of industrial products and chemicals.
18	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.
19	Thermax Energy & Environment Philippines Corporation	Philippines	100%	100%	Marketing and sales of component parts of boilers.
20	Thermax Energy & Environment Lanka (Private) Limited	Sri Lanka	100%	100%	Marketing, sales, installation, and lifecycle support services for industrial equipment and energy solutions, including operating and maintaining utility plants at customer premises in Sri Lanka
21	Thermax Nigeria Limited	Nigeria	100%	100%	Operation and maintenance of power plants.
22	Thermax Babcock & Wilcox Energy Solutions Limited	India	100%	100%	Manufacture of steam, other vapour generating boilers and hot water boilers other than central heating boilers and super heated water boilers
23	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.
24	Thermax Engineering Construction FZE	Nigeria	100%	100%	Operation and maintenance of power plants.
25	Thermax International Tanzania Limited	Tanzania	100%	100%	Supervision for project business, operation and maintenance services and sales related support.
26	Thermax (Thailand) Limited	Thailand	100%	100%	Marketing and sales support, engineering and technical services, execution of EPC contracts for industrial equipment, and trading of chemicals manufactured in Thailand.
27	ESOP Trust and Employee Welfare Trusts**	India	100%	100%	Employee welfare.
28	Enernxt Private Limited	India	100%	100%	Supply of biogas on build, own, operate and transfer basis.
29	Thermax BioEnergy Solutions Private Limited	India	100%	65%	Setting up of BioCNG plants on turnkey basis and lifecycle management of BioCNG plants
30	First Energy TN 1 Private Limited@	India	70%	74%	Supply of solar power on build, own and operate basis.
31	First Energy 2 Private Limited*	India	74%	74%	Supply of solar power on build, own and operate basis.
32	First Energy 3 Private Limited*	India	74%	74%	Supply of solar and wind power on build, own and operate basis.
33	First Energy 4 Private Limited*	India	74%	74%	Supply of solar power on build, own and operate basis.
34	First Energy 5 Private Limited*	India	74%	74%	Supply of wind power on build, own and operate basis.
35	First Energy 6 Private Limited*	India	74%	74%	Supply of solar power on build, own and operate basis.
36	First Energy 7 Private Limited#	India	71%	71%	Supply of solar power on build, own and operate basis.
37	Jalansar Wind Energy Private Limited*	India	74%	74%	Supply of solar power on build, own and operate basis.
38	Kanakal Wind Energy Private Limited*	India	74%	74%	Supply of solar power on build, own and operate basis.
39	First Energy 8 Private Limited ^	India	73%	100%	Supply of wind power on build, own and operate basis.
40	First Energy Nine Private Limited	India	100%	100%	Supply of solar power on build, own and operate basis.
41	First Energy 10 Private Limited	India	100%	100%	Supply of solar and wind power on build, own and operate basis.
42	Thermax Chemical Solutions Private Limited (incorporated on May 28, 2024)	India	100%	100%	Investment Company
43	Thermax Vebro Polymers India Private Limited (incorporated on July 18, 2024)	India	50.1%	50.1%	Flooring chemical business.
44	Buildtech Products India Private Limited (acquired on December 20, 2024)	India	100%	100%	Business of dealing in all kinds of constructions chemicals, related products and other such chemicals used in infrastructure projects.
45	Thermax Chemical Europe A/s (incorporated on December 6, 2024)	Denmark	100%	100%	Trading of Chemical products manufactured by Thermax, in European region.
46	TSA Process Equipments Private Limited (acquired on April 20, 2024)	India	51%	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2026	As at March 31, 2025	
47	First Energy 11 Private Limited$	India	69%	100%	Supply of solar and wind power on build, own and operate basis.
48	First Energy 12 Private Limited (incorporated on May 5, 2025)	India	100%	-	Supply of solar and/or wind power on build, own and operate basis.
49	First Energy 14 Private Limited (incorporated on May 24, 2025)	India	100%	-	Supply of solar and/or wind power on build, own and operate basis.
50	First Energy 15 Private Limited (incorporated on December 16, 2025)	India	100%	-	Supply of solar and/or wind power on build, own and operate basis.
51	Thermax Energy Solutions Company (incorporated in Saudi Arabia on January 28, 2026)	Saudi Arabia	100%	-	Attain on-site services, maintenance, supervision related services & marketing support to parent entity
52	Fortmax Chemicals India Private Limited (incorporated in India on April 16, 2025)	India	51%	-	manufacturing, producing, processing, buying, selling, importing, exporting, distributing, and dealing in of high performance chemicals mainly acrylics

**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.

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

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

^No non-controlling interests have not been recognised for 27% shares held by non-controlling shareholders as the Group has assessed that there is no risk reward relationship attributable to them.

@No non-controlling interests have not been recognised for 30% shares held by non-controlling shareholders as the Group has assessed that there is no risk reward relationship attributable to them.

$No non-controlling interests have not been recognised for 31% shares held by non-controlling shareholders as the Group has assessed that there is no risk reward relationship attributable to them.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

B PARENT ENTITY

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Type
			As at March 31, 2026	As at March 31, 2025	
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.

C ASSOCIATES

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2026	As at March 31, 2025	
1	Exactspace Technologies Private Limited (date of investment- January 25, 2022) (Refer note 5(a))	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) (Refer note 5(a))	India	-	16.67%	Developing digital enabled service solutions for the energy industry

The investments listed above have been accounted by equity method.

D 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 Chairperson/Director
6 Mr. Yohan Morris - Relative of Chairperson/Director

E Key Management Personnel:

1 Mr. Ashish Bhandari - Managing Director and Chief Executive Officer
2 Mr. Harsh Mariwala - Independent Director
3 Mr. Sashishekhar Balakrishna (Ravi) Pandit - Independent Director
4 Mrs. Rajani Kesari - Independent Director
5 Mr. Ravi Shankar Gopinath - Independent Director
6 Mr. Shyamak Tata - Independent Director
7 Mr. Parag Shah - Independent Director (w.e.f. December 12, 2024)
8 Mr. Rajendran Arunachalam - Group Chief Financial Officer
9 Ms. Sangeet Hunjan - Company Secretary (Appointed w.e.f. June 27, 2025)
10 Dr. Jairam Varadaraj - Independent Director (ceased w.e.f. July 21, 2024)
11 Mr. Nawshir Mirza - Independent Director (ceased w.e.f. July 21, 2024)
12 Ms. Janhavi Khele - Company Secretary (Resigned w.e.f. April 18, 2025)

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)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

G Transactions with related parties:

a. Transactions during the year:

Particulars	Associates 'C' above		Enterprises with whom transactions have taken place during the year, over which control is exercised by individuals listed in 'D' and 'E' above		Key Management Personnel and Individuals having Significant influence mentioned in 'D' and 'E' above		Total	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Sales of products and services	-	-	5.21	6.65	-	-	5.21	12.77
Miscellaneous income	0.01	-	-	-	-	-	0.01	-
Purchase of raw material and components	-	-	-	0.88	-	-	-	0.88
Other expenses - Software expenses	3.83	2.71	-	-	-	-	3.83	2.71
Short-term employee benefits - Remuneration to key management personnel*	-	-	-	-	12.87	11.06	12.87	11.06
Share-based payments to Key Management Personnel					0.36	4.74	0.36	4.74
Remuneration to individuals having significant influence over the Group by reason of voting power, and their relatives	-	-	-	-	0.54	0.64	0.54	0.64
CSR expenditure	-	-	14.36	11.05	-	-	14.36	11.05
Director's sitting fees^	-	-	-	-	1.02	1.02	1.02	1.02
Commission paid	-	-	-	-	8.30	7.77	8.30	7.77
Rent paid	-	-	-	-	0.62	0.62	0.62	0.62

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

Dividend paid to RDA Holdings Pvt. Ltd., India is Rs. 90.06 (March 31, 2025: Rs. 77.20).

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

In case of transactions with related parties during the year, the amounts are exclusive of applicable taxes.

b. Balances as at the year end:

Particulars	Associates 'C' above		Enterprises with whom transactions have taken place during the year, over which control is exercised by individuals listed in 'D' and 'E' above		Key Management Personnel and Individuals having Significant influence mentioned in 'D' and 'E' above		Total	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Trade receivables	-	-	0.44	0.50	-	-	0.44	0.50
Advances received (Contract liabilities)	-	-	0.80	0.03	-	-	0.80	0.03
Trade deposits	-	-	-	0.75	-	-	-	0.75
Security deposits	-	-	-	-	0.53	0.53	0.53	0.53
Trade payables and other liabilities	1.27	-	-	-	-	-	1.27	-
Bank Guarantee issued	-	-	-	0.75	-	-	-	0.75
Commission Payable	-	-	-	-	2.70	2.57	2.70	2.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

H 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, 2026		For the year ended March 31, 2025	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Transactions during the year				
Sale of product and services				
Marico Limited	5.21		6.12	
Sub-total- individually significant parties		**5.21**		**6.12**
Others		-		0.53
Total		**5.21**		**6.65**
Purchase of raw material and components				
Elgi Equipments Limited	-		0.52	
Marico Limited	-		0.36	
Total		**-**		**0.88**
Other expenses - Software expenses				
Exactspace Technologies Private Limited	3.83		2.67	
Covacsis Technologies Private Limited	-		0.04	
Total		**3.83**		**2.71**
Miscellaneous income				
Exactspace Technologies Private Limited	0.01		-	
Total		**0.01**		
CSR expenditure				
Thermax Foundation, India	14.36		11.05	
Total		**14.36**		**11.05**
Directors sitting fees				
Mrs. Meher Pudumjee	0.12		0.11	
Mr. Pheroz Pudumjee	0.14		0.14	
Dr. Jairam Varadaraj	-		0.04	
Mr. Nawshir Mirza	-		0.05	
Mr. Ravi Pandit	0.11		0.11	
Mr. Shyamak Tata	0.19		0.18	
Mrs. Rajani Kesari	0.16		0.17	
Mr. Harsh Mariwala	0.09		0.08	
Mr. Ravi Shankar Gopinath	0.10		0.10	
Mr. Parag Shah	0.12		0.04	
Total		**1.02**		**1.02**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Commission paid				
Mrs. Meher Pudumjee	0.53		0.53	
Mr. Pheroz Pudumjee	0.25		0.25	
Mr. Nawshir Mirza	-		0.03	
Mr. Harsh Mariwala	0.30		0.30	
Mr. Ravi Pandit	0.30		0.30	
Mrs. Rajani Kesari	0.32		0.33	
Mr. Ashish Bhandari	5.60		5.20	
Mr. Shyamak Tata	0.45		0.45	
Mr. Parag Shah	0.25		0.08	
Mr. Ravi Shankar Gopinath	0.30		0.30	
Total		**8.30**		**7.77**
Rent paid				
Mrs. Anu Aga	0.62		0.62	
Total		**0.62**		**0.62**
Trade receivables				
Marico Limited	0.44	-		-
		0.44		**-**
Trade Payable				
Exactspace Technologies Private Limited	1.27		-	
Total		**1.27**		
Commission Payable				
Mrs. Meher Pudumjee	0.53		0.53	
Mr. Pheroz Pudumjee	0.25		0.25	
Mr. Nawshir Mirza	-		0.03	
Mr. Harsh Mariwala	0.30		0.30	
Mr. Ravi Pandit	0.30		0.30	
Mrs. Rajani Kesari	0.32		0.33	
Mr. Shyamak Tata	0.45		0.45	
Mr. Parag Shah	0.25		0.08	
Mr. Ravi Shankar Gopinath	0.30		0.30	
Total		**2.70**		**2.57**
Bank Guarantee issued				
Marico Limited			0.75	
Total		**-**		**0.75**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Trade Deposit				
Marico Limited	-		0.75	
Total		**-**		**0.75**
Rent Payable				
Mrs. Anu Aga	0.62		-	
Total		**0.62**		**-**
Advances received				
Marico Limited	0.80		-	
Total		0.80		-
Security deposits placed				
Mrs. Anu Aga	0.53		0.53	
Total		**0.53**		**0.53**

Note - post-employment benefits and other long-term benefits for KMP have not been disclosed since the same is calculated for all employees of the company as a whole. There are no termination benefits paid to KMP.

I Terms and conditions of related party transactions:

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

The transactions with related parties (excluding relatives of KMPs) includes managerial remuneration which is determined based on market conditions and is approved by Nomination and Remuneration Committee of the Holding Company.

Share-based payments include the perquisite value of stock incentives exercised during the year, determined in accordance with provisions of Income Tax Act, 1961.

For the year ended March 31, 2026, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2025 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

33 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 Holding 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 judgments with respect to aggregation of certain operating segments into one or more reportable segment.

Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Managing Director and Chief Executive Officer to assess performance and allocate resources. The management has determined that some of the segments exhibit similar economic characteristics and meet other aggregation criteria and accordingly aggregated into 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 and others. 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, Water Treatment Chemicals, Oil Field Chemicals, Paper Chemicals, Construction Chemicals and other related services. Management has determined the operating segments based on the reports reviewed by the CEO and Managing Director (CODM); that are used to make strategic decisions, allocation of resources and assessing the performance of the segments. The CODM evaluates the segments based on their revenue and operating results.

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

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

I Information about Business Segments:

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i	**Segment Revenue**		
	a. Industrial Products	5,096.09	4,529.66
	b. Industrial Infra	4,348.05	4,694.45
	c. Green Solutions	732.24	689.88
	d. Chemicals	757.59	762.83
	Total	**10,933.97**	**10,676.82**
	Less: Inter segment revenue	(239.82)	(307.56)
	Revenue from operations	**10,694.15**	**10,369.26**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
ii	**Depreciation, impairment and amortisation**		
	a. Industrial Products	51.59	45.51
	b. Industrial Infra	20.93	20.42
	c. Green Solutions	58.77	42.05
	d. Chemicals	48.59	27.70
	e. Unallocated	27.76	22.83
		207.64	**158.51**
iii	**Segment Results**		
	Profit/(loss) before tax and interest from each segment#		
	a. Industrial Products	540.00	529.02
	b. Industrial Infra	217.51	110.08
	c. Green Solutions	0.17	(0.85)
	d. Chemicals	53.57	122.26
	Total	**811.25**	**760.51**
	Add/(less) : i) Interest (excludes Green Solutions Segment)	(35.70)	(38.50)
	ii) Other unallocable expenditure net of unallocable (income)	171.59	162.70
	iii) Share of loss on associates (Refer note 5)	(0.41)	(0.24)
	iv) Exceptional items (income)	61.21	-
	Total profit before tax	**1,007.94**	**884.47**

#In line with CODM (Chief Operating Decision Maker) review, the segment result of Green Solution is after considering allocable interest cost.

Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
iv	**Segment Assets**		
	a. Industrial Products	2,681.44	2,310.76
	b. Industrial Infra	2,490.28	2,491.09
	c. Green Solutions	3,397.50	2,319.82
	d. Chemicals	968.08	896.31
	Total Segment Assets	**9,537.30**	**8,017.98**
	Unallocated	3,946.11	3,636.98
	Less: Inter segment assets	(201.30)	(242.87)
	Total Assets	**13,282.11**	**11,412.09**
v	**Segment Liabilities**		
	a. Industrial Products	2,366.42	2,093.91
	b. Industrial Infra	2,330.16	2,353.60
	c. Green Solutions	2,675.36	1,792.31
	d. Chemicals	106.53	85.53
	Total	**7,478.47**	**6,325.35**
	Unallocated	425.75	387.03
	Less: Inter segment liabilities	(201.30)	(242.87)
	Total Segment Liabilities	**7,702.92**	**6,469.51**

Note: Disclosures are made for the specified amounts which are included in the measure of segment profit or loss for review of CODM or which are regularly provided to the CODM.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Reconciliations to amounts in consolidated financial statements

Reconciliation of profit	For the year ended March 31, 2026	For the year ended March 31, 2025
Segment profit	811.25	760.51
Other income	267.48	252.22
Share of loss on associates	(0.41)	(0.24)
Finance cost**	(35.70)	(38.50)
Exceptional items	61.21	-
Other corporate costs*	(95.89)	(89.52)
Profit before tax	**1,007.94**	**884.47**

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

**Excludes allocated finance cost to Green Solutions segment Rs. 103.26 (March 31, 2025 Rs. 78.28).

Reconciliation of assets	As at March 31, 2026	As at March 31, 2025
Segment operating assets (net of intersegment elimination)	9,336.00	7,775.11
Investments	1,783.52	1,707.74
Cash and bank balances	1,190.66	1,147.04
Bank deposits with remaining maturity more than twelve months	295.23	248.65
Income tax assets	164.60	145.88
Other unallocated assets (includes deferred tax, etc.)	512.10	387.67
Total assets	**13,282.11**	**11,412.09**

Reconciliation of liabilities	As at March 31, 2026	As at March 31, 2025
Segment operating liabilities (net of intersegment elimination)	7,277.17	6,082.48
General borrowings	16.26	16.26
Income tax liabilities	32.38	91.21
Other unallocated liabilities (includes deferred tax, statutory dues, provision for leave encashment, etc.)	377.11	279.56
Total liabilities	**7,702.92**	**6,469.51**

II Information about geographic segments:

Revenue from external customers	For the year ended March 31, 2026	For the year ended March 31, 2025
India	7,610.25	8,038.96
Outside India	3,083.90	2,330.30
Total	**10,694.15**	**10,369.26**

No individual customer contributed more than 10% of Group's total revenue for the year ended March 31, 2026 and March 31, 2025.

Non-current assets	As at March 31, 2026	As at March 31, 2025
India	4,554.60	3,614.73
Outside India	290.53	138.53
Total	**4,845.13**	**3,753.26**

Note - Segment assets are allocated based on the operations of the segment and the physical location of the asset.
Includes asset held for sale of Rs. Nil (March 31, 2025 Rs. 9.10).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

34 NON-CONTROLLING INTERESTS

A Till March 31, 2025, the Holding Company had invested in 65% share in Thermax BioEnergy Solutions Private Limited (TBSPL), which is involved in setting up of BioCNG plants from various wastes on turnkey basis. The Holding Company had 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. TBSPL become a wholly owned subsidiary of the Holding Company in the current year.

The summarised financial information of the subsidiary, based on their audited financial statements are set out below:

Summarised balance sheet	As at March 31, 2025
Current assets	
Cash and cash equivalents	0.73
Other current assets	181.42
Total current assets (A)	**182.15**
Total non-current assets (B)	**6.48**
Non-current liabilities	
Financial liabilities	1.85
Total non-current liabilities (C)	**1.85**
Current liabilities	
Financial liabilities	164.41
Other current liabilities	109.44
Total current liabilities (D)	**273.85**
Net assets/(liabilities) E = (A+B-C-D)	**(87.07)**
Accumulated non-controlling interests (35%)*	**-**

*No loss is attributable to NCI based on contractual terms.

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	For the year ended March 31, 2025
Total income	571.51
Less:	
Cost of raw materials and components consumed	(450.30)
Depreciation and amortisation expenses	(0.90)
Finance costs	(0.82)
Employee benefits expenses	(23.28)
Other expenses	(190.21)
Loss for the year	**(94.00)**
Tax expenses	(1.35)
Loss for the period	**(95.35)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	(0.15)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-
Total comprehensive income for the period	**(95.50)**
Attributable to non-controlling interests*	**(7.00)**

*No loss is attributable to NCI.

Summarised cash flow information	As at March 31, 2025
Operating activities	(32.93)
Investing activities	9.85
Financing activities	19.40
Net increase/(decrease) in cash and cash equivalents	**(3.68)**

Also refer note 46.

B The Holding Company had invested in 50.1% share in Thermax Vebro Polymers India Private Limited (TVPIPL) (incorporated on July 18, 2024), which is involved in Flooring chemical business. The Holding Company 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 are set out below:

Summarised balance sheet	As at March 31, 2026	As at March 31, 2025
Current assets		
Cash and cash equivalents	-	5.26
Other current assets	8.20	1.99
Total current assets (A)	**8.20**	**7.25**
Total non-current assets (B)	**7.33**	**9.53**
Non-current liabilities		
Other non-current liabilities	0.36	0.48
Total non-current liabilities (C)	**0.36**	**0.48**
Current liabilities		
Financial liabilities	9.14	4.78
Other current liabilities	0.14	0.12
Total current liabilities (D)	**9.28**	**4.90**
Net assets (E) = (A+B-C-D)	**5.89**	**11.40**
Accumulated non-controlling interests (49.9%)	**2.94**	**5.69**

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, 2026
(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, 2026	July 18, 2024 to March 31, 2025
Total income	9.71	1.77
Less:		
Cost of raw materials and components consumed	(7.64)	(1.23)
Depreciation and amortisation expenses	(2.21)	(1.13)
Finance costs	(0.04)	(0.03)
Employee benefits expenses	(3.53)	(2.75)
Other expenses	(1.82)	(1.39)
Loss before tax	**(5.53)**	**(4.76)**
Tax expenses	-	-
Loss for the period	**(5.53)**	**(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	**(5.53)**	**(4.78)**
Attributable to non-controlling interests	**(2.76)**	**(2.37)**

Summarised cash flow information	For the year ended March 31, 2026	July 18, 2024 to March 31, 2025
Operating activities	(7.30)	(0.98)
Investing activities	(0.20)	(1.43)
Financing activities	2.24	7.73
Net (decrease)/increase in cash and cash equivalents	**(5.26)**	**5.32**

C The Holding Company had entered into a Share Purchase Agreement ("SPA") and a Shareholders Agreement ("SHA") on February 6, 2024 to acquire 51% equity shares of TSA Process Equipments Private Limited (TSA) subject to certain conditions precedents to the SPA. As a result, the Holding Company control TSA and the interest in TSA is accounted for using the acquisition method in consolidated financial statements. Further, the Holding Company shall acquire remaining 49% of the equity shares over a period of next two years, and accordingly accounted for a redemption liability.

The summarised financial information of the subsidiary, based on their audited financial statements are set out below:

Summarised balance sheet	As at March 31, 2026	As at March 31, 2025
Current assets		
Cash and cash equivalents	0.04	0.40
Other current assets	94.46	92.61
Total current assets (A)	**94.50**	**93.01**
Total non-current assets (B)	**18.35**	**15.38**
Non-current liabilities		
Financial liabilities	3.14	0.98
Other non-current liabilities	0.79	1.63
Total non-current liabilities (C)	**3.93**	**2.61**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Summarised balance sheet	As at March 31, 2026	As at March 31, 2025
Current liabilities		
Financial liabilities	53.60	45.08
Other current liabilities	10.33	22.46
Total current liabilities (D)	**63.93**	**67.54**
Net assets (E) = (A+B-C-D)	**44.99**	**38.24**
Accumulated non-controlling interests (49%)*	**22.04**	**18.74**

*Transferred to redemption liability, refer note 18.

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	For the year ended March 31, 2026	April 20, 2024 to March 31, 2025
Total income	167.68	129.22
Less:		
Cost of raw materials and components consumed	(111.48)	(86.69)
Depreciation and amortisation expenses	(1.76)	(0.88)
Finance costs	(2.35)	(2.26)
Employee benefits expenses	(15.38)	(10.63)
Other expenses	(27.08)	(24.21)
Profit before tax	**9.63**	**4.55**
Tax expenses	(3.10)	(1.29)
Profit for the year/ period	**6.53**	**3.26**
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	0.12	0.01
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
Total comprehensive income for the year/period	**6.65**	**3.27**
Attributable to non-controlling interests	**3.26**	**1.60**
Transfer to redemption liabilities	**(3.26)**	**(1.60)**
Total	**-**	**-**

For details on redemption liability, refer note 18.

Summarised cash flow information	For the year ended March 31, 2026	April 20, 2024 to March 31, 2025
Operating activities	4.56	4.36
Investing activities	(4.20)	(4.96)
Financing activities	(0.72)	0.24
Net decrease in cash and cash equivalents	**(0.36)**	**(0.36)**

D The Holding Company has invested in 51% share of Fortmax Chemicals Private Limited (Fortmax) (incorporated on April 16, 2025), which is involved in emulsion based chemicals business. The Holding Company has controlling rights over the decision making process. As a result, the Holding Company holds control in Fortmax and the interest in Fortmax is accounted for using the acquisition method in consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 are set out below:

Summarised balance sheet	As at March 31, 2026
Current assets	
Cash and cash equivalents	0.26
Other current assets	20.91
Total current assets (A)	**21.17**
Total non-current assets (B)	**36.56**
Non-current liabilities	
Financial liabilities	-
Other non-current liabilities	0.04
Total Non-current liabilities (C)	**0.04**
Current liabilities	
Financial liabilities	2.44
Other current liabilities	1.61
Total current liabilities (D)	**4.05**
Net assets E = (A+B-C-D)	**53.64**
Accumulated non-controlling interests (49%)	**26.28**

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 16, 2025 to March 31, 2026
Total income	0.33
Less:	
Cost of raw materials and components consumed	-
Depreciation and amortisation expenses	-
Finance costs	-
Employee benefits expenses	(0.39)
Other expenses	(1.42)
Loss before tax	**(1.49)**
Tax expenses	(0.01)
Loss for the period	**(1.50)**
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	**(1.49)**
Attributable to non-controlling interests	**(0.74)**

Summarised cash flow information	April 16, 2025 to March 31, 2026
Operating activities	(7.33)
Investing activities	(24.12)
Financing activities	31.72
Net increase in cash and cash equivalents	**0.26**

Also refer note 44(iii).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

35 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, 2026	As at March 31, 2025
Investments	626.42	218.08
Trade receivables	2,204.84	2,003.01
Loans	5.05	5.82
Other financial assets	511.41	381.46
Cash and cash equivalents	674.45	416.55
Other bank balances	516.21	730.49
Total	**4,538.38**	**3,755.41**
Current assets	3,770.89	3,405.42
Non-current assets	767.49	349.99
Total	**4,538.38**	**3,755.41**

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

Details of financial assets carried at fair value through profit or loss:

	As at March 31, 2026	As at March 31, 2025
Investments	1,139.55	1,470.85
Total	**1,139.55**	**1,470.85**
Current assets	1,010.91	1,390.91
Non-current assets	128.64	79.94
Total	**1,139.55**	**1,470.85**

The fair values of mutual funds are based on net asset value as at reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Details of financial assets carried at fair value through other comprehensive income:

	As at March 31, 2026	As at March 31, 2025
Investments	8.25	-
Total	**8.25**	**-**
Current assets	-	-
Non-current assets	8.25	-
Total	**8.25**	**-**

The equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considered this to be more relevant.

Details of derivative assets:

	As at March 31, 2026	As at March 31, 2025
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	0.52	4.99
Derivative not designated as hedges		
Foreign exchange forward contracts	10.43	11.24
Total	**10.95**	**16.23**
Current assets	10.95	16.23
Non-current assets	-	-
Total	**10.95**	**16.23**

(ii) Financial liabilities

Details of financial liabilities carried at amortised cost

	As at March 31, 2026	As at March 31, 2025
Borrowings	2,288.01	1,693.34
Trade payables	2,057.38	1,747.25
Employee related payables	136.31	140.18
Other financial liabilities	377.63	125.11
Total	**4,859.33**	**3,705.88**
Current liabilities	3,164.35	2,436.71
Non-current liabilities	1,694.98	1,269.17
Total	**4,859.33**	**3,705.88**

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, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Details of derivative liabilities

	As at March 31, 2026	As at March 31, 2025
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	123.78	6.52
Derivative not designated as hedges		
Foreign exchange forward contracts	25.79	6.71
Total	**149.57**	**13.23**
Current liabilities	149.57	13.23
Non-current liabilities	-	-
Total	**149.57**	**13.23**

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. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk. 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.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2026:

	Date of valuation	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Equity instruments	March 31, 2026	-	-	-	-
Preference shares	March 31, 2026	-	-	8.25	8.25
Mutual funds	March 31, 2026	1,139.55	-	-	1,139.55
Derivative financial assets	March 31, 2026	-	10.95	-	10.95
Financial liabilities					
Derivative financial liabilities	March 31, 2026	-	149.57	-	149.57
Redemption Liability	March 31, 2026	-	32.00	-	32.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2025:

	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
Derivative financial assets	March 31, 2025	-	16.23	-	16.23
Financial liabilities					
Derivative financial liabilities	March 31, 2025	-	13.23	-	13.23
Redemption Liability	March 31, 2025	-	65.43	-	65.43

There has been no transfer between Level 1, Level 2 and Level 3 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.

c) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- For foreign currency forwards and principal swap – the present value of future cash flows based on the forward exchange rates at the balance sheet date
- For other financial instruments – discounted cash flow analysis and based on contractual terms.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, where the fair values have been determined based on present values.

Since Investment in level 3 is insignificant, additional disclosues required for level 3 has not been provided.

36 (a) FINANCIAL RISK MANAGEMENT

The Group'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 Group's operations and investing activities. 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 Holding 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, 2026 and March 31, 2025. The management of the Holding Company reviews and agrees policies for managing each of these risks which are summarised below:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

I Market risk

Market risk is the risk that the value of a financial instrument 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, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

a Interest rate risk

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

Particulars	Impact on profit before tax	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest rate		
- Increase by 100 basis points	(22.88)	(16.93)
- Decrease by 100 basis points	22.88	16.93

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 (foreign currency forward contracts) that hedge the exposure of underlying transactions (i.e., highly probable forecast sales and purchases).

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	March 31, 2026				March 31, 2025			
	USD	EURO	JPY	GBP	USD	EURO	JPY	GBP
Financial assets								
Trade receivables	569.67	44.22	-	0.55	308.37	31.53	-	6.92
Cash and cash equivalents	41.36	51.44	-	0.82	28.16	-	-	-
Other receivables	2.60	-	-	-	-	-	-	-
Derivative assets								
Foreign exchange forward contracts - Sell foreign currency	3,344.89	113.15	-	3.91	2,243.46	98.04	-	8.25
Financial liabilities								
Borrowings	-	-	-	-	59.33	-	-	-
Trade payables	142.23	41.57	2.81	0.51	111.47	13.60	4.28	0.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	March 31, 2026				March 31, 2025			
	USD	EURO	JPY	GBP	USD	EURO	JPY	GBP
Derivative liabilities								
Foreign exchange forward contracts - Buy foreign currency								
Sell foreign currency	244.58	45.56	18.67	29.10	208.90	30.32	3.86	34.08
Net exposure to foreign currency risk - asset/ liability	**3,571.71**	**121.68**	**(21.48)**	**(24.33)**	**2,200.30**	**85.65**	**(8.14)**	**(18.97)**

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, JPY GBP, and EUR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives not designated as cash flow hedge and foreign currency derivatives with underlying foreign currency monetary assets/liabilities designated as cash flow hedge. The impact on the Group's other components of equity (pre-tax) 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
USD Sensitivity				
INR/ USD - Increase by 5%	2.46	(17.33)	(133.90)	(73.15)
INR/ USD - Decrease by 5%	(2.46)	17.33	133.90	73.15
JPY Sensitivity				
INR/ JPY - Increase by 5%	0.79	(0.21)	-	-
INR/ JPY - Decrease by 5%	(0.79)	0.21	-	-
EUR Sensitivity				
INR/ EUR - Increase by 5%	0.63	(2.49)	(2.49)	-
INR/ EUR - Decrease by 5%	(0.63)	2.49	2.49	-
GBP Sensitivity				
INR/ GBP - Increase by 5%	1.30	(0.07)	-	-
INR/ GBP - Decrease by 5%	(1.30)	0.07	-	-

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 quoted & 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which Group operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Group, market intelligence and goodwill. Outstanding customer receivables are regularly monitored. The Group does not have a high concentration of credit risk to a single customer forming part of a Group exceeding 10% of company revenue. While cash and cash equivalents are also subject to the impairment requirements of Ind AS 109, the Group has not identified impairment loss in view of banks having high credit rating. In respect of security deposits and other financial assets, the risk of financial loss on account of credit risk is not expected to be material to the financial statements.

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. The Group has a detailed review mechanism of overdue customer receivables at various levels within the organisation.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The provision matrix takes into account a continuing credit evaluation of Group's customers' financial condition; aging of trade accounts receivable; the value and adequacy of security received from the customers in certain circumstances (if any); the Group's historical loss experience; and adjustment based on forward looking information The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the macroeconomic factors of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Impairment losses on trade receivables and contract assets are presented as net impairment losses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Bank deposits and other financial instruments

Credit risk from balances with banks, mutual funds and other financial instruments like derivative contracts 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, 2026 and March 31, 2025 is the carrying amounts as disclosed in note 13, maximum exposure relating to financial guarantees is disclosed in note 30 and financial derivative instruments in notes 36 (b) to the Consolidated financial statements.

Debt instruments

All of the entity's debt instruments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed instruments to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to have low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

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 entity 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(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, 2026	< 1 year	1 to 3 years	> 3 years	Total
Non-derivative				
Borrowings	672.18	217.50	1,500.18	**2,389.86**
Trade payables	2,057.38	-	-	**2,057.38**
Other financial liabilities				
Lease obligation	6.98	18.94	88.86	**114.78**
Unpaid dividend	0.59	-	-	**0.59**
Other payables	466.20	13.97	88.48	**568.65**
Derivatives (net settled)				
Foreign exchange forward contracts	149.57	-	-	**149.57**

As at March 31, 2025	< 1 year	1 to 3 years	> 3 years	Total
Non-derivative				
Borrowings	531.79	135.11	1,026.44	**1,693.34**
Trade payables	1,692.88	54.37	-	**1,747.25**
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**

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2026	As at March 31, 2025
Expiring within one year (bank overdraft and other facilities)	1,195.38	1,298.76
Expiring beyond one year (bank loans)	-	-

The bank overdraft facilities might be drawn at any time. Subject to the continuance of satisfactory credit ratings, the bank loan facilities might be drawn at any time in Rs. 1,195.38 (March 31, 2025: Rs. 1,298.76) and have an average maturity of 12 months (March 31, 2025: 12 months).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) HEDGING ACTIVITIES AND DERIVATIVES

Cash flow hedges

Foreign currency risk

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

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

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Fair value of Foreign exchange forward contracts designated as hedging instruments	0.52	(123.78)	4.99	(6.52)

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges				
Foreign exchange forward contracts	2,727.80	31.00	1,462.98	-
Derivatives not designated as hedges				
Foreign exchange forward contracts	734.36	323.51	887.08	291.27

All the derivative contracts expire in next 12 months.

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Expected future sales	Expected future purchases	Expected future sales	Expected future purchases
Unrealised gain/ (loss)	(101.22)	-	(7.35)	-
Deferred tax asset/ (liability)	25.48	-	1.85	-
	(75.74)	**-**	**(5.50)**	**-**

The amounts retained in OCI at March 31, 2026 are expected to mature and affect the Consolidated Statement of Profit and Loss during the year ending March 31, 2027. Reclassifications to profit or loss during the year gains or losses included in OCI are shown in note 29.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

a) Disclosure of effects of hedge accounting on financial position:

March 31, 2026:	Nominal value	Carrying amount of Hedging Instruments Assets/ (Liabilities)	Maturity date	Hedge ratio	Weighted average strike Price	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Type of hedge and risks							
Foreign currency risk							
Foreign exchange forward contracts - GBP	29.10	0.54	Oct 26	1.1	125.13	0.54	(0.54)
Foreign exchange forward contracts - Euro	49.10	(1.27)	Jun 26 to Dec 26	1.1	108.82	(1.27)	1.27
Foreign exchange forward contracts - USD	2,679.89	(123.07)	Apr 26 to Sep 27	1.1	91.99	(119.10)	119.10

March 31, 2025:	Nominal value	Carrying amount of Hedging Instruments Assets/ (Liabilities)	Maturity date	Hedge ratio	Weighted average strike Price	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Type of hedge and risks							
Foreign currency risk							
Foreign exchange forward contracts - USD	1,485.50	(2.16)	Apr 25 to Nov 26	1.1	86.83	(2.28)	2.28

37 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, 2026 and March 31, 2025, there are no transactions with struck off companies.

^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.

38 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, 2026 and March 31, 2025. Capital represents equity attributable to owners of the parent company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The Group monitors capital using a gearing ratio which is net debt/obligation divided by total equity. The Group's policy is to keep the gearing ratio optimum.

	As at March 31, 2026	As at March 31, 2025
Borrowings	2,288.01	1,693.34
Lease liabilities	64.52	24.32
Less: Cash and cash equivalents and deposits with maturity of more than 3 months but less than 12 months*	(1,190.07)	(1,146.42)
Net (surplus)/debt	**1,162.46**	**571.24**
Equity attributable to owners of the parent company	5,549.97	4,936.89
Capital and net debt	**6,712.43**	**5,508.13**
Gearing ratio	**1:5.85**	**1:9.76**

*It does not include balance in unpaid dividend

Also refer note 15 (b)

Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that defines capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Some of the subsidiaries have not complied with some of the debt covenants as at March 2026, refer note 16 for details.

39 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, 2026		As at March 31, 2025	
	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	**34,763**	**15.25**	**41,699**	**15.25**
Granted during the year	14,158	15.25	12,898	15.25
Forfeited during the year	-	15.25	636	15.25
Exercised during the year	8,725	15.25	19,198	15.25
Lapsed during the year	1,667	-	-	-
Options outstanding at the end of year	38,529	15.25	34,763	15.25
Options vested and exercisable at the end of the year	11,644	15.25	2,972	15.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The weighted average remaining contractual life is as follows:

Exercise Price per Option	As at March 31, 2026		As at March 31, 2025	
	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 - 4.41	38,529	Ranging between 1.83 - 4.28	34,763

The fair value of each option is estimated on the date of grant using Black-Scholes model with the following assumptions:

Particulars	As at March 31, 2026	As at March 31, 2025
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 - 4,485.35
3. Weighted average fair value of options granted (Rs.)	Ranging between 2,107.61 - 4,384.98	Ranging between 2,107.61 - 4,384.98
4. Expected life of the option (years)	3.5-5.5	3.5-5.5
5. Risk free interest rate (%)	Ranging between 6.41% - 7.56%	Ranging between 6.41% - 7.56%
6. Expected volatility (%)	Ranging between 12.86% - 15.01%	Ranging between 12.86% - 14.09%
7. Dividend yield (%)	Ranging between 0.42% - 0.48%	Ranging between 0.47% - 0.48%

The Group recorded an employee compensation cost of Rs. 4.89 (March 31, 2025: Rs. 5.84) in the Consolidated 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.

40 OTHER STATUTORY INFORMATION

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property; under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (formally the Benami Transaction (Prohibition) Act, 1988 (45 of 1988)) and Rules made there under;

(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 has not traded or invested in crypto currency or virtual currency during the current or previous financial year.;

(iv) The Group has 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 has 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Holding Company has provided loans to and invested into its subsidiaries with the understanding that the Intermediary shall lend or invest on behalf of the Holding Company. These amounts get eliminated at the group level and accordingly, no such amounts have been disclosed at the group level.

(vi) The Group does not have 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.

(vii) None of the entities in the group has been declared wilful defaulter by any bank or financial institution or other lender.

(viii) The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

(ix) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

41 Other accounting policies

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 other income in the Consolidated Statement of Profit and Loss.

Dividend

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

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.

42 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
Thermax Instrumentation Limited	Foreign branches	No	No

The Group will take appropriate measures to comply with regulations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

42 B. COMPLIANCE WITH SECTION 143 (3) FOR AUDIT TRAIL

The Group maintains its books of account using multiple accounting software that is equipped with an audit trail facility. The audit trail feature was operational throughout the year and has been enabled for all relevant transactions recorded in the software. However:

i. The audit trail feature was not enabled for changes made to master data across one of the accounting software applications;

ii. For one accounting software, audit trail at application layer was not enabled till May 22, 2025 and audit trail at the database level does not capture pre-modified values;

iii. For one accounting software, audit trail was not enabled at database layer till June 30, 2025 and thereafter audit trail at the database level does not capture pre-modified values.

iv. For one accounting software, no feature of audit trail is present.

No instances of tampering with the audit trail feature were identified in respect of any of the accounting software. With regard to prior periods, the audit trail has been preserved in accordance with statutory record retention requirements, to the extent it was enabled and recorded in the respective years.

43 EXCEPTIONAL ITEMS

Accounting policy

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as exceptional item (loss)/gain.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Statutory impact of new Labour Codes*	**(21.04)**	**-**
Impact with respect to ongoing litigation**		**-**
a. Reversal of provision for litigation	50.63	
b. Interest on deposit	31.62	
Exceptional items (net)	**61.21**	**-**

*Effective 21 November 2025, the Government of India consolidated multiple existing labour legislations into a unified framework comprising of four Labour Codes collectively referred to as the 'New Labour Codes'. Under Ind AS 19 - " Employee benefits ", changes to employee benefit plans arising from legislative amendments constitute a plan amendment, requiring recognition of past service cost immediately in the Statement of Profit and Loss.

The Group assessed and disclosed the incremental impact of the New Labour Codes of Rs. 21.04 on consolidated financial statements, primarily arising due to change in definition of wages and the recognition of such past service costs. Considering materiality and regulatory-driven, non-recurring nature of this impact, the Group has presented such past service costs as “Statutory impact of new Labour Codes” under “Exceptional Items” in the consolidated financial statements for the year ended March 31, 2026. The Group continues to monitor the finalisation of
Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

**The Group was involved in a dispute with a customer, against which an arbitral award of Rs. 218.45 (including interest) was passed in June 2023. The Group challenged this award before the Bombay High Court and, pursuant to a stay, deposited Rs. 218.45 with the customer (refundable with interest based on the outcome). A provision of Rs. Nil (March 31, 2025: Rs. 50.63) was recognised based on independent legal advice; no provision was deemed necessary for the balance.

On December 9, 2025, the High Court set aside the arbitral award and directed the customer to refund the entire deposit of Rs. 218.45 with interest at 6% p.a. The customer's special leave petition for stay was dismissed by the Supreme Court on February 16, 2026. The Group accordingly received the full deposited amount along with interest of Rs. 31.62 on March 12, 2026.

The customer has since filed an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 before the Division Bench of the High Court. Based on legal advice, the Group remains reasonably confident of a favourable outcome. Also, refer note 30.

The Group has presented reversal of provision and interest under "Exceptional Item" in the consolidated financial statements for the year ended March 31, 2026.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

44 BUSINESS COMBINATIONS

(i) During an earlier year, 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 Holding 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 Holding 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 were determined in accordance with Ind AS 103 ''Business Combinations''. The excess of the purchase price over the fair value of the net assets acquired was 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 became a subsidiary of the Holding Company with effect from the closing date, enabling the Group to take advantage of emerging opportunities in high purity water solutions.

The Group elected to measure the non-controlling interests in the acquiree at fair value. Further, the Holding 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).

As on the acquisition date, the Group accounted the fair value of redemption liability and recognised the subsequent fair value change in other equity in consolidated financial statements. The fair value of redemption liability onMarch 31, 2026 Rs. 32 (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 incurred acquisition-related cost in the previous year of Rs. 0.50 crore on legal fees and due diligence cost. These cost were included in 'legal and professional fees' under other expenses.
(See note 27)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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
Net Working Capital (excluding cash and cash equivalents)	44.49
Cash and cash equivalents	0.16
Other assets	0.96
Deferred Tax liabilities (Net)*	(13.53)
Borrowings	(18.51)
Lease Liabilities	(1.73)
Other Financial liabilities	(0.89)
Total net identifiable assets acquired (C)	**84.97**

*Deferred Tax liabilities (Net) Mainly comprises of 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 (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.

(ii) During the earlier year, the Holding Company had entered into a 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 Holding Company 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 crore subject to completion of certain conditions precedent mentioned in the SPA. Accordingly, Buildtech become a wholly owned subsidiary of the Holding Company w.e.f. December 17, 2024.

Established in 1995, Buildtech Products India Private Limited. is a reputed brand specialising in the innovative manufacturing and trading of a diverse range of products for the construction industry. The company 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 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 Thermax's capabilities in the construction chemicals industry and supporting India's evolving infrastructure needs.

A. Fair value of Consideration transferred:

Particulars	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 crore on legal fees and due diligence cost. These cost has been included in 'legal and professional fees' under other expenses. (See note 27)

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
Inventory	1.04
Other current assets	2.28
Current liabilities:	
Trade Payable	(6.27)
Other current liabilities	(1.47)
Deferred Tax liabilities (Net)*	(4.67)
Total net identifiable assets acquired (C)	**44.38**

*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)	44.38
Goodwill A-C	**32.82**

The Goodwill of Rs. 32.82 is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of Buildtech's workforce and expected cost synergies.

The Board of Directors of the Company, at its meeting held on October 17, 2025, approved a Scheme of Merger by Absorption of its wholly owned subsidiary, Buildtech Products India Private Limited, with and into the Company, subject to requisite approvals from the Hon'ble National Company Law Tribunal and other regulatory authorities, as may be required. The merger shall be accounted for as a common control business combination in accordance with Appendix C to Ind AS 103 - "Business combinations". The Scheme will not have any impact on the consolidated financial statements of the Group and will not result in any change in its control.

(iii) During the previous year, 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 crore and paid-up capital of Rs. 4.59 crore. On September 16, 2025, the Board of Directors of FCIPL approved the allotment of 4,410,000 equity shares of face value of Rs. 10 each to Oswaldo Cruz Química Indústria e Comércio Ltda., Brazil (OCQ). As a result, FCIPL has ceased to be a wholly owned step-down subsidiary of the Holding Company.

45 In December 2023 and 2024, flooding in the state of Tamil Nadu led to inundation of the solar plants of the Holding Company's two step down subsidiaries.

In one of the step down subsidiaries, the insurance claim in respect of the damaged assets was settled for a total amount of Rs. 28.97 crore during the year and was recognised as other income. To enhance operational efficiency and improve power generation, the group management decided to sell certain old and flood affected modules and restore the plant's generation capacity by adding new capacity. Accordingly, old assets were classified and presented as 'Assets Held for Sale' during the year, and the difference between their carrying amount and fair value less costs to sell amounting to Rs. 13.85 crore was recognised as an impairment loss. These assets have since been disposed of.

The insurance claim for the damaged assets in the other step down subsidiary has been settled and amount of Rs. 15.45 crore was recognised as 'Other income' during the year.

46 On May 7, 2025, the Holding Company subscribed to its entitlement in a rights issue offered by its subsidiary, Thermax Bioenergy Solutions Private Limited (TBSPL). Pursuant to the allotment, the Holding Company's shareholding in TBSPL increased from 65% to 76.97%. On August 13, 2025, the Holding Company entered into a Share Purchase Agreement with Everenviro Resource Management Private Limited to acquire the balance 23.03% shareholding in TBSPL. Pursuant to the completion of this transaction, TBSPL became a wholly owned subsidiary of the Holding Company effective August 20, 2025.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

47 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, 2026:

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	79.35%	4,427.09	90.09%	648.91	147.1%	(27.65)	88.57%	621.26
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Limited	19.24%	1,073.19	32.53%	234.32	335.4%	(63.05)	24.42%	171.27
Thermax Onsite Energy Solutions Limited	5.29%	294.99	5.90%	42.48	0.2%	(0.03)	6.05%	42.45
Thermax Instrumentation Limited	0.67%	37.61	1.04%	7.48	(2%)	0.38	1.12%	7.86
Thermax Engineering Construction Company Limited	0.27%	14.99	0.03%	0.21	1.1%	(0.22)	0.00%	(0.00)
Thermax Cooling Solutions Limited	0.01%	0.57	0.06%	0.42	0.0%	-	0.06%	0.42
First Energy Private Limited (Consol.)	9.79%	546.16	(10.18%)	(73.32)	(1.2%)	0.22	(10.42%)	(73.10)
Enernxt Private Limited	0.58%	32.18	(0.08%)	(0.60)	0.0%	-	(0.09%)	(0.60)
Thermax BioEnergy Solutions Private Limited	(1.92%)	(106.89)	(4.58)	(32.96)	(0.8%)	0.15	(4.68%)	(32.81)
TSA Process Equipments Private Limited	0.81%	44.99	0.92%	6.65	(0.6%)	0.12	0.96%	6.77
Thermax Chemical Solutions Private Limited (TCSPL)	0.67%	37.46	0.01%	0.04	0.0%	-	0.01%	0.04
Thermax Vebro Polymers India Private Limited	0.10%	5.66	(0.77%)	(5.54)	0.0%	0.00	(0.79%)	(5.54)
Buildtech Products India Private Limited	0.42%	23.59	0.38%	2.73	(0.1%)	0.01	0.39%	2.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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
Fortmax Chemicals Private Limited	0.95%	52.83	(0.21%)	(1.49)	0.0%	(0.01)	(0.21%)	(1.50)
Foreign subsidiaries								
Thermax Engineering Singapore Pte. Ltd.	2.01%	112.09	0.03%	0.20	0.5%	(0.09)	0.02%	0.12
PT Thermax International Indonesia	1.29%	71.80	-0.99%	(7.12)	-29.2%	5.49	-0.23%	(1.63)
Thermax Inc.	2.46%	137.28	1.95%	14.04	-69.7%	13.10	3.87%	27.13
Thermax Europe Limited	1.66%	92.65	0.68%	4.88	-57.9%	10.88	2.25%	15.76
Thermax Netherlands B.V.	2.32%	129.63	6.59%	47.49	79.4%	(14.93)	4.64%	32.55
Thermax Denmark ApS (Consol.)	2.98%	166.43	3.58%	25.77	-121.7%	22.87	6.93%	48.64
Thermax International Limited	0.29%	16.42	1.83%	13.19	32.8%	(6.16)	1.00%	7.03
Thermax Energy and Environment Lanka (Pvt) Limited	0.67%	37.53	0.55%	3.95	-8.1%	1.52	0.78%	5.47
Rifox-Hans Richter GmbH Spezialarmaturen	0.41%	23.05	0.36%	2.57	-17.9%	3.37	0.85%	5.94
Thermax Energy & Environment Philippines Corporation	0.12%	6.54	0.06%	0.42	-1.7%	0.32	0.11%	0.74
Thermax Engineering Construction FZE	0.21%	11.56	-0.85%	(6.12)	-7.1%	1.34	-0.68%	(4.78)
Thermax Sdn.Bhd	0.07%	3.73	-0.04%	(0.25)	-3.7%	0.69	0.06%	0.44
Thermax Nigeria Limited	0.28%	15.49	1.82%	13.14	-15.4%	2.89	2.28%	16.03
Thermax do Brasil-Energia e Equipamentos Ltda.	0.02%	0.92	-0.01%	(0.10)	-0.9%	0.18	0.01%	0.07
Thermax International Tanzania Limited	0.18%	9.91	0.60%	4.33	-5.4%	1.02	0.76%	5.35
Thermax (Thailand) Limited	0.81%	45.25	0.94%	6.76	-29.2%	5.50	1.75%	12.26
Associates								
Exactspace Technologies Private Limited	0.00%	-	-0.06%	(0.41)	0.0%	-	-0.06%	(0.41)
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	2.93%	163.42	1.40%	10.05	0.0%	-	1.43%	10.05
Consolidation Adjustments	(34.93%)	(1,948.94)	(33.58%)	(241.87)	(123.9%)	23.30	(31.16%)	(218.56)
Total	**100.00%**	**5,579.19**	**100.00%**	**720.26**	**100.00%**	**(18.80)**	**100.00%**	**701.46**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Disclosure of additional information pertaining to the parent company, subsidiaries and its associates: For the year ended March 31, 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%	3,967.99	91.30%	572.15	151.5%	(3.53)	91.07%	568.62
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Limited	21.11%	1,043.41	36.01%	225.67	371.9%	(8.67)	34.76%	217.01
Thermax Onsite Energy Solutions Limited	5.11%	252.43	5.79%	36.30	4.7%	(0.11)	5.80%	36.19
Thermax Instrumentation Limited	0.70%	34.75	1.54%	9.68	5.9%	(0.14)	1.53%	9.54
Thermax Engineering Construction Company Limited	0.30%	14.99	(0.03%)	(0.18)	5.7%	(0.13)	(0.05%)	(0.32)
Thermax Cooling Solutions Limited	0.00%	0.16	0.03%	0.20	(0.1%)	0.00	0.03%	0.21
Thermax Sustainable Energy Solutions Limited*	(0.08%)	(3.83)	0.00%	-	0.0%	-	0.00%	-
First Energy Private Limited (Consol.)	6.60%	326.02	(9.02%)	(56.52)	(9.8%)	0.23	(9.02%)	(56.29)
Enernxt Private Limited	0.46%	22.82	(0.11%)	(0.71)	0.0%	-	(0.11%)	(0.71)
Thermax BioEnergy Solutions Private Limited	(1.76%)	(87.08)	(15.21%)	(95.34)	6.2%	(0.15)	(15.29%)	(95.49)
TSA Process Equipments Private Limited	0.77%	38.22	0.52%	3.26	(0.5%)	0.01	0.52%	3.27
Thermax Chemical Solutions Private Limited (TCSPL)	0.30%	14.63	(0.02%)	(0.12)	0.0%	-	(0.02%)	(0.12)
Thermax Vebro Polymers India Private Limited	0.23%	11.20	(0.76%)	(4.76)	0.9%	(0.02)	(0.77%)	(4.78)
Buildtech Products India Private Limited	0.42%	20.79	0.07%	0.41	0.0%	-	0.07%	0.41
Foreign subsidiaries								

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 Singapore Pte. Ltd.	2.27%	111.97	0.00%	0.02	75.8%	(1.77)	(0.28%)	(1.74)
PT Thermax International Indonesia	1.49%	73.43	(1.29%)	(8.09)	102.6%	(2.39)	(1.68%)	(10.48)
Thermax Inc.	2.23%	110.15	0.94%	5.90	(111%)	2.59	1.36%	8.49
Thermax Europe Limited	1.56%	76.89	0.20%	1.27	(152.1%)	3.54	0.77%	4.81
Thermax Netherlands B.V.	1.96%	97.08	14.83%	92.93	897.3%	(20.91)	11.53%	72.02
Thermax Denmark ApS (Consol.)	2.38%	117.79	7.26%	45.49	(173.0%)	4.03	7.93%	49.52
Thermax International Limited	0.58%	28.68	2.26%	14.18	(15.1%)	0.35	2.33%	14.53
Thermax Energy and Environment Lanka (Pvt) Limited	0.67%	33.00	0.12%	0.77	(53.6%)	1.25	0.32%	2.02
Rifox-Hans Richter GmbH Spezialarmaturen	0.35%	17.12	0.29%	1.83	(18.5%)	0.43	0.36%	2.26
Thermax Energy & Environment Philippines Corporation	0.12%	5.80	0.03%	0.19	(1.6%)	0.04	0.04%	0.23
Thermax Engineering Construction FZE	0.33%	16.34	(0.45%)	(2.80)	(18.6%)	0.43	(0.38%)	(2.36)
Thermax Sdn.Bhd	0.07%	3.29	0.10%	0.60	(10.4%)	0.24	0.14%	0.85
Thermax Nigeria Limited	0.25%	12.31	1.16%	7.27	77.2%	(1.80)	0.88%	5.47
Thermax do Brasil-Energia e Equipamentos Ltda.	0.02%	0.85	0.01%	0.05	3.8%	(0.09)	(0.01%)	(0.04)
Thermax International Tanzania Limited	0.14%	6.95	0.79%	4.92	(4.6%)	0.11	0.81%	5.03
Thermax (Thailand) Limited	0.67%	32.99	0.23%	1.44	(125.2%)	2.92	0.70%	4.36
Associates								
Exactspace Technologies Private Limited	0.00%	-	0.03%	0.17	0.0%	-	0.03%	0.17
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	3.10%	153.37	1.56%	9.80	0.0%	-	1.57%	9.80
Consolidation Adjustments	(32.61%)	(1,611.91)	(38.18%)	(239.28)	-909.6%	21.19	(34.93%)	(218.09)
Total	**100.00%**	**4,942.58**	**100.00%**	**626.70**	**100.0%**	**(2.33)**	**100.00%**	**624.37**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

48 All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated. Amounts below rounding off norm followed by the Group are disclosed as "0".

49 Previous period figures have been regrouped/reclassified to conform to current year's classification. These mainly include:

Particulars	Previously reported amount - Year ended March 31, 2025	Effect of Reclassifications				Revised Amount
		Contract assets presented on the face of balance sheet	Retention money reclassified to Contract assets	Offsetting of contract assets and contract liabilities	Other reclassifications	
Contract assets (Current)	-	652.57	444.66	(615.28)		481.95
Other financial assets (Current)	775.46	(652.57)			(29.57)	93.32
Trade Receivables (Current)	2,417.50		(444.66)		30.17	2,003.01
Cash and cash equivalents	417.68				(1.13)	416.55
Other bank balances	736.86				(6.37)	730.49
Contract assets (Non-current)	-	10.76	147.85			158.61
Trade Receivables (Non-current)	147.85		(147.85)			-
Other financial assets (Non-current)	315.13	(10.76)				304.37
Other liabilities (Current)	2,710.61			(615.28)	(6.90)	2,088.43

As per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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

Sangeet Hunjan
Company Secretary
M. No. A23218

Place: Pune
Date: May 07, 2026

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 2026
Thermax Engineering Construction Co. Ltd.	2025-26		4.50	10.49	15.38	0.38	2.26	-	0.21	-	0.21	-	100.00	INR	
Thermax Instrumentation Ltd.	2025-26		9.00	28.61	73.38	35.77	30.56	28.64	11.18	3.70	7.48	-	100.00	INR	
Thermax Onsite Energy Solutions Ltd.	2025-26		108.28	186.71	516.55	221.56	93.05	574.81	57.66	15.18	42.48	-	100.00	INR	
First Energy Private Limited	2025-26	31-Aug-16	646.32	(96.91)	975.04	425.63	541.50	35.80	(27.43)	-	(27.43)	-	100.00	INR	-
First Energy TN 1 Private Limited	2025-26		23.04	(3.53)	111.09	91.58	-	11.44	(1.20)	-	(1.20)	-	71.00	INR	-
First Energy 2 Private Limited	2025-26		11.54	(1.30)	37.50	27.26	-	4.19	(0.09)	-	(0.09)	-	74.00	INR	-
First Energy 3 Private Limited	2025-26		99.81	(31.58)	380.29	312.05	-	41.66	(6.99)	-	(6.99)	-	74.00	INR	-
First Energy 4 Private Limited	2025-26		68.55	(15.03)	269.20	215.67	14.13	26.39	5.29	-	5.29	-	74.00	INR	-
First Energy 5 Private Limited	2025-26		94.98	(12.70)	436.83	354.55	2.52	26.88	(10.08)	0.02	(10.10)	-	74.00	INR	-
First Energy 6 Private Limited	2025-26		44.63	(2.54)	191.27	149.18	13.61	15.63	5.62	-	5.62	-	74.00	INR	-
First Energy 7 Private Limited	2025-26		18.82	(0.05)	62.53	43.77	-	8.26	(0.09)	0.11	0.02	-	71.00	INR	
First Energy 8 Private Limited	2025-26		77.57	(50.96)	544.37	517.76	-	-	(49.28)	-	(49.28)	-	73.00	INR	
First Energy Nine Private Limited	2025-26		4.78	0.07	15.38	10.53	-	2.15	0.15	0.06	0.09	-	70.00	INR	
First Energy 10 Private Limited	2025-26		135.00	(1.21)	284.30	150.51	-	-	0.46	0.08	0.39	-	100.00	INR	
First Energy 11 Private Limited	2025-26		122.09	(1.59)	672.24	551.74	-	-	0.36	-	0.36	-	69.00	INR	
First Energy 12 Private Limited	2025-26		8.00	(0.04)	22.08	14.12	4.82	-	0.07	0.02	0.05	-	100.00	INR	
First Energy 14 Private Limited	2025-26		0.01	(0.02)	0.00	0.02	-	-	(0.02)	-	(0.02)	-	100.00	INR	
First Energy 15 Private Limited	2025-26		0.01	(0.01)	0.01	0.01	-	-	(0.01)	-	(0.01)	-	100.00	INR	
Jalansar Wind Energy Private Limited	2025-26	22-Jun-22	2.22	(0.46)	7.57	5.81	-	0.91	(0.07)	-	(0.07)	-	74.00	INR	-
Kanakal Wind Energy Private Limited	2025-26	22-Jun-22	3.32	(0.42)	11.43	8.52	-	1.36	(0.07)	-	(0.07)	-	74.00	INR	-
Thermax International Ltd. (Mauritius)	2025-26		16.07	2.81	23.70	4.81	8.54	-	13.71	0.52	13.19	-	100.00	USD	94.83
Thermax Europe Ltd. (U.K.)	2025-26		2.51	90.14	106.27	13.62	-	62.88	6.56	1.68	4.88	-	100.00	GBP	125.60
Thermax Inc. (U.S.A.)	2025-26		4.74	132.54	348.84	211.56	-	277.64	18.38	4.34	14.04	-	100.00	USD	94.83
Thermax do Brasil Energia e Equipamentos Ltda. (Brazil)	2025-26		1.99	(1.07)	0.95	0.02	-	0.48	(0.10)	-	(0.10)	-	100.00	Brazilian Real	18.31
Thermax Denmark ApS.	2025-26		190.84	(53.88)	124.34	(12.62)	-	-	(2.50)	(0.59)	(1.91)	-	100.00	DKK	14.68
Danstoker A/S	2025-26	1-Oct-10	14.68	169.85	267.03	82.35	-	337.05	30.09	6.75	23.19	-	100.00	DKK	14.68
Ejendomsanp-artsselskabet Industrivej Nord 13	2025-26	1-Oct-10	0.29	53.43	67.38	13.65	-	-	3.52	0.73	2.79	-	100.00	DKK	14.68
Boilerworks A/S	2025-26		0.73	(9.10)	(8.37)	0.15	-	-	(0.59)	(1.32)	(0.44)	-	100.00	DKK	14.68
Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	2025-26	4-May-17	45.80	(13.36)	98.21	65.62	-	84.85	3.23	-	3.23	-	100.00	PLN	25.19
Thermax Chemical Europe A/S	2025-26		2.94	0.15	14.39	11.30	-	65.47	0.44	-	0.44	-	100.00	DKK	14.68
Thermax Netherlands BV.	2025-26		358.73	(157.45)	202.23	0.95	200.82	-	47.49	-	47.49	-	100.00	EUR	109.67
Rifox-Hans Richter GmbH Spezialarmaturen	2025-26	1-Apr-12	7.86	15.20	31.16	7.17	-	44.62	3.74	1.17	2.57	-	100.00	EUR	109.67
Thermax SDN.BHD	2025-26		1.18	2.56	5.64	1.91	-	3.16	(0.28)	(0.03)	(0.25)	-	100.00	Malaysian Ringet	23.50
Thermax Engineering Singapore Pte. Ltd	2025-26		304.45	(159.46)	145.77	0.78	143.21	1.70	0.20	-	0.20	-	100.00	USD	94.83
PT Thermax International Indonesia	2025-26		202.09	(130.29)	127.21	55.41	-	79.76	(7.12)	-	(7.12)	-	100.00	Indonesian Rupiah	5.58
Thermax Energy and Environment Philippines Corporation	2025-26		7.70	(1.16)	6.76	0.22	-	3.18	0.51	0.09	0.42	-	100.00	PHP	1.57
Thermax Nigeria Limited	2025-26		0.34	15.15	31.39	15.90	-	34.00	19.90	6.76	13.14	-	100.00	NGN	0.07
Thermax Energy and Environment Lanka (pvt) Limited	2025-26	8-Aug-17	34.13	3.39	41.12	3.60	-	14.26	5.56	1.61	3.95	-	100.00	LRK	0.30
Thermax Babcock & Wilcox Energy Solutions Ltd	2025-26		628.22	444.97	2,629.43	1,556.24	450.19	2,554.71	314.92	80.60	234.32	157.06	100.00	INR	
Thermax Cooling Solutions Limited	2025-26		10.00	(9.43)	0.88	0.30	-	0.79	0.46	0.04	0.42	-	100.00	INR	
Thermax Engineering Construction FZE	2025-26		0.214	12.57	19.03	6.24	-	3.11	(7.19)	-	(7.19)	-	100.00	USD	94.83
Thermax (Thailand) Limited	2025-26		33.99	11.26	72.90	27.65	-	92.07	8.48	1.72	6.76	-	100.00	THB	2.91
Enernxt Pvt. Ltd	2025-26		33.63	(1.45)	54.52	22.34	2.03	0.01	(0.60)	-	(0.60)	-	100.00	INR	
Thermax International Tanzania Limited	2025-26		2.22	7.68	13.16	3.26	-	22.17	6.38	2.05	4.33	-	100.00	USD	94.83
Thermax BioEnergy Solutions Private Limited	2025-26		38.00	(144.89)	158.17	265.06	2.20	260.87	(32.96)	-	(32.96)	-	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 2026
TSA Process Equipements Private Limited	2025-26	19-Apr-24	1.37	43.62	112.85	67.86	0.01	166.78	9.62	2.97	6.65	-	51	INR	
Buildtech Products India Private Limited	2025-26	17-Dec-24	1.52	22.07	28.89	5.30	-	31.90	3.83	1.10	2.73	-	100.00	INR	
Thermax Vebro Polymers India Private Limited	2025-26		16.18	(10.52)	15.58	9.92	-	9.67	(5.54)	-	(5.54)	-	50.10	INR	
Thermax Chemical Solutions Pvt Ltd	2025-26		38.40	(0.94)	37.48	0.01	36.22	-	0.04	-	0.04	-	100.00	INR	
Fortmax Chemicals India Private Limited	2025-26		55.13	-	57.73	4.90	14.49	-	(1.49)	0.01	(1.50)		51.00	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 and previous 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	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	-	15.17	Equity holding	Not Applicable	0.72	(0.41)	(2.31)
Covacsis Technologies Private Limited**	31-Mar-25	22-Jul-22	1,921	16.67	Equity holding	Not Applicable	-	-	-

*The Group has entered into a Share Subscription and Share Purchase Agreement and a Shareholders' Agreement with ExactSpace Technologies Private Limited (ExactSpace), its Promoters and existing investors to acquire an additonal 35.83% stake (on a fully diluted basis) in ExactSpace. The transaction was completed on April 9, 2026, and effective from that date, ExactSpace has become a subsidiary of the Group.

**The Holding Company had entered into an agreement dated March 26, 2025 to dispose of its entire investment in Covacsis to Infinite Uptime, Inc. (transferee company), for an upfront consideration of Rs. 10 crore. As the criteria specified in Ind AS 105 for classification as held for sale were met, the investment had been classified as a non-current asset held for sale in the previous year and was no longer accounted for using the equity method. On reclassification, the investments had been measured at the lower of carrying amount and fair value less cost to sell and consequently, no impairment loss in respect of Covacsis had been recognised in the Consolidated Statement of Profit and Loss in the previous year. In the current year, a gain of Rs. 0.90 has been recognised on this sale in the Consolidated Statement of Profit and Loss which was completed on April 8, 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

Sangeet Hunjan
Company Secretary
M. No. A23218

Place: Pune
Date: May 07, 2026

INDEPENDENT AUDITORS' REPORT

To the Members of Thermax Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Thermax Limited ("the Company"), which comprise of the Standalone Balance Sheet as at March 31, 2026, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2026, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. 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.

Key audit matter	How our audit addressed the key audit matter
1. Accounting for Revenue from Contracts with Customers The total revenue for the year is recognised based on the accounting policies disclosed in Note 21 to the standalone financial statements. The Company recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers", based on the nature and type of contract (i.e., products, projects and services) involved. This involves application of significant judgements including: • identification of distinct performance obligations; • allocation of consideration to identified performance obligations; and • recognition of revenue over a period of time or at a point in time, based on the terms of the contract. We considered the above as a key audit matter as there is an inherent and presumed risk of fraud in revenue recognition, including identification of contractual obligations, timing of transfer of control, complexities involved and significant management judgement in making forecasts of future cost to complete the contract, assessment of contract risk contingencies, expected cost savings or cost overruns, right to receive payments for performance completed till date, recognition for potential onerous obligations, variable consideration (liquidated damages and others), all of which have a consequential impact on the amount of revenue recognised in the standalone financial statements.	As part of our audit, our procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of internal financial controls pertaining to revenue recognition. • Assessed the appropriateness of the revenue recognition accounting policies in accordance with Ind AS 115 "Revenue from Contracts with Customers". • Obtained and examined, on a sample basis, underlying documents to assess the nature of contractual performance obligations, the timing of transfer of control and other relevant terms with respect to revenue recognition. • Tested, on a sample basis, revenue transactions recorded closer to the financial year-end date by verifying the underlying dispatch documents to assess whether revenue is recognised in the correct financial period. With respect to a sample of contracts wherein revenue is recognised under 'over a period of time' method, performed the following procedures: • Obtained management's calculations of the measure of progress determined using the input method, tested the mathematical accuracy of the cost to complete and re-performed the calculation of revenue recognised during the year. • Verified supporting documents and performed cut off procedures for contract related costs incurred during the reporting period. • Evaluated Management's assessment of right to receive payments for performance completed till date, variable consideration, claims, penalties, price or scope variations. • Tested the actual cost incurred and billing done during the year with supporting documents. • Obtained the breakdown of estimated total contract costs and tested elements of the committed costs by obtaining executed underlying documents. • Performed procedures on balance cost estimation including contingencies, compared actual costs to budgeted costs and assessed the variances with management and the rationale for recording changes to the estimated cost during the year. • Evaluated the adequacy of the presentation and disclosures in standalone financial statements.
2. Assessment of Impairment of trade receivables and contract assets As at March 31, 2026, the Company recorded an impairment allowance of INR 309.80 crore for its trade receivables and contract assets (Refer note 7 (c)). Impairment of financial assets and contract assets is accounted through allowance for Expected Credit Losses (ECL) in accordance with Ind AS 109 "Financial Instruments". Management uses a provision matrix to compute impairment under ECL in respect of such balances. The assumptions used for estimating the ECL in respect of these balances is an area which is influenced by significant management judgement. It requires the Company to estimate the timing and amount of realisation of these receivables based on past collection experience, contract status, and consideration of other internal and external sources of information. Given the relative significance of these balances to the standalone financial statements, management judgement and uncertainties involved to assess the recoverability of trade receivables and contract assets, we determined this to be a key audit matter.	As part of our audit, our procedures included the following: • Evaluated the design and tested the operating effectiveness of the internal controls over the Management's assessment for impairment of trade receivables and contract assets. • Assessed the appropriateness of the Company's accounting policies for recognition and measurement of ECL in accordance with Ind AS 109 "Financial Instruments". • Obtained an understanding of Management's assessment of recoverability of outstanding trade receivables and contract assets and evaluated the consistency of Management's assessment with underlying documents and recovery expectations. • Assessed the completeness of balances considered for ECL and tested its ageing on a sample basis by agreeing those to contractual terms. • Tested the key assumptions and arithmetical accuracy of the provision matrix model used by the Management to calculate the probability of default and estimate the ECL, including specific provisions, if any, in respect of trade receivables and contract assets. • Evaluated the adequacy of the presentation and disclosures in the standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
3. Impairment of investments in certain subsidiaries The Company's impairment provision for investment in subsidiaries as at March 31, 2026 is INR 233.11 crore against investments of INR 1,867.92 crore (refer note 5 (a)). The Company accounts for investments in subsidiaries at cost (less accumulated impairment, if any). The Management, with assistance of experts, wherever required, has estimated the recoverable value based on the 'value in use' approach determined using discounted cash flow ('DCF') model requiring judgements with respect to key inputs/ assumptions like: • Future cashflows • Discount rate (weighted average cost of capital) • Terminal growth rate • Economic and entity specific factors The recoverable value is highly sensitive to changes in the above management assumptions and could lead to material changes in the estimated recoverable amount, impacting both, potential impairment charge or reversal and, accordingly, this has been considered as a key audit matter.	As part of our audit, our procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of internal controls over the Management's assessment of impairment of investments in subsidiaries, including preparation of the DCF model. • Evaluated the Company's accounting policy in respect of impairment assessment of investment in subsidiaries. • Evaluated the competence, capability, independence and objectivity of the management's expert. • Assessed the cash flow projections and assumptions used in the DCF model, tested the mathematical accuracy and perused the report of the management's expert. • Together with auditor's valuation expert, tested the appropriateness of key assumptions like discount rate and terminal growth rate and performed sensitivity analysis within a reasonable and foreseeable range to corroborate that the recoverable amount of the investment is not materially different to the Company's valuation. • Evaluated the adequacy of the presentation and disclosure of impairment in the standalone financial statements.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and those charged with governance for the Standalone Financial Statements

6. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 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.

7. In preparing the standalone financial statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

9. 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 auditors' 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.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 standalone 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 auditors' report to the related disclosures in the standalone 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 auditors' 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.

11. 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.

12. 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.

13. 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Matter

14. The standalone financial statements of the Company for the year ended March 31, 2025, were audited by prior auditors under the Act who, vide their report dated May 09, 2025, expressed an unmodified opinion on those standalone financial statements.

Report on other legal and regulatory requirements

15. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above and paragraph 16(h)(vi) below.

    (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditors' 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 to the standalone financial statements.

        ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 17 and Note 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 during the year.

        iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 31 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, as disclosed in the Note 31 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

        v. The dividend declared and paid by the Company during the year in respect of the prior year ended March 31, 2025 is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend.

        Further, as stated in note 15(b) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the 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.

        vi. Based on our examination, which included test checks, the Company has used multiple accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except as disclosed in note 43 to the standalone financial statements. During the course of performing our procedures, other than the instances of audit trail not maintained (as disclosed in note 43 to the standalone financial statements) where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company in respect of the software described in note 43 to the standalone financial statements as per the statutory requirements for record retention.

17. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846
UDIN: 26109846NVWXVZ9769

Place: Pune
Date: May 7, 2026

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 16(g) of the Independent Auditors' Report of even date to the members of Thermax Limited on the Standalone Financial Statements as of and for the year ended March 31, 2026.

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Thermax Limited ("the Company") as of March 31, 2026 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. 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 system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

6. 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 standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

7. 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 controls 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, 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 ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846
UDIN: 26109846NVWXVZ9769

Place: Pune
Date: May 7, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Thermax Limited on the standalone financial statements for the year ended March 31, 2026.

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the Property, Plant and Equipment have been physically verified by the Management during the year and no material discrepancies have been 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), as disclosed in Note 4 to the standalone financial statements, 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 or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise.

(e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements, does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also, refer Note 20 to the standalone financial statements). Further, the Company has not filed the return for the quarter ended March 31, 2026 and, accordingly, the question of our commenting under clause 3(ii)(b) to that extent, does not arise.

iii. (a) The Company has made investments in mutual funds, corporate fixed deposits, bonds and 3 companies and granted unsecured loans to its employees and 2 subsidiaries and stood guarantee to 1 company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to subsidiaries and to parties other than subsidiaries are as per the table given below:

	Guarantees (Rs. in Crores)	Loans (Rs. in Crores)
Aggregate amount granted/provided during the year		
- Subsidiaries	460.20	713.61
- Employees	Nil	1.92
Balance outstanding as at balance sheet date in respect of the above cases		
- Subsidiaries	448.07	199.24
- Employees	-	2.69

Also, refer Note 8, 30 and 31 to the standalone financial statements.

(b) In respect of the aforesaid investments, guarantees and loans, the terms and conditions under which such loans were granted, investments were made and guarantees provided are not prejudicial to the Company's interest.

(c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

(e) Following loans were granted to same party, which have fallen due during the year and were renewed or extended:

Name of the party	Aggregate amount of loans granted during the year (Rs in Crores)	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same party (Rs in Crores)	Percentage of the aggregate to the total loans granted during the year
First Energy Private Limited	612.01	83.51	13.65%

(f) The loans granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its certain products. We have broadly reviewed the books of account maintained by the Company pursuant to the said requirement, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of profession tax and provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other statutory dues, as applicable, with the appropriate authorities. However, there are no arrears of statutory dues outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.

(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of the dues	Disputed dues (Rs. in Crores)	Paid under Protest (Rs. in Crores)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	1.59	1.59	FY 1991 92 and FY 1992 93	High Court, Mumbai
		146.62	-	FY 2006 07 to 2012 13	Supreme Court, New Delhi
Income Tax Act, 1961	Income Tax	54.89	-	AY 2014 15 to AY 2016 17, AY 2018 19 to AY 2020 21	Commissioner of Income Tax (Appeals), Pune
		12.54	-	AY 2005 06, AY 2008-09 and AY 2009 10	High Court, Mumbai
		8.04	-	AY 2021 22	Income Tax Appellate Tribunal.
Central Sales Tax and Local Sales Tax	Sales Tax and Value Added Tax	0.09	-	FY 2000-01, FY 2001-02	High Court, Madras
		18.21	0.19	FY 2007-08, FY 2009-10 to FY 2016-17	Appellate Tribunal (Various)
		0.80	0.07	FY 2014-15, FY 2015-16, FY 2017-18	Appellate Authority up to Commissioner Level
Finance Act, 1994	Service Tax	1.49	0.15	FY 2017-18 and FY 2020-21	Appellate Tribunal, Pune

Name of the statute	Nature of the dues	Disputed dues (Rs. in Crores)	Paid under Protest (Rs. in Crores)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Custom Duty	0.77	0.02	FY 2005-06	Appellate Authority up to Commissioner Level
		0.56	0.56	FY 2005-06	Supreme Court, New Delhi
Goods and Services Tax Act, 2017	Goods and Services Tax	69.34	4.10	FY 2017-18 to 2022-24 and FY 2024-25	Appellate Authority up to Commissioner Level
Maharashtra Municipal Corporation Act, 1949	Local Body Tax	78.06	-	FY 2013-14 to 2015-16	Pimpri Chinchwad Municipal Corporation LBT Department

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loan has been applied for the purposes for which they were obtained. (Also, refer Note 20 to the standalone financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We were unable to obtain some of the Internal Audit Reports for the period January 01, 2026 to March 31, 2026 of the Company and, accordingly, the Internal Audit Reports have been considered by us for the purpose of our audit only to the extent those were made available to us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the directors. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (“CIC”) as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 has 1 CIC as part of the Group as detailed in Note 41 (xi) to the standalone financial statements.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and, accordingly, the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, 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 the 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846
UDIN: 26109846NVWXVZ9769

Place: Pune
Date: May 7, 2026

STANDALONE BALANCE SHEET

as at March 31, 2026

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

	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
I. Non-current assets			
Property, plant and equipment	4 (a)	929.20	888.64
Capital work-in-progress	4 (a)	44.85	81.59
Right-of-use assets	4 (b)	65.40	65.07
Intangible assets	4 (c)	25.70	23.06
Intangible assets under development	4 (c)	25.13	1.12
Financial assets:			
(a) Investments			
Investment in subsidiaries	5 (a)	1,634.82	1,352.44
Investment in associates	5 (b)	10.00	10.00
Other investments	6 (a)	424.71	47.65
(b) Loans	8 (a)	131.99	11.67
(c) Finance lease receivables	30 C	0.83	-
(d) Other financial assets	9 (a)	184.67	9.39
Contract assets	7 (b)	-	142.46
Deferred tax assets (net)	10	84.73	90.64
Income tax assets (net)	10	83.01	90.81
Other non-current assets	11 (a)	45.68	54.49
Total non-current assets		**3,690.72**	**2,869.03**
II. Current assets			
Inventories	12	481.55	379.30
Financial assets:			
(a) Investments	6 (b)	711.65	1,295.40
(b) Trade receivables	7 (a)	1,524.25	1,407.92
(c) Cash and cash equivalents	13 (a)	100.14	117.05
(d) Other bank balances	13 (b)	78.27	3.25
(e) Loans	8 (b)	65.82	48.20
(f) Finance lease receivables	30 C	0.28	-
(g) Other financial assets	9 (b)	89.94	68.85
Contract assets	7 (b)	496.99	229.01
Other current assets	11 (b)	318.59	486.14
Total current assets		**3,867.48**	**4,035.12**
III. Assets classified as held for sale	5 (b)	-	10.00
Total Assets		**7,558.20**	**6,914.15**
Equity and Liabilities			
IV. Equity			
Equity share capital	14	23.83	23.83
Other equity	15	4,403.26	3,943.93
Total Equity		**4,427.09**	**3,967.76**
V. Non-current liabilities			
Financial liabilities:			
(a) Borrowings	20 (a)	25.00	25.00
(b) Lease liabilities	30 C	4.75	3.67
(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
Provisions	18 (a)	31.53	26.82
Total non-current liabilities		**61.28**	**108.01**
VI. Current liabilities			
Financial liabilities:			
(a) Borrowings	20 (b)	100.16	59.51
(b) Lease liabilities	30 C	1.76	1.62
(c) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16 (b)	616.19	472.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	16 (b)	804.65	629.56
(d) Other financial liabilities	17 (a)	156.66	120.72
Provisions	18 (b)	184.08	233.46
Income tax liabilities (net)	10	6.06	65.47
Other current liabilities	19 (a)	1,200.27	1,256.04
Total current liabilities		**3,069.83**	**2,838.38**
Total Liabilities		**3,131.11**	**2,946.39**
Total Equity and Liabilities		**7,558.20**	**6,914.15**
Summary of material accounting policies	2		
Summary of critical accounting estimates and judgements	3		
The accompanying notes are an integral part of these Standalone Financial Statements			

As per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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

Sangeet Hunjan
Company Secretary
M. No. A23218

Place: Pune
Date: May 07, 2026

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

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

	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	21	6,518.26	6,244.53
Other income	22	284.56	202.53
Total Income (I)		**6,802.82**	**6,447.06**
Expenses			
Cost of raw materials and components consumed	23	3,439.78	3,291.17
Purchases of stock-in-trade		182.28	189.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(65.07)	16.27
Site expenses and contract labour charges		813.89	753.12
Net impairment losses on financial and contract assets		36.36	36.93
Employee benefits expense	25	837.55	750.69
Finance costs	26	24.87	31.53
Depreciation and amortisation expense	4 (d)	97.19	73.64
Other expenses	27 (a)	728.95	684.94
Total Expenses (II)		**6,095.80**	**5,827.65**
Profit before exceptional items and tax (III) = (I-II)		**707.02**	**619.41**
Exceptional items (IV)	40	87.84	93.73
Profit before tax (V) = (III + IV)		**794.86**	**713.14**
Tax expenses	10		
Current tax		130.74	177.96
Deferred tax		15.21	(36.96)
Total tax expense (VI)		**145.95**	**141.00**
Profit for the year (VII) = (V - VI)		**648.91**	**572.14**
Other comprehensive income (OCI)			
A. Items that will be reclassified subsequently to profit or loss	29		
Net gain/(loss) on cash flow hedges		(39.34)	1.79
Income tax effect on above		9.90	(0.45)
		(29.44)	1.34
B. Items that will not be reclassified subsequently to profit or loss	29		
Re-measurement gain/(loss) of defined benefit plan		2.39	(6.50)
Income tax effect on above		(0.60)	1.64
		1.79	(4.86)
Total other comprehensive income for the year (net of tax)		**(27.65)**	**(3.52)**
Total comprehensive income for the year		**621.26**	**568.62**
Earnings per share [Nominal value per share Rs. 2/- each (March 31, 2025: Rs. 2/-)]	28		
Basic		54.46	48.02
Diluted		54.46	48.02
Summary of material accounting policies	2		
Summary of critical accounting estimates and judgements	3		
The accompanying notes are an integral part of these Standalone Financial Statements			

As per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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

Sangeet Hunjan
Company Secretary
M. No. A23218

Place: Pune
Date: May 07, 2026

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

		Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
A)	**Cash flows from operating activities**			
	Profit before tax		794.86	713.14
	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)	102.40	78.39
	Net impairment losses on financial and contract assets		36.36	36.93
	Provision for doubtful advances (net)	27 (a)	3.07	5.97
	(Reversal)/provision on account of impairment of investments in subsidiaries	40	(20.06)	(93.73)
	Exchange gain on redemption of preference shares		(7.43)	-
	(Reversal) of provision related to litigation	40	(50.63)	-
	Interest expenses	26	18.12	25.09
	Unwinding of discount on provisions	26	6.75	6.44
	Unrealised foreign exchange loss (gain)/loss (net)		(17.94)	3.51
	Interest income	22 & 40	(67.61)	(48.97)
	Dividend income	22	(158.06)	(25.00)
	Liabilities no longer required written back	22	(4.52)	(9.02)
	Net gain on financial instrument at fair value through profit and loss	22	(59.38)	(86.81)
	Loss on sale/discard of assets (net)	27 (a)	1.49	2.71
	Share based payment expenses	25	4.50	5.43
	Working capital adjustments			
	(Increase) in trade receivables		(108.98)	(193.51)
	(Increase)/decrease in inventories		(102.25)	14.28
	(Increase) in other financial assets		(61.68)	(242.98)
	Decrease in other assets (including contract assets)		24.73	19.18
	Increase in trade payables		269.69	50.75
	(Decrease)/increase in other liabilities		(55.77)	155.23
	Increase in provisions		1.60	26.91
	Increase/(decrease) in other financial liabilities		49.57	(5.02)
	Cash generated from operations		**598.83**	**438.92**
	Income taxes paid (net of refunds received)		(182.35)	(65.75)
	Net cash flows from operating activities		**416.48**	**373.17**
B)	**Cash flows (used in) investing activities**			
	Purchase of property, plant and equipment, right-of-use assets and intangible assets		(144.00)	(269.84)
	Sale of property, plant and equipment and intangible assets		3.57	2.08
	Investment in Subsidiaries		(269.80)	(229.93)
	Proceeds from sale of Associate	5(b)	10.00	-
	Proceeds from redemption of preference shares in a subsidiary (including dividend)		15.30	78.00
	Payment of deferred purchase consideration for subsidiary		(6.11)	-
	Loans given to subsidiaries		(713.61)	(380.04)
	Loans repaid by subsidiaries		583.70	511.30
	Investment in fixed deposits		(249.69)	(1.54)
	Proceeds from redemption of fixed deposits		0.40	77.23
	Purchase of investments		(3,581.90)	(2,976.00)
	Proceeds from sale of investments		3,854.62	2,986.80
	Interest received		52.07	51.00
	Dividend received		158.06	25.00
	Net cash flows (used in) investing activities		**(287.39)**	**(125.94)**

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

		Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
C)	**Cash flows (used in) financing activities**			
	Proceeds from borrowings		250.00	554.81
	Repayment of borrowings		(209.33)	(778.10)
	Interest paid		(17.73)	(25.95)
	Dividend paid (including earlier dues)		(166.84)	(142.95)
	Payment of lease liabilities (including interest)	30 C(ii)	(2.10)	(1.61)
	Net cash flows (used in) financing activities		**(146.00)**	**(393.80)**
	Net increase/(decrease) in cash and cash equivalents		**(16.91)**	**(146.57)**
	Cash and cash equivalents at the beginning of the year		117.05	263.62
	Cash and cash equivalents at the end of the year		**100.14**	**117.05**
	Non-cash financing and investing activities			
	Acquisition of right-of-use assets	4 (b)	2.91	0.90

Reconciliation of cash and cash equivalents as per the Standalone Statement of Cash Flows:

	Notes	As at March 31, 2026	As at March 31, 2025
Balances with banks	13 (a)		
- in current accounts		55.10	49.26
- Exchange Earners Foreign Currency (EEFC) account		0.05	17.89
- in deposits with original maturity of less than three months		44.67	49.76
Cash on hand	13 (a)	0.32	0.14
Total cash and cash equivalents		**100.14**	**117.05**

The above standalone statement of cash flows has been prepared under the "indirect method" as set out in Ind AS 7 'Statement of cash flows'

Summary of material accounting policies — Note 2
Summary of critical accounting estimates and judgements — Note 3
The accompanying notes are an integral part of these Standalone Financial Statements

As per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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

Sangeet Hunjan
Company Secretary
M. No. A23218

Place: Pune
Date: May 07, 2026

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

A Equity Share Capital

	Notes	No. of Shares	As at March 31, 2026	As at March 31, 2025
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

	Reserves and Surplus					Other reserves		
	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Securities premium account	Share options outstanding account	Cash flow hedge reserve	Total other equity
As at April 1, 2025	**50.34**	**1.92**	**429.14**	**3,387.54**	**68.04**	**5.91**	**1.04**	**3,943.93**
Profit for the year	-	-	-	648.91	-	-	-	648.91
Other comprehensive income (net)	-	-	-	1.79	-	-	(29.44)	(27.65)
Total comprehensive income	**-**	**-**	**-**	**650.70**	**-**	**-**	**(29.44)**	**621.26**
Transactions with owners in their capacity as owners:								
Dividends paid	-	-	-	(166.82)	-	-	-	(166.82)
Share based payments	-	-	-	-	-	4.89	-	4.89
Exercise of share options	-	-	-	-	2.62	(2.62)	-	-
As at March 31, 2026	**50.34**	**1.92**	**429.14**	**3,871.42**	**70.66**	**8.18**	**(28.40)**	**4,403.26**

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**
Transactions with owners in their capacity as owners:								
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**

Summary of material accounting policies — Note 2
Summary of critical accounting estimates and judgements — Note 3
The accompanying notes are an integral part of these Standalone Financial Statements

As per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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

Sangeet Hunjan
Company Secretary
M. No. A23218

Place: Pune
Date: May 07, 2026

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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, Water Treatment Chemicals, Oil Field Chemicals, Paper Chemicals and Construction Chemicals and related services.

The Company is a public limited company and was incorporated under the provisions of the Companies Act, 1956 and is presently governed by the Companies Act, 2013 ("the Act") and domiciled in India. Its equity shares are 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 07, 2026. The CIN of the Company is L29299PN1980PLC022787.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

a. Basis of preparation

The financial statements ("financial statements" or "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 critical 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:

- Certain financial assets and liabilities (including derivative instruments) is measured at fair value;
- Assets held for sale measured at fair value less cost to sell;
- 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.

2.2 Summary of material accounting policies

a. Current and non-current classification

An entity shall classify an asset as current when:

(i) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle

(ii) it holds the asset primarily for the purpose of trading

(iii) it expects to realise the asset within twelve months after the reporting period (other than for long-term projects), or

(iv) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets shall be classified as non-current.

An entity shall classify a liability as current when:

(i) it expects to settle the liability in its normal operating cycle

(ii) it holds the liability primarily for the purpose of trading

(iii) the liability is due to be settled within twelve months after the reporting period (other than for long-term projects), or

(iv) it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities shall be classified as non-current.

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

During the year ended March 31, 2026, the Company has reassessed the period of its normal operating cycle based on the nature of its business, the time required for procurement of inputs, execution of operations, delivery of goods and services, and realisation of receivables in the ordinary course of business. Based on this assessment, management has concluded that the Company's normal operating cycle for the purpose of classification of assets and liabilities under Ind AS in case of long term projects is contract specific.

Accordingly, the classification of assets and liabilities as current and non-current in these financial statements has been revised to reflect the updated operating cycle in accordance with Ind AS 1, Presentation of Financial Statements, and Schedule III to the Companies Act, 2013.

In the case of long-term projects, operating cycle of the Company exceeds one year covering the duration of the contract and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective contract. Accordingly, for classification of assets and liabilities related to such contracts as current, duration of each individual contract is considered 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 Standalone 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 for disclosures about fair value measurements except for Ind AS which prescribe measurement and disclosures 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

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

this will depend on whether the Company has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its instruments:

(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 Standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the Standalone Statement of Profit and Loss.

(ii) Debt instrument at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments:

All equity investments in scope of Ind AS 109 - "Financial Instruments", are subsequently 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 group 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 and Contract assets -** Refer note 7;
- **Investments -** Refer note 6;
- **Loans and other financial assets -** Refer note 8 and 35(A)(ii).

Financial liabilities

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 Standalone 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 Standalone 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 Standalone 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, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and is 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 Standalone Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI in cash flow hedge reserve within other equity 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 and are accounted for, as cash flow hedges.

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 Standalone 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 the Standalone Statement of Profit and Loss. Amounts recognised in OCI are transferred to the Standalone 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. 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)", over the period over which the employees provide services. 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 fair value of option granted using black scholes option pricing model to measure the cost of service received .

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

2.3 Changes in accounting policies and disclosures

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, 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Ministry of Corporate Affairs vide notification dated May 07, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 01, 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the Company changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Company's borrowings. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below:

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.

(b) International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the Company operates.

(c) Lack of Exchangeability - Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 standalone 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 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies and preparation of financial statements, 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 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 and assumptions used for impairment of investments in subsidiaries (Refer note 5);

c. Estimations and judgements used for impairment of financial assets and contract assets (Refer note 7);

d. Estimates and assumptions for income taxes (Refer note 10);

e. Estimates and assumptions related to provisions (Refer note 18);

f. Estimates, judgments and assumptions used for revenue from operations (Refer note 21);

g. Judgements used for contingent liabilities (Refer note 30);

h. Estimations used for fair value measurement (Refer note 34)

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 costs directly attributable 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 Standalone Statement of Profit and Loss during the financial year in which they are incurred.

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

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 Company depreciates each part of an item of property, plant and equipment separately if cost of the part is significant in relation to the total cost of the item or principle asset and useful life is materially different from the principle asset.

The management has estimated the useful lives of certain classes of assets in order to reflect the actual usage of the assets. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The following useful lives are estimated 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	4 to 6	3 to 6
Vehicles	5 to 8	8

The assets residual value, 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 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 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 assets

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

Impairment losses are recognised in the Standalone 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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

amount, in which case, the reversal is treated as a revaluation increase, if applicable.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

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, 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**
Additions	-	19.11	91.83	2.82	15.33	1.58	3.77	134.44	97.70
Disposals	-	(0.06)	(8.85)	(1.54)	(8.18)	(1.59)	(3.10)	(23.32)	(134.44)
Gross carrying amount as at March 31, 2026	**7.21**	**620.35**	**794.01**	**25.97**	**88.09**	**35.41**	**23.21**	**1,594.25**	**44.85**
Accumulated depreciation as at April 1, 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**	**-**
Charge for the year	-	20.24	47.92	1.99	12.99	1.84	3.87	88.85	-
Disposals	-	(0.05)	(5.56)	(1.37)	(7.54)	(1.36)	(2.41)	(18.29)	-
Accumulated depreciation as at March 31, 2026	**-**	**195.39**	**368.48**	**15.33**	**54.08**	**21.66**	**10.11**	**665.05**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Description	Freehold Land	Buildings^	Plant and equipment	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work in progress#
Net block as at March 31, 2026	**7.21**	**424.96**	**425.53**	**10.64**	**34.01**	**13.75**	**13.10**	**929.20**	**44.85**
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**

*The Company had elected to continue with the carrying value of property, plant and equipment and intangible assets as recognised in the standalone 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 has not given any PPE as security against any borrowings or credit facility and 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 (Refer note 30 C).

^Buildings include those constructed on leasehold land and roads.

#Capital work in progress largely includes expenditure towards extension of manufacturing facilities.

Refer note 30 B (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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	
Projects in progress	March 31, 2026	36.24	6.11	2.50	**44.85**
	March 31, 2025	*40.63*	*40.96*	-	***81.59***
Projects temporarily suspended	March 31, 2026	-	-	-	-
	March 31, 2025	-	-	-	-
Total CWIP	**March 31, 2026**	**36.24**	**6.11**	**2.50**	**44.85**
	March 31, 2025	***40.63***	***40.96***	**-**	***81.59***

*For CWIP, there are no projects, except as mentioned below, where completion date is overdue or has exceeded its cost as compared to its original plan for the year ended and as at March 31, 2026 and March 31, 2025.

CWIP includes plant and equipment overdue amounting to Rs. 2.01 and office building of Rs. 0.26 expected to be completed in FY 2026-27.

Plant and equipment for manufacturing facility was overdue for pending trials as at March 31, 2025 of Rs. 33.55 has been completed and capitalised during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(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	95 to 99
Plant and equipment	10
Buildings	5 to 99
Vehicles	5 to 8

Description	Leasehold Land	Buildings	Vehicles	Plant and equipment	Total ROU Assets
Gross carrying amount as at April 1, 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**
Additions	-	-	-	2.91	2.91
Disposals	-	-	(0.91)	-	(0.91)
Gross carrying amount as at March 31, 2026	**69.03**	**7.83**	**-**	**2.91**	**79.77**
Accumulated depreciation as at April 1, 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**
Charge for the year	0.87	1.44	-	0.27	2.58
Disposals	-	-	(0.91)	-	(0.91)
Accumulated depreciation as at March 31, 2026	**9.97**	**4.13**	**-**	**0.27**	**14.37**
Net block as at March 31, 2026	**59.06**	**3.70**	**-**	**2.64**	**65.40**
Net block as at March 31, 2025	**59.93**	**5.14**	**-**	**-**	**65.07**

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.

Development costs for internally generated intangibles that are directly attributable to the design and testing of identifiable and unique intangible controlled by the Company are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use
- management intends to complete the intangible asset and use or sell it
- there is an ability to use or sell the intangible asset
- it can be demonstrated how the intangible asset will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

The cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of intangible assets. 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.

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 Standalone Statement of Profit and Loss when the asset is derecognised.

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 Standalone 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The following useful lives are estimated by the management:

Assets category	Company's estimate of useful 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, 2024*	**73.71**	**69.42**	**143.13**	**4.38**
Additions	10.16	1.35	11.51	14.77
Disposals	(0.82)	-	(0.82)	(11.51)
Gross carrying amount as at March 31, 2025	**83.05**	**70.77**	**153.82**	**1.12**
Additions	11.07	2.57	13.64	37.65
Disposals	(3.77)	-	(3.77)	(13.64)
Gross carrying amount as at March 31, 2026	**90.35**	**73.34**	**163.69**	**25.13**
Accumulated amortisation as at April 1, 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**	**-**
Charge for the year	10.54	0.43	10.97	-
Disposals	(3.74)	-	(3.74)	-
Accumulated amortisation as at March 31, 2026	**67.96**	**70.03**	**137.99**	**-**
Net block as at March 31, 2026	**22.39**	**3.31**	**25.70**	**25.13**
Net block as at March 31, 2025	**21.89**	**1.17**	**23.06**	**1.12**

*The Company had elected to continue with the carrying value of property, plant and equipment and intangible assets as recognised in the standalone 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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, 2026	24.51	0.62	-	**25.13**
	March 31, 2025	*0.27*	*0.85*	-	***1.12***
Projects temporarily suspended	March 31, 2026	-	-	-	-
	March 31, 2025	-	-	-	-
Total intangible asset under development	**March 31, 2026**	**24.51**	**0.62**	**-**	**25.13**
	March 31, 2025	***0.27***	***0.85***	**-**	***1.12***

^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, 2026 and March 31, 2025.

(d) DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (note 4 (a))*	83.64	61.53
Depreciation of right-of-use assets (note 4 (b))	2.58	2.38
Amortisation of intangible assets (note 4 (c))	10.97	9.73
Total	**97.19**	**73.64**

*Net of Rs. 5.21 (March 31, 2025 Rs. 4.75) reimbursed from subsidiaries.

(e) CAPITALISATION OF EXPENSES

Accounting policy

Salaries and wages, interest expenses, and other expenses are capitalised when directly attributable to the acquisition, construction, or production of a qualifying asset. These costs are capitalised during the development or construction phase and subsequently amortised or depreciated over the asset's useful life once the asset is ready for use.

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:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages (Refer note 25)	4.71	4.18
Interest expenses (Refer note 26)	-	0.99
Other expenses (Refer note 27(a))	1.54	3.02
Total	**6.25**	**8.19**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

5

(a) INVESTMENT 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 Standalone Statement of Profit and Loss.

Impairment

Investment in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Estimates and assumptions

The Company performs impairment assessment of investments by making an estimate of the recoverable amount, being the higher of fair value less costs to sell and its value in use which is then compared with the carrying value. An impairment loss is recognised in the Standalone Statement of Profit and Loss to the extent the carrying value of an asset exceeds the recoverable amount. The value in use of these investments is determined using discounted cash flow model (DCF model) requiring various assumptions and judgements. These include future cashflows and growth rate assumptions, discount rate, terminal growth rate and other economic and entity specific factors which are incorporated in the DCF model. The estimated cash flows are developed using internal forecasts.

	Face value per share	Number of shares		Amount	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Investment 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	108.39	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	32,710,000	233.88	233.88
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	32,104,356	229.08	229.08
First Energy Private Limited	Rs. 10	646,316,365	419,316,365	653.79	426.79
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	374.20	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	38,000,000	16,250,000	45.98	16.25
TSA Process Equipment Private Limited.^	Rs. 10	697,680	697,680	64.10	64.10
Thermax Chemical Solutions Private Limited^	Rs. 10	38,399,999	14,899,999	38.40	14.90
Buildtech Products India Private Limited^	Rs. 10	1,520,999	1,520,999	77.20	77.20
Share application money (Unquoted):					
First Energy Private Limited	Rs. 10	-	10,000,000	-	10.00
Investments in Preference Shares:					
Investments valued at cost (Fully paid)					
Preference shares in Subsidiaries (Unquoted)					
Thermax International Limited, Mauritius (6% Redeemable with conversion option)	USD 1	-	1,747,300	-	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	720,000	0.72	0.72
Total value of investments (A)				**1,867.93**	**1,605.61**
Less: Impairment in value of investments					
Thermax Netherlands B.V. (refer note 40)				57.27	107.33
First Energy Private Limited				32.94	32.94
Thermax Engineering Singapore Pte. Ltd.				112.90	112.90
Thermax Bioenergy Solutions Private Limited (refer note 40)				30.00	-
Total impairment in value of investments (B)				**233.11**	**253.17**
Investments in Subsidiaries (net) (A-B)				**1,634.82**	**1,352.44**
Aggregate amount of quoted investments and market value thereof				-	-
Aggregate amount of unquoted investments				1,867.93	1,605.61
Aggregate amount of impairment in the value of investments				233.11	253.17

#Deemed cost is considered to be Rs. Nil as on April 1, 2015.

^Refer note 44

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) INVESTMENTS 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 Company's investments in its associates are accounted at cost.

	Face value per share	Number of shares		Amount	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Investments in Associates (At cost)					
Cumulative Convertible Preference shares in Associates (Unquoted):					
ExactSpace Technologies Private Limited (15.17%; March 31, 2025: 15.17%)^	Rs. 10	1,921	1,921	10.00	10.00
Covacsis Technologies Private Limited (Nil; March 31, 2025: 16.67%)	Rs. 10	-	43,192	-	10.00
Less: Classified as held for sale*				-	(10.00)
Total Investment in Associates				**10.00**	**10.00**
Aggregate amount of quoted investments and market value thereof				-	-
Aggregate amount of unquoted investments				10.00	10.00
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 the business of developing digital enabled service solutions with respect to process improvement, through-put enhancement, specific energy consumption reduction. Subsequently, the Company had entered into an agreement dated March 26, 2025 to dispose of its entire investment in Covacsis Technologies Private Limited (Covacsis). This sale was expected to be completed within the next 12 months and was considered highly probable. Accordingly, the investment in Covacsis had been classified as non-current assets held for sale in accordance with Ind AS 105 - "Non-current Assets Held for Sale and Discontinued Operations" in the previous year.

The sale has been completed on April 8, 2025.

^The Company acquired 15.17% 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 and has nominated its representative as a Director on the Board of Directors of ExactSpace. As a result, the Company holds significant influence and interest in ExactSpace.

Also, the Company has entered into a Share Subscription and Share Purchase Agreement and a Shareholders' Agreement with ExactSpace Technologies Private Limited (ExactSpace), its Promoters and existing investors to acquire an additional 35.83% stake (on a fully diluted basis) in ExactSpace. The transaction was completed on April 9, 2026, and effective from that date, ExactSpace has become a subsidiary of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

6 INVESTMENTS

(a) NON-CURRENT INVESTMENTS

	Face value per share	Number of shares		Amount	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
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				**-**	**-**
Investments in Mutual Funds: (Quoted)					
Units of Mutual Funds				128.65	47.65
Total value of investments (Quoted)				**128.65**	**47.65**
Investments at fair value through other comprehensive income:					
Investment in preference shares: (Unquoted)					
Exposome Private Limited (0.0001% compulsorily convertible preference shares)^	Rs. 100	132	-	8.25	-
Total investment in preference shares				**8.25**	**-**
Investments at amortised cost					
Investments in Corporate Bonds and non-convertible debentures (NCDs) (Quoted)				241.27	-
Investments in Corporate Fixed Deposits (Unquoted)				46.54	-
Total value of investments				**424.71**	**47.65**
Aggregate amount of quoted investments and market value thereof				369.92	47.65
Aggregate amount of unquoted investments				296.06	-

#Deemed cost is considered to be Nil as on April 1, 2015.

Refer note 34 for determination of their fair values.

^The Company has invested in Compulsorily Convertible Preference Shares of Exposome Private Limited, which is engaged in developing advanced air filtration solutions.

(b) CURRENT INVESTMENTS

	Amount	
	As at March 31, 2026	As at March 31, 2025
Investments at fair value through profit and loss:		
Investments in Mutual Funds: (Quoted)		
Units of Mutual Funds	590.22	1,145.05
Investments at amortised cost:		
Investments in Corporate Bonds and NCDs (Quoted)	31.40	150.35
Investments in Corporate Fixed Deposits (Unquoted)	90.03	-
Total value of investments	**711.65**	**1,295.40**
Aggregate amount of quoted investments and market value thereof	621.62	1,295.40
Aggregate amount of unquoted investments	90.03	-

Refer note 34 for determination of their fair values.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

7

(a) TRADE RECEIVABLES - AT AMORTISED COST

Accounting policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

	As at March 31, 2026	As at March 31, 2025
Trade receivables from:		
i) Related parties (Refer note 32)	213.03	177.94
ii) Others - unbilled^	14.79	-
iii) Others	1,296.43	1,229.98
Total	**1,524.25**	**1,407.92**
Sub-classification of trade receivables		
Secured, considered good	143.20	81.02
Unsecured, considered good	1,543.22	1,490.53
Trade receivables which have significant increase in credit risk	3.77	8.04
Trade receivables - Credit impaired	19.34	25.79
	1,709.53	**1,605.38**
Less: impairment allowance	(185.28)	(197.46)
Total	**1,524.25**	**1,407.92**

^The receivable is 'unbilled' because the Company has not yet issued an invoice; However, the balance has been included under trade receivables (as opposed to contract assets) because it has an unconditional right to consideration.

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person, nor are 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The ageing of trade receivables:

Particulars		Unbilled	Not due	Outstanding for the following period from due date of payments					Total
				Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - Considered good	March 31, 2026	14.79	915.22	478.49	119.63	74.95	25.90	57.44	**1,686.42**
	March 31, 2025	-	*756.96*	*514.24*	*122.77*	*78.68*	*33.25*	*65.65*	***1,571.55***
(ii) Undisputed trade receivables - Which have significant increase in credit risk	March 31, 2026	-	-	-	-	-	-	3.77	**3.77**
	March 31, 2025	-	-	-	-	-	-	*8.04*	***8.04***
(iii) Undisputed trade receivables - Credit impaired	March 31, 2026	-	-	0.04	3.49	9.54	1.60	2.39	**17.06**
	March 31, 2025	-	*6.35*	*3.33*	*4.13*	*7.12*	*1.27*	*2.40*	***24.60***
(iv) Disputed trade receivables - Considered good	March 31, 2026	-	-	-	-	-	-	-	**-**
	March 31, 2025	-	-	-	-	-	-	-	-
(v) Disputed trade receivables - Which have significant increase in credit risk	March 31, 2026	-	-	-	-	-	-	-	**-**
	March 31, 2025	-	-	-	-	-	-	-	**-**
(vi) Disputed trade receivables - Credit impaired	March 31, 2026	-	-	-	1.21	-	0.74	0.33	**2.28**
	March 31, 2025	-	-	-	-	*1.19*	-	-	***1.19***
Sub-total	**March 31, 2026**	**14.79**	**915.22**	**478.53**	**124.33**	**84.49**	**28.24**	**63.93**	**1,709.53**
	March 31, 2025	**-**	***763.31***	***517.57***	***126.90***	***86.99***	***34.52***	***76.09***	***1,605.38***
Less: Impairment allowance*	March 31, 2026								**(185.28)**
	March 31, 2025								***(197.46)***
Total	**March 31, 2026**								**1,524.25**
	March 31, 2025								***1,407.92***

*Includes provision of Rs. 3.77 (March 31, 2025: Rs. 8.04) for trade receivables which have significant increase in credit risk and provision of Rs. 19.34 (March 31, 2025: Rs. 25.79) for trade receivables which are credit impaired.

(b) CONTRACT ASSETS - AT AMORTISED COST

Accounting policy

A contract asset represents the Company's right to consideration in exchange for goods or services that the entity has transferred to a customer where that right is conditioned on something other than the passage of time. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

	As at March 31, 2026	As at March 31, 2025
Contract assets^	621.51	471.24
Less: Loss allowance	(124.52)	(99.77)
Total	**496.99**	**371.47**
Non-current contract assets	-	142.46
Current contract assets	496.99	229.01

^Contract assets amount includes amount of Rs. 4.10 (March 31, 2025: Rs. 3.96) towards balances of related parties. Refer note 32.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(c) EXPECTED CREDIT LOSS (ECL)

Accounting policy

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. A contract asset represents the Company's right to consideration in exchange for goods or services that the entity has transferred to a customer where that right is conditioned on something other than the passage of time; and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Credit risk on trade receivables and contract assets are managed by the Company subject to it's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and credit limits are defined in accordance with this assessment. Moreover, given the diverse nature of the Company's businesses, trade receivables and contract assets are spread over a number of customers with no significant concentration of credit risk.

For trade receivables and contract assets, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 3 years past due.

Impairment losses on trade receivables and contract assets are presented as expected credit loss in the Standalone Statement of Profit and Loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

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 Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

As a practical expedient, the Company uses a provision matrix to determine ECL impairment allowance on portfolio of its trade receivables and contract assets. 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. The Company follows provisioning norms based on ageing of receivables to estimate the impairment allowance under ECL.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

	Provision on trade receivables		Contract assets	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
At the beginning of the year	197.46	255.94	99.77	28.18
Less: Bad debts/write off	(23.79)	(23.82)	-	-
	173.67	**232.12**	**99.77**	**28.18**
Add : Provision made during the year	102.88	14.23	37.52	73.51
Less : Reversed during the year	(91.27)	(48.89)	(12.77)	(1.92)
Net charge to Standalone Statement of Profit and Loss	11.61	(34.66)	24.75	71.59
At the end of the year	**185.28**	**197.46**	**124.52**	**99.77**

Also refer note 32 for impairment provision on related party balances.

8 LOANS - AT AMORTISED COST

(a) NON-CURRENT LOANS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Loan to related parties (Refer note 32)	134.21	13.74
Loan to employees^	1.90	2.05
Less: Loss allowance	(4.12)	(4.12)
Total	**131.99**	**11.67**
Classification of above is as follows:		
Loans receivables - Considered good - Secured	-	-
Loans receivables - Considered good - Unsecured	131.99	11.67
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - Credit impaired	4.12	4.12
Total	**136.11**	**15.79**

Details of non-current loans to Promoters, Directors, Key Management Personnel and other related parties

Type of borrower	As at March 31, 2026		As at March 31, 2025	
	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	-	-	-	-
Other Related parties	-	-	-	-
Gross	134.21	100%	13.74	100%
Net	130.09	100%	9.62	100%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) CURRENT LOANS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Loan to related parties (Refer note 32)	65.03	47.42
Loan to employees^	0.79	0.78
Less: Loss allowance	-	-
Total	**65.82**	**48.20**
Classification of above is as follows:		
Loans receivables - Considered good - Secured	-	-
Loans receivables - Considered good - Unsecured	65.82	48.20
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - Credit impaired	-	-
Total	**65.82**	**48.20**

Details of current loans to Promoters, Directors, Key Management Personnel and other related parties

Type of borrower	As at March 31, 2026		As at March 31, 2025	
	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	-	-	-	-
Other Related parties	-	-	-	-
Gross	65.03	100%	47.42	100%
Net	65.03	100%	47.42	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 firms or from private companies 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 31A.

9 OTHER FINANCIAL ASSETS

(a) OTHER NON-CURRENT FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
Bank deposits with maturity of more than 12 months	175.00	-
Security Deposits - Unsecured, considered good	9.67	9.39
Total	**184.67**	**9.39**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) OTHER CURRENT FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good:		
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	0.48	1.69
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	4.78	9.79
At amortised cost		
Export incentive receivable	4.34	6.44
Security Deposits*	7.70	4.19
Other receivables^	72.64	46.74
Total	**89.94**	**68.85**

*Includes lease deposits given to directors of Rs. 0.53 (March 31, 2025: Rs. 0.53). The maximum amount due from directors during the year amounted to Rs. 0.53 (March 31, 2025: Rs. 0.53). This also includes deposits given to various other parties for rent, utilities etc.

^Other receivable amount includes amount of Rs. 44.25 (March 31, 2025: Rs. 23.20) towards balances of related parties. Refer note 32.

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 forecasted sales and purchases in various foreign currencies.

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.

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 future 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. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss) and does not give rise to equal taxable and deductible temporary differences.

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 future 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 tax expense for the year ended March 31, 2026 and March 31, 2025 are:

Standalone Statement of Profit and Loss	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax*	130.74	177.96
Deferred tax#	15.21	(36.96)
Total	**145.95**	**141.00**

*Includes impact of current tax of prior years.

#Deferred tax income/(expense) during the period recognised in profit or loss includes charge of Rs. 17 pertaining to earlier periods

Other comprehensive income	For the year ended March 31, 2026	For the year ended March 31, 2025
Tax related to items recognised in other comprehensive income during the year		
Net loss or (gain) on movement of cash flow hedges	(9.90)	0.45
Net loss or (gain) on remeasurements of defined benefit plans	0.60	(1.64)
Total	**(9.30)**	**(1.19)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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, 2026	For the year ended March 31, 2025
Accounting profit before tax (before exceptional items)	707.02	619.41
Add: Exceptional items gain	87.84	93.73
Accounting profit before tax (after exceptional items)	**794.86**	**713.14**
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17% (March 31,2025: 25.17%)	200.07	179.50
- Dividend income	(39.78)	(6.29)
- Tax (Income)/expenses for earlier years	(11.00)	2.10
- Deferred tax on account of utilisation of losses of previous year(s)	-	(5.14)
- Tax impact on reversal of provision/impairment	(5.05)	(23.59)
- Tax rate difference on Long Term Capital Gains	(5.13)	(9.75)
- Other permanent differences (including CSR, MSME interest etc.)	6.84	4.17
At the effective income tax of 18.36% (March 31, 2025: 19.77%)	**145.95**	**141.00**
Total tax expense reported in the Standalone Statement of Profit and Loss	**145.95**	**141.00**

Deferred tax

Standalone Statement of Profit and Loss and OCI	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	5.35	3.18
Employee benefit obligations	(3.77)	(4.64)
Expected credit loss and liquidated damages	9.97	(6.57)
Temporary differences in accounting treatment as required by Income tax standards	(2.06)	(3.82)
Items allowed on payment basis/temporary disallowances	11.41	(30.86)
Revaluation of cash flow hedges	(9.90)	0.45
Others	(5.09)	4.11
Deferred tax expense/(income) in the Standalone Statement of Profit and Loss and OCI	**5.91**	**(38.15)**

Balance sheet	As at March 31, 2026	As at March 31, 2025
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(63.65)	(58.30)
Revaluation of cash flow hedges	9.53	(0.37)
Employee benefit obligations	21.61	17.84
Expected credit loss and liquidated damages	84.96	94.93
Items allowed on payment basis/temporary disallowances	27.42	38.83
Temporary differences in accounting treatment as required by Income tax standards	9.85	7.78
Fair value gain on financial instruments at fair value through profit and loss (net)	(10.12)	(25.69)
Others	5.13	15.62
Net deferred tax assets	**84.73**	**90.64**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Reconciliation of deferred tax assets (net)	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance as at April 1	**90.64**	**52.49**
Defered tax income/(expense) during the year recognised in profit or loss	(15.21)	36.96
Defered tax income/(expense) during the year recognised in other comprehensive income - Items that will not be reclassified subsequently to profit or loss	(0.60)	1.64
Defered tax income/(expense) during the year recognised in other comprehensive income - Items that will be reclassified subsequently to profit or loss	9.90	(0.45)
Closing balance as at March 31	**84.73**	**90.64**

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

No income tax was recognised directly in equity during the year ended March 31, 2026 and March 31, 2025. Refer note 15 for further details.

Income Tax Assets/Liabilities for income tax:

Movement in tax liabilities	As at March 31, 2026	As at March 31, 2025
Opening balance as at April 1	**25.34**	**137.55**
Add/(less): Tax payable for the year	(130.74)	(177.96)
Add/(less): Taxes paid (net of refunds received)	182.35	65.75
Closing balance as at March 31	**76.95**	**25.34**

Tax payable for the year includes credit of Rs. 28 pertaining to earlier years.

The above balance is represented in the balance sheet as below:

	As at March 31, 2026	As at March 31, 2025
Income tax asset - non current	83.01	90.81
Income tax liabilities	6.06	65.47
Total	**76.95**	**25.34**

11 OTHER ASSETS

(a) OTHER NON-CURRENT ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Capital advances	6.84	5.13
Balances with government authorities	25.96	26.33
Prepayments	12.88	23.03
Total	**45.68**	**54.49**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) OTHER CURRENT ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advance to suppliers	97.15	115.00
Advance to employees	6.81	4.96
Advance to related parties (Refer note 32)	32.86	24.90
Prepayments	28.01	19.48
Balances with government authorities	144.48	96.66
Deposit against litigation (Refer note 30 (A) (c))	-	218.45
Others (includes recovery of other expenses)	9.28	6.69
Total	**318.59**	**486.14**

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

For terms and conditions relating to advances given to related parties, refer note 32.

12 INVENTORIES

Accounting policy

Raw materials and components, stores and spares, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and components and stores and spares and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs of all classes of inventories are determined on weighted average basis. Write down of inventories is calculated based on an analysis of foreseeable changes in demand, technology, market conditions and ageing of inventories.

	As at March 31, 2026	As at March 31, 2025
Raw materials and components*	254.59	222.11
Work-in-progress	143.43	100.13
Finished goods**	37.90	28.29
Stores and spares	11.82	7.12
Stock-in-trade	33.81	21.65
Total	**481.55**	**379.30**

*includes goods in transit Rs. 8.36 (March 31, 2025: Rs. 4.85)

**includes goods in transit Rs. 4.07 (March 31, 2025: Rs. 12.48)

For the year ended March 31, 2026 Rs. 7.36 (March 31, 2025: Rs. 0.19) was recognised (net of reversals) as an expense for write down of inventories to net realisable value. These were recognised as expense during the year and included in "Cost of raw materials and components consumed" and "Changes in inventories of finished goods, work-in-progress and stock-in-trade" in the Standalone Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

13

(a) CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents in the balance sheet comprises 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 presentation in the statement of cash flows, cash and cash equivalents consists of cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

	As at March 31, 2026	As at March 31, 2025
Balances with banks		
- in current accounts	55.10	49.26
- in Exchange Earners Foreign Currency (EEFC) account	0.05	17.89
- in deposits with original maturity of less than three months*	44.67	49.76
Cash on hand	0.32	0.14
Total	**100.14**	**117.05**

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

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and previous periods.

(b) OTHER BANK BALANCES - AT AMORTISED COST

	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity more than three months and remaining maturity less than twelve months	51.82	1.55
Bank deposits - Earmarked for import commitments	25.86	1.13
Unpaid dividend account (restricted)#	0.59	0.57
Total	**78.27**	**3.25**

#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, 2024	307.80	0.61	5.88
Cash flow	(223.29)	(0.04)	(1.48)
Interest expense	25.95	-	0.13
Interest Payments made	(25.95)	-	(0.13)
New leases	-	-	0.89
As at March 31, 2025	**84.51**	**0.57**	**5.29**
Cash flow	40.67	0.02	(1.69)
Interest expense	17.71	-	0.41
Interest Payments made	(17.73)	-	(0.41)
New leases	-	-	2.91
As at March 31, 2026	**125.16**	**0.59**	**6.51**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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, 2026	As at March 31, 2025
Authorised shares (Nos)		
375,000,000 (March 31, 2025: 375,000,000) equity shares of Rs. 2/- each	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid up share capital (Nos)		
119,156,300 (March 31, 2025: 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	Amount
Equity share of Rs. 2 each issued, subscribed and fully paid		
As at April 1, 2024	119,156,300	23.83
Changes during the year	-	-
As at March 31, 2025	119,156,300	23.83
Changes during the year	-	-
As at March 31, 2026	**119,156,300**	**23.83**

(b) Terms/rights attached to equity shares

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

(c) Equity shares held by Holding Company

	As at March 31, 2026	As at March 31, 2025
Holding company		
RDA Holdings Private Limited	12.87	12.87
64,328,500 (March 31, 2025: 64,328,500) equity shares of Rs. 2/- each fully paid		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

	As at March 31, 2026	As at March 31, 2025
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		
%	7.80	6.03
No. of shares	9,300,082	7,184,525
Nalanda India Equity Fund Ltd.		
%	5.13	5.13
No. of shares	6,118,073	6,118,073

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, 2026	As at March 31, 2025
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	-	-

Note: Promoters and Promoter group for the purpose of this disclosure means promoters as defined under section 2 (69) of Companies Act 2013

**Represents less than 0.01%

(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 6,507,629 (March 31, 2025: 6,516,354) equity shares representing 5.46% (March 31, 2025: 5.47%) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

15

(a) OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
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	3,387.54	2,963.25
Add: Profit for the year	648.91	572.14
Less: Final dividend paid	166.82	142.99
Movement during the year	482.09	429.15
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement (loss) on defined benefit plans, net of tax Rs. (0.60) (March 31, 2025: Rs. 1.64)	1.79	(4.86)
Net surplus in the Standalone Statement of Profit and Loss	**3,871.42**	**3,387.54**
Securities premium account		
Opening balance	68.04	62.55
Add: Exercise of share options	2.62	5.49
Closing balance	**70.66**	**68.04**
Share options outstanding account		
Opening balance	5.91	5.97
Add: Share based payments	4.89	5.43
Less: Exercise of share options	2.62	5.49
Closing balance	**8.18**	**5.91**
Total Reserves and Surplus	**4,431.66**	**3,942.89**
Other Reserves		
Cash flow hedge reserve		
Opening balance	1.04	(0.30)
Add: Movement during the year (net)	(39.34)	1.79
Less: Tax on movement during the year	9.90	(0.45)
Closing balance	**(28.40)**	**1.04**
Total	**4,403.26**	**3,943.93**

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 reserve arising on amalgamations in the past which is required to be maintained as per statute and is not available for distribution to shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

General reserve

Represents amounts transferred from retained earnings.

Retained earnings

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

Securities premium

Securities premium account 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 is the movement of amounts recognised in other comprehensive income on account of defined benefit obligation:

	As at March 31, 2026	As at March 31, 2025
Opening balance	34.15	27.65
Add: Total remeasurements cost for the year recognised in OCI	(2.39)	6.50
Closing balance	**31.76**	**34.15**

(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, 2026	For the year ended March 31, 2025
Cash dividend on Equity shares declared and paid:		
Final dividend for the year 2024-25: Rs. 14 per share (2023-24: Rs. 12/- per share)	166.82	142.99
	166.82	**142.99**
Proposed dividend on Equity shares:		
Proposed dividend for the year 2025-26: Rs. 20 per share (2024-25: Rs. 14/- per share)	238.31	166.82

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at the reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

16 TRADE PAYABLES - AT AMORTISED COST

(a) NON-CURRENT TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
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
Total	**-**	**52.52**

Trade payables are non-interest bearing.

The ageing of non-current trade payables:

Particulars		Not due	Outstanding for the following period from due date of payments				Total
			Less than a year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - Micro enterprises and small enterprises	March 31, 2026	-	-	-	-	-	-
	March 31, 2025	-	-	-	-	-	-
(ii) Undisputed dues - Other than micro enterprises and small enterprises	March 31, 2026	-	-	-	-	-	-
	March 31, 2025	*52.52*	-	-	-	-	*52.52*
(iii) Disputed dues - Micro enterprises and small enterprises	March 31, 2026	-	-	-	-	-	-
	March 31, 2025	-	-	-	-	-	-
(iv) Disputed dues - Other than micro enterprises and small enterprises	March 31, 2026	-	-	-	-	-	-
	March 31, 2025	-	-	-	-	-	-
Subtotal	**March 31, 2026**	**-**	**-**	**-**	**-**	**-**	**-**
	March 31, 2025	***52.52***	**-**	**-**	**-**	**-**	***52.52***
Total	**March 31, 2026**						**-**
	March 31, 2025						***52.52***

(b) CURRENT TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	616.19	472.00
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
(i) Related parties (Refer note 32)	111.05	43.55
(ii) Others	693.60	586.01
Total	**1,420.84**	**1,101.56**

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

Particulars		Not due	Outstanding for the following period from due date of payments				Total
			Less than a year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - Micro enterprises and small enterprises	March 31, 2026	565.78	32.02	3.83	4.96	9.60	**616.19**
	March 31, 2025	*415.69*	*37.75*	*8.68*	*3.22*	*6.66*	***472.00***
(ii) Undisputed dues - Other than micro enterprises and small enterprises	March 31, 2026	368.61	98.10	105.27	5.35	16.10	**593.43**
	March 31, 2025	*304.14*	*134.19*	*10.36*	*6.53*	*21.72*	***476.94***
(iii) Disputed dues - Micro enterprises and small enterprises	March 31, 2026	-	-	-	-	-	**-**
	March 31, 2025	-	-	-	-	-	***-***
(iv) Disputed dues - Other than micro enterprises and small enterprises	March 31, 2026	-	-	-	-	0.51	**0.51**
	March 31, 2025	-	-	-	-	*0.51*	***0.51***
Subtotal	**March 31, 2026**	**934.39**	**130.12**	**109.10**	**10.31**	**26.21**	**1,210.13**
	March 31, 2025	***719.83***	***171.94***	***19.04***	***9.75***	***28.89***	***949.45***
Unbilled trade payables*	March 31, 2026						**210.71**
	March 31, 2025						***152.11***
Total	**March 31, 2026**						**1,420.84**
	March 31, 2025						***1,101.56***

*Unbilled trade payables includes accruals which are not classified as provisions under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

(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, 2026	As at March 31, 2025
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*	616.12	471.79
	- Interest due thereon	0.07	0.21
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.	294.31	548.06
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.	1.95	3.84
v)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.02	4.05
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.	9.58	7.56

*Information in this regard is on basis of intimation received, on requests made by the Company, with regards to registration of vendors under the MSMED Act, 2006.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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, 2026	As at March 31, 2025
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	37.40	0.10
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	23.71	5.34
Put option liability (Refer note 44)	0.98	0.98
At amortised cost		
Employee related payables	77.08	84.87
Payables to property, plant and equipment, intangible assets, capital work in progress and intangible assets under development	6.88	13.83
Unpaid dividend	0.59	0.57
Liability towards employee separation scheme	0.05	0.61
Other payables*	9.97	14.42
Total	**156.66**	**120.72**

*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.

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 estimate of warranty related costs is revised annually.

Provision for onerous contracts

Present obligations arising under onerous contracts are recognised, measured and disclosed as provisions in financial statements. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 related to legal cases.

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 Standalone 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 obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 52.55 (March 31, 2025: Rs. 46.54).

The Government of India has implemented four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, by consolidating 29 existing labour laws on 21 November 2025. The Ministry of Labour & Employment have published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in the regulations. The Labour Codes have prescribed a uniform definition of "Wages" to be used for the purpose of calculating employee benefits like gratuity and extending eligibility to fixed-term employees ("FTEs"). Under the Labour Codes, the base on which employee benefits are calculated has increased, which has resulted in increase in the Company's liability for employee benefits.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Code on Social Security, 2020, in line with the notification of the Labour Codes with effect from 21 November 2025. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Any increase in gratuity liability arising due to implementation of Labour Codes in respect of past service cost is recognised immediately in the Standalone Statement of Profit and Loss, to the extent that the benefits are already vested, and is recognised over the vesting period in the Standalone Statement of Profit and Loss in respect of the unvested portion. The Company has considered a proposed restructuring of its employees compensation, and assessed the impact of the changes, consistent with the Labour Codes, the draft rules, FAQs and opinion obtained from the Company's advisors.

The Company makes annual contributions through trusts to a funded gratuity scheme administered by the Life Insurance Corporation of India (LIC).

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 Standalone Statement of Profit and Loss in subsequent periods. Further also refer note 40.

Past service costs are recognised in the Standalone 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 Standalone 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.

However, based on past experience and actuarial valuation performed, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. Leave obligations which are not expected to be settled within the next 12 months amounts to Rs. 41.99 (March 31, 2025 : Rs. 44.11).

Estimates and assumptions

- **Provision for onerous contracts:** The Company provides for onerous contracts when a present obligations arises as the unavoidable costs of meeting an obligations under a contract exceed the economic benefits expected to be received from that contract. Estimating these future losses involves a number of assumptions about the achievement of contract performance targets and the likely levels of future cost including escalation over time.
- **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. 9.57 higher or lower (March 31, 2025: Rs. 9.70).
- **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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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. Further, another important parameter is salary considered while assessing the definition of "wages" as given in The Code on Social Security, 2020. 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, 2026	As at March 31, 2025
Other provisions		
Provision for warranties	18.49	15.01
Provision for decommissioning liability	13.04	11.81
Total	**31.53**	**26.82**

(b) CURRENT PROVISIONS

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Provision for leave encashment	53.99	55.96
Provision for gratuity	31.28	12.14
	85.27	**68.10**
Other provisions		
Provision for onerous contracts	21.63	32.75
Provision for warranties	77.18	81.98
Provision for litigation	-	50.63
	98.81	**165.36**
Total	**184.08**	**233.46**

Movement in other provisions for the year ended March 31, 2026:

	Provision for litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
Balance as at April 1, 2025	**50.63**	**32.75**	**96.99**	**11.81**
Additional provision recognised	-	71.69	47.16	-
Unused amounts reversed	(50.63)	(7.31)	(36.52)	-
Unwinding of discount	-	-	5.53	1.23
Utilised during the year	-	(75.50)	(17.49)	-
Balance as at March 31, 2026	**-**	**21.63**	**95.67**	**13.04**
Details of provisions:				
Current	-	21.63	77.18	-
Non-current	-	-	18.49	13.04
Total	**-**	**21.63**	**95.67**	**13.04**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Movement in other 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**

(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.

The Company has considered a proposed restructuring of its employees compensation, and assessed the impact of the changes, consistent with the Labour Codes, the draft rules, FAQs and opinion obtained from the Company's advisors. In accordance with Ind AS 19 and the FAQs issued by ICAI, the changes to gratuity benefit resulting from the Labour Codes are treated as past service costs and accordingly, the increase in the Company's obligation due to application of the Labour Codes has been recognised in the Standalone Statement of Profit and Loss. The Company continues to monitor the finalisation of Central/ State Rules and further clarifications from the Government and would give appropriate accounting effect considering those developments, as may be applicable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 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**
As at March 31, 2025	**110.21**	**(98.07)**	**12.14**
Current service cost	20.78	-	**20.78**
Past service cost (Refer note 40)	14.32	-	**14.32**
Interest expense/(income)	6.92	(6.58)	**0.34**
Total amount recognised in Profit or Loss (Refer note 25)*	**42.02**	**(6.58)**	**35.44**
Experience adjustments	1.83	-	**1.83**
Actuarial loss from change in financial assumptions	(3.72)	-	**(3.72)**
Return on plan assets (income)	-	(0.50)	**(0.50)**
Total amount recognised in Other Comprehensive (Income)/Loss	**(1.89)**	**(0.50)**	**(2.39)**
Employer contributions	-	(1.03)	**(1.03)**
Benefits paid	(13.49)	0.52	**(12.97)**
Transfer (out)/in	(0.06)	0.15	**0.09**
As at March 31, 2026	**136.79**	**(105.51)**	**31.28**

The fair value of the plant asset represents the amount as confirmed by the fund.

*Includes amount Rs. 14.32 (March 31, 2025 Rs. Nil) shown as an exceptional item

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

	As at March 31, 2026	As at March 31, 2025
Present value of funded obligation	136.79	110.21
Fair value of plan assets	(105.51)	(98.07)
Deficit of funded plan	**31.28**	**12.14**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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, 2026	As at March 31, 2025
Discount rate	7.20%	6.70%
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
Attrition rate	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, 2026	As at March 31, 2025
Discount rate		
1.00% increase	Decrease by 6.87	Decrease by 5.83
1.00% decrease	Increase by 7.64	Increase by 6.50
Future salary growth rate		
1.00% increase	Increase by 6.33	Increase by 5.37
1.00% decrease	Decrease by 5.81	Decrease by 4.92
Attrition rate		
1.00% increase	Decrease by 0.08	Decrease by 0.09
1.00% decrease	Increase by 0.07	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 periods.

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Within next 12 months	29.46	19.25
Between 2-5 years	72.91	61.09
Next 5 years	102.47	86.80

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.48 years (March 31, 2025: 8.92 years).

The Company expects to contribute Rs. 1.03 to gratuity fund in the next year (March 31, 2025: Rs. 1).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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, 2026	As at March 31, 2025
Investments with Insurer (LIC of India)	100.00%	100.00%

VI Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields. If plan assets underperform, this yield will create a deficit. The plan assets are maintained with fund manager of LIC. They are subject to interest rate risk which is managed by the insurer.

Changes in bond yield:

A decrease in bond yields will increase plan liabilities.

Asset risk:

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also, interest rate and inflation risk are taken care of.

Future salary escalation and Inflation risks:

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this risk.

Life expectancy:

Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(a) OTHER CURRENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Unearned revenue (Contract liabilities)^	142.68	382.20
Customer advances (Contract liabilities)^		
Others	1,025.26	828.43
Statutory dues and other liabilities*	32.33	45.41
Total	**1,200.27**	**1,256.04**

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

For terms and conditions with related parties, refer note 32.

^Unearned revenue and customer advance amount includes amount of Rs. 24.46 (March 31, 2025: Rs. 26.15) towards balances of related parties.

20 BORROWINGS - AT AMORTISED COST

(a) Non-current borrowings

	As at March 31, 2026	As at March 31, 2025
Unsecured loan from banks#	25.00	25.00
Total	**25.00**	**25.00**

#Unsecured loan pertains to term loan for capital expenditure carrying an interest rate of 7.30% (March 31, 2025: 8.30%) due for repayment within 5 years (March 31, 2025: 6 years) from the date of disbursement. The entire principal amount is repayable at once at the maturity date and interest is paid on a monthly basis. The loan has been used for the purpose for which it was obtained.

(b) Current borrowings

	As at March 31, 2026	As at March 31, 2025
Secured loans from banks*	65.00	33.43
Unsecured loans from banks#	35.16	26.08
Total	**100.16**	**59.51**

*Secured loans pertain to packing credit that are payable by the Company within 171 days (March 31, 2025: 270 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. The quarterly returns and statements of current assets filed by the Company with banks are in agreement with the books of accounts.

#Unsecured loans pertains to packing credit of Rs. 35.16 (March 31, 2025: Rs. 26.08) carries an interest rate of 5.82% to 6.19% (March 31, 2025: 6.86%) due for repayment within 180 days (March 31, 2025: 90 days) from date of disbursement or expected shipment date whichever is earlier.

During the previous year, the Company had taken an unsecured loan amounting to Rs. 345 from a related party, Thermax Babcock &WilcoxEnergySolutionsLimited(TBWES),forworkingcapitalrequirements,carryinganinterestrateof7.90%.Thetenureoftheloanwas182 days as per the agreement. The said loan was repaid during the previous year. (Refer note 32).

Note: Current borrowings include interest accrued on non-current and current borrowings.

Note: The Company was in compliance with all of its debt covenants for outstanding borrowings for both years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

21 REVENUE FROM OPERATIONS

Accounting policy

Revenue from contracts with customers: Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the 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 and has pricing latitude and is also exposed to inventory 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 the following streams of revenue:

- **Revenue from Engineering, Procurement and Construction contracts**

  Engineering, Procurement and Construction (EPC) contracts are contracts (or a group of contracts secured together) specifically negotiated for the construction of an asset which refers to any project for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods. The Company identifies distinct performance obligations in each contract. For most of the project contracts, the customer contracts with the Company to provide a 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 margin approach to estimate the standalone selling price of each performance obligation in case of contracts with more than one distinct performance obligations.

  The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be 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 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. Penalties/claims 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.

  Costs associated with bidding for contracts are charged to the Standalone 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.

  The Company provides for warranty provision for general repairs up to 12 – 24 months on its EPC contracts, in line with the industry practice. A liability is recognised at the time the contract is concluded. The Company does not provide any extended warranties.

  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 contracts 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.

  The Company combines two or more contracts entered into at or near the same time with the same customer (or related parties of the customer) and accounts for the contracts as a single contract if one or more of the following criteria are met:

  (a) the contracts are negotiated as a package with a single commercial objective;

  (b) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or

  (c) the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

- **Revenue from sale of goods (Other than EPC contracts)**

  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 legal title to the goods, the physical possession and the customer acceptance in determining the point in time when control has been transferred. The Company provides for warranty provision for general repairs up to 12 - 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 contracts, 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.

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

- **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.

Judgements

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, whteher the customer controls the work-in-progress, whether the asset created has no alternative use and 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, 2026	For the year ended March 31, 2025
Revenue from projects and products	5,926.65	5,502.52
Revenue from services	603.00	716.47
Total revenue from contracts with customers (a)	**6,529.65**	**6,218.99**

(b) OTHER OPERATING REVENUE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Export incentives	13.87	15.52
Sale of Scrap	16.54	12.39
Commission income	6.46	6.70
Exchange fluctuation gain/(loss) (net)*	(54.15)	(14.21)
Support services	5.89	5.14
Total other operating revenue (b)	**(11.39)**	**25.54**
Total revenue from operations (a+b)	**6,518.26**	**6,244.53**

*Includes mark to market gain/(loss) on forward contracts not subjected to hedge accounting Rs. (18.93) (March 31, 2025: Rs. 4.45).

(c) DISCLOSURE PURSUANT TO IND AS 115: REVENUE FROM CONTRACT WIH CUSTOMERS

i) By category of contracts:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Over a period of time basis	4,364.38	3,619.06
At a point-in-time basis	2,165.27	2,599.93
Total revenue from contracts with customers	**6,529.65**	**6,218.99**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Revenue by geographical market:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Within India	5,059.20	5,037.59
Outside India	1,470.45	1,181.40
Total revenue from contracts with customers	**6,529.65**	**6,218.99**

Revenue by segment:

	For the year ended March 31, 2026			
	Industrial Products	Industrial Infra	Chemicals	Total
Revenue from contracts with customers				
External revenue	4,395.61	1,537.63	658.37	6,591.61
Less: Inter segment	(48.72)	-	(13.24)	(61.96)
Total revenue from contracts with customers	**4,346.89**	**1,537.63**	**645.13**	**6,529.65**
Other operating revenue	(14.59)	0.17	3.03	(11.39)
Total revenue from operations	**4,332.30**	**1,537.80**	**648.16**	**6,518.26**

	For the year ended March 31, 2025			
	Industrial Products	Industrial Infra	Chemicals	Total
Revenue from contracts with customers				
External revenue	3,874.80	1,759.23	707.46	6,341.49
Less: Inter segment	(109.55)	(0.51)	(12.44)	(122.50)
Total revenue from contracts with customers	**3,765.25**	**1,758.72**	**695.02**	**6,218.99**
Other operating revenue	14.73	4.15	6.66	25.54
Total revenue from operations	**3,779.98**	**1,762.87**	**701.68**	**6,244.53**

ii) Contract balances:

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

	As at March 31, 2026	As at March 31, 2025
Contract assets (Refer note 7 (b))*	496.99	371.47
Unearned revenue (Contract liability) (Refer note 19)	142.68	382.20
Customer advances (Contract liability) (Refer note 19)	1,025.26	828.43

Contract assets have increased from previous year as entity has entered into new contracts during the year and has supplied more products and services ahead of the agreed billing and payment schedules as per contractual terms.

During the year ended March 31, 2026, Rs. 324.72 (March 31, 2025: Rs. 94.12) of opening contract asset has been reclassified to trade receivables upon completion of milestones.

Unearned revenue has decreased in current year as entity has recognised revenue from opening unearned revenue. The movement in advance from customer is on account of advances received and utilised during the year. During the year the Company has recognised revenue of Rs. 573.02 (March 31, 2025: Rs. 412.24) arising from opening unearned revenue.

Each contract is presented on a net basis as either a contract asset or a contract liability including for retention money (contract asset) and customer advances (contract liability) in the current year (refer note 47). Accordingly, the disclosures made for recognition of revenue and receivables out of opening contract liabilities and contract assets respectively for previous year, have also been amended to this extent.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

iii) Performance obligations:

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

Due to change in transaction price, the Company has recognised revenue of Rs. 79.18 in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

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 and for service revenue, where the Company has a right to consideration from customers in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

	As at March 31, 2026	As at March 31, 2025
Amount of revenue yet to be recognised for contracts in progress	2,480.31	2,365.80

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.

iv) Reconciliation between revenue recognised in Standalone Statement of Profit and Loss and contract price:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

22 OTHER INCOME

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income from financial assets carried at amortised cost		
Loans to subsidiaries (Refer note 31 and 32)	18.43	18.58
Bank and other deposits	17.05	22.74
Interest income from financial assets at fair value through profit and loss		
Loan to subsidiary (preference shares)	-	1.05
Other interest income	0.51	6.60
Dividend income from equity investments carried at cost	158.06	25.00
Net gain/(loss) on fair value changes of mutual funds	(105.31)	70.11
Net gain on sale of mutual funds	164.69	16.70
Exchange gain on redemption of preference shares	7.43	-
Liabilities no longer required written back	4.52	9.02
Miscellaneous income^^	19.18	32.73
Total	**284.56**	**202.53**

^^Includes rental income of Rs. 4.71 (March 31, 2025: Rs. 4.74); refer note 30 C (i).

23 COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year	222.11	226.28
Add: Purchases	3,472.26	3,287.00
	3,694.37	**3,513.28**
Less: Inventories at the end of the year	(254.59)	(222.11)
	3,439.78	**3,291.17**
Less: capitalised during the year (refer note 4 (e))	-	-
Total	**3,439.78**	**3,291.17**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year		
Work-in-progress	100.13	132.49
Finished goods	28.29	24.90
Stock-in-trade	21.65	8.95
Total (A)	**150.07**	**166.34**
Less: Inventories at the end of the year		
Work-in-progress	143.43	100.13
Finished goods	37.90	28.29
Stock-in-trade	33.81	21.65
Total (B)	**215.14**	**150.07**
Total (A-B)	**(65.07)**	**16.27**

25 EMPLOYEE BENEFITS EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages*	714.65	648.50
Share-based payment expenses (Refer note 38)	4.50	5.43
Contribution to provident and other funds	52.55	46.54
Gratuity expenses (Refer note 18 (c))	21.12	12.27
Staff welfare expenses	49.44	42.13
	842.26	**754.87**
Less: capitalised during the year (refer note 4 (e))	(4.71)	(4.18)
Total	**837.55**	**750.69**

*Salaries and wages include director sitting fees.

26 FINANCE COSTS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses - On account of loan taken from a Subsidiary	-	6.19
Interest and finance charges on lease liabilities	0.41	0.13
Interest expenses - Others	17.71	19.76
Unwinding of discount	6.75	6.44
Total	**24.87**	**32.52**
Less: Capitalised during the year (refer note 4 (e))	-	(0.99)
Total	**24.87**	**31.53**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

27

(a) OTHER EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spare parts	75.03	64.84
Power and fuel	52.65	48.23
Freight and forwarding charges (net of recovery)	143.79	120.95
Drawing, design and technical service charges	27.93	30.20
Sales commission	28.06	27.98
Advertisement and sales promotion	17.29	20.39
Rent (Refer note 30 C (ii))	9.36	8.85
Rates and taxes	11.75	7.69
Insurance	10.66	8.53
Repairs and maintenance:		
Plant and equipment	18.75	18.17
Buildings	13.64	8.51
Others	68.99	68.68
Travelling and conveyance	85.05	74.67
Legal and professional fees (includes payment to auditor; refer note 27 (b))	80.67	77.91
Provision for doubtful advances (net)	3.07	5.97
Warranty expenses (net) (Include free of cost supply)	17.78	18.83
Loss on sale/discard of assets (net)	1.49	2.71
Expenditure on Corporate Social Responsibility (note 27 (c))	9.55	7.49
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	54.98	67.36
	730.49	**687.96**
Less: capitalised during the year (refer note 4 (e))	(1.54)	(3.02)
Total	**728.95**	**684.94**

(b) PAYMENT TO AUDITORS

	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor		
Audit and limited review fee	2.50	2.61
In other capacity		
Certification and other assurance services fee	0.25	0.08
Reimbursement of expenses	0.12	0.08
Total	**2.87**	**2.77**

(c) CORPORATE SOCIAL RESPONSIBILITY (CSR)

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Gross amount required to be spent by the Company during the year	9.55	7.49
(b) Amount approved by the Board to be spent during the year	9.55	7.49
(c) Amount spent during the year	9.55	7.49

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

		In Cash	Yet to spend in cash	Total
During the year ended March 31, 2026				
a.	Construction/acquisition of any asset	-	-	-
b.	On purposes other than (a) above^	9.55	-	9.55
		9.55	**-**	**9.55**
During the year ended March 31, 2025				
a.	Construction/acquisition of any asset	-	-	-
b.	On purposes other than (a) above^	7.49	-	7.49
		7.49	**-**	**7.49**
(d)	(Shortfall)/ Excess at the end of the year		-	-
(e)	Total of previous years shortfall		-	-
(f)	Reason for shortfall		Not Applicable	Not Applicable
(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 rural development by 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, 2026 and March 31, 2025.

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).

	For the year ended March 31, 2026	For the year ended March 31, 2025
Net profit after tax attributable to the Equity shareholders (Rupees in Crore)	648.91	572.14
Weighted average number of shares of Rs. 2/- each considered for calculating basic EPS (in units)	119,156,300	119,156,300
Weighted average number of shares of Rs. 2/- each considered for calculating diluted EPS (in units)	119,156,300	119,156,300
Basic earnings per share (in Rupees)	54.46	48.02
Diluted earnings per share (in Rupees)	54.46	48.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(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 in equity is shown below:

For the year ended March 31, 2026:	Cash flow hedge reserve	Retained Earnings	Total
Reclassified to Standalone Statement of Profit or Loss (Net)	(29.44)	-	(29.44)
Not reclassified to Standalone Statement of Profit or Loss	-	1.79	1.79
Total	**(29.44)**	**1.79**	**(27.65)**

For the year ended March 31, 2025:	Cash flow hedge reserve	Retained Earnings	Total
Reclassified to Standalone Statement of Profit or Loss (Net)	1.34	-	1.34
Not reclassified to Standalone Statement of Profit or Loss	-	(4.86)	(4.86)
Total	**1.34**	**(4.86)**	**(3.52)**

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, indirect taxes, transfer pricing and other legal matters. 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 makes provisions for probable losses. 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.

a) Taxes*

	As at March 31, 2026	As at March 31, 2025
Excise Duty, Customs Duty and Service tax**	5.09	3.57
Local Body Tax^^	39.03	39.03
Goods and Services tax**	40.09	33.80
Sales tax**	14.62	15.07
Income tax#^	25.28	51.36

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	As at March 31, 2026	As at March 31, 2025
References/appeals preferred by the Income tax department in respect of which, should the ultimate decision be unfavourable to the Company^	27.25	16.36
Others	-	0.25

*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. Income tax matters mainly relate to the issues of certain disallowances of certain expenses (Liquidated damages, Legal and Professional Fees and onerous provision) made by the department.

**Indirect tax matters include issues such as disallowance of CENVAT/VAT credit; sales tax/value-added tax disputes; customs duty implications on warehousing; GST applicability on corporate guarantees; and reversal of ITC where supplier invoices remain unpaid beyond 180 days.

^^Local Body Tax matter pertains to best-judgment assessment under Rule 33(5) due to non-submission of documents, resulting in disallowances related to 'Local RD purchases' and 'intra-city transfers'.

^Against income tax disputed demand, the Company has received favourable ITAT orders in earlier years (similar issues) for Rs. 48.37 (March 31, 2025: Rs. 55.56).

b) Guarantees on behalf of subsidiaries

	As at March 31, 2026	As at March 31, 2025
Bank guarantees and letters of credit issued favouring end customers on behalf of the subsidiaries (Refer note 31(A)(b))	353.23	235.73
Corporate guarantees (Refer note 31(A)(c))	94.84	85.48

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, 2026	As at March 31, 2025
Liability for export obligations	0.15	0.15
Claims against the Company not acknowledged as debt*	79.48	176.72

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 dispute with a customer amounting to Rs. 35.30 (March 31, 2025: Rs. 167.82). In June 2023, an arbitral award of Rs. 218.45, including interest, was passed against the Company and challenged before the Bombay High Court. Pursuant to the stay granted by the High Court, the Company deposited Rs. Nil (March 31, 2025: Rs. 218.45), which was refundable with interest. Based on independent legal opinion, the Company recognised a provision of Rs. Nil (March 31, 2025: Rs. 50.63), and no provision was considered necessary for the balance. On December 9, 2025, the High Court set aside the award and directed refund of the deposit with interest at 6% per annum. The customer's special leave petition was dismissed by the Supreme Court on February 16, 2026, and the Group received the deposit along with interest of Rs. 31.62 on March 12, 2026. The customer has filed an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 before the Division Bench of the High Court. Based on legal advice, the Company remains reasonably confident of a favourable outcome. Also refer note 40.

*Transfer Premium Demand - Chinchwad (MIDC) Land - The Company holds leasehold rights in respect of MIDC plots Nos. 13, 13A and 7/1 situated in the Pimpri Industrial Area, Pune, which were acquired prior to 1980. The Company had also owned MIDC plots Nos. 25, 26, 12 (Part) and 21 (Part) in the same industrial area, which were disposed of during FY 2022–23. Pursuant to such disposal, MIDC levied a differential premium of Rs. 9.93, which was duly paid by the Company in August 2023.

Subsequently, vide letter dated January 23, 2026, MIDC has raised a further demand of Rs. 33.55 (comprising Rs. 28.43 towards differential premium and Rs. 5.12 towards GST) in respect of said plots, alleging that certain changes in shareholding constitute a deemed transfer attracting premium. The Company has evaluated the said demand and based on its assessment and external legal opinion obtained, believes that the liability is not probable and accordingly has disclosed the same as contingent liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(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, 2025: 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 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. 46.21 (March 31, 2025: Rs. 28.99).

b) Estimated amounts of contract remaining to be executed as part of other commitments is Rs. 2.85 (March 31, 2025: Rs. 21.62).

C LEASES

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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company'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.

The Company has leased certain parts of its office and buildings. The tenure of such lease agreements ranges from 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. For nature of assets refer note 4(a).

	As at March 31, 2026	As at March 31, 2025
Lease rental received for the year	4.70	4.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The Company has entered into an arrangement with its customer where the Company will provide energy saving by providing energy saving equipment at the customers' premises. The Company has determined, that fulfilment of these arrangements is dependent on the use of a specific assets and the arrangement conveys a right to use these specific asset to the customers. Accordingly, these arrangements qualify as arrangements in the form of lease as specified in Ind-AS 116. Based on the evaluation of terms and conditions of these arrangements, such as the contract term constituting a major part of the economic life of the specific assets, the fair value of the asset and that it has transferred the significant risks and rewards in these assets to the customers, these lease arrangements have been classified as finance leases.

	Gross investment in lease		Present value of minimum lease payments	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Within one year	0.49	-	0.28	-
Between 1 to 2 years	0.44	-	0.30	-
Between 2 to 3 years	0.37	-	0.30	-
Between 3 to 4 years	0.24	-	0.21	-
Between 4 to 5 years	-	-	0.02	-
More than five years	-	-	-	-
	1.54	**-**	**1.11**	**-**
(Less): Unearened finance income	0.38	-	-	-
Present value of minimum lease payments receivables	1.11	-	1.11	-
Total	**1.11**	**-**	**1.11**	**-**
Current portion			0.28	-
Non-current portion			0.83	-
Total			**1.11**	**-**

ii) WHERE THE COMPANY IS LESSEE:

Accounting policy

The Company's leases primarily consist of leases for land, office buildings, guest houses, vehicle and other plant & equipment. 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 right to obtain 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the Company as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing
- makes adjustments specific to the lease, for example, term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

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.

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.

Details of Leases :

The Company has taken land, office buildings, factory sheds, guest house, warehouse, vehicles and other plant and equipment on lease for a tenure of 5 to 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Some of the lease contracts further give rights on subleasing the assets. The Company has sub-leased some portion of its land and building to its subsidiary.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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, 2026	As at March 31, 2025
At the beginning of the year	5.29	5.88
Additions	2.91	0.89
Interest expense	0.41	0.13
Payments made	(2.10)	(1.61)
Total^	**6.51**	**5.29**
Current portion	1.76	1.62
Non-current portion	4.75	3.67
Total^	**6.51**	**5.29**

^Pertains to offices and vehicles taken on lease. The total lease payment for the leasehold land rights for the lease period has already been made. Therefore, the Company is not required to create any corresponding liabilities.

The total cash outflow for leases for the year Rs. 2.10 (March 31, 2025 Rs. 1.61).

Details of amounts recognised in Standalone Statement of Profit and Loss

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use assets	2.58	2.38
Interest expense on lease liabilities	0.41	0.13
Expense relating to short-term leases and leases of low-value assets#	9.77	8.98
Total amount recognised in Standalone Statement of Profit or Loss	**12.76**	**11.49**

#Included in travel and conveyance and staff welfare.

31

(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	Purpose	As at March 31, 2026	As at March 31, 2025
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 8.0% p.a.to 8.15% p.a and for long term loan it is between 8.6% p.a. to 8.8% 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 capex and project expenses	97.64	61.16
Thermax Bioenergy Solutions Private Limited	Interest rate is derived as Repo rate + 265 bps. Currently 7.90% for loan upto 2 years.	The loan shall be repaid within a period of 2 years.	The loan has been granted to the subsidiary for working capital requirements.	101.60	-

*Before impairment allowance of Rs. 4.12 (March 31, 2025: Rs. 4.12).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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, 2026		As at March 31, 2025	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount
First Energy Private Limited^	-	27.50	-	37.50
First Energy 3 Private Limited^	-	-	-	1.60
First Energy 5 Private Limited^	-	-	-	19.79
First Energy 6 Private Limited^	-	5.16	-	7.38
First Energy 8 Private Limited^	-	-	-	166.88
First Energy 10 Private Limited^	-	91.71		
First Energy 11 Private Limited^	-	228.86	-	-
Thermax Babcock & Wilcox Energy Solutions Limited	-	-	USD 0.0282	0.24
Thermax Babcock & Wilcox Energy Solutions Limited	-	-	-	2.34
Total		**353.23**		**235.73**

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 of Rs. 694.09 (March 31, 2025: Rs. 943.79).

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, 2026		As at March 31, 2025	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount
Thermax Instrumentation Limited	-	2.00	-	10.00
Thermax Babcock & Wilcox Energy Solutions Limited	-	-	-	200.00
Thermax Engineering Singapore Pte. Ltd.^	USD 10	94.84	USD 10	85.48
Danstoker A/S	USD 14.4	136.56	USD 14.4	123.09
PT Thermax International Indonesia	USD 11.4	108.12	USD 10.95	93.60
Thermax SDN BHD, Malaysia	USD 1.1	10.43	USD 0.93	7.95
Thermax (Thailand) Ltd., Thailand	USD 2.5	23.71	USD 6.17	54.71
Total		**375.66**		**574.83**

^Pertains to corporate guarantees given.

The above guarantees or letter of support/comfort have been issued for the purpose of various banking facilities for the subsidiaries.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

31

(B) DISCLOSURE OF ULTIMATE BENEFICIARIES

For March 31, 2026:

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	May 21, 2025	Loan	1.25	First Energy TN1 Private Limited	May 21, 2025	Loan	1.25
First Energy Private Limited	May 21, 2025	Loan	7.00	First Energy 5 Private Limited	May 21, 2025	Loan	7.00
First Energy Private Limited	May 27, 2025	Equity	18.00	First Energy 12 Private Limited	May 27, 2025	Equity	8.00
				First Energy 10 Private Limited	May 27, 2025	Loan	10.00
First Energy Private Limited	May 29, 2025	Loan	7.00	First Energy 8 Private Limited	May 29, 2025	Loan	7.00
First Energy Private Limited	May 29, 2025	Loan	1.00	First Energy 5 Private Limited	May 29, 2025	Loan	1.00
First Energy Private Limited	June 10, 2025	Equity	34.00	First Energy 11 Private Limited	June 12, 2025	Equity	34.00
First Energy Private Limited	June 20, 2025	Equity	29.99	First Energy 11 Private Limited	June 27, 2025	Equity	29.99
First Energy Private Limited	June 23, 2025	Equity	20.00	First Energy 11 Private Limited	June 24, 2025	Equity	20.00
First Energy Private Limited	June 27, 2025	Loan	1.25	First Energy 5 Private Limited	June 27, 2025	Loan	1.25
First Energy Private Limited	June 27, 2025	Loan	2.78	First Energy TN1 Private Limited	June 27, 2025	Loan	2.78
First Energy Private Limited	July 11, 2025	Loan	0.95	First Energy 3 Private Limited	July 11, 2025	Loan	0.70
				First Energy 9 Private Limited	July 11, 2025	Loan	0.25
First Energy Private Limited	July 21, 2025	Loan	3.80	First Energy 8 Private Limited	July 22, 2025	Loan	0.80
				First Energy 8 Private Limited	July 22, 2025	Loan	3.00
First Energy Private Limited	July 21, 2025	Loan	1.50	First Energy 5 Private Limited	July 22, 2025	Loan	1.50
First Energy Private Limited	July 28, 2025	Loan	2.00	First Energy 5 Private Limited	July 28, 2025	Loan	2.00
First Energy Private Limited	July 28, 2025	Loan	0.30	First Energy TN1 Private Limited	July 28, 2025	Loan	0.30
First Energy Private Limited	July 28, 2025	Loan	3.70	First Energy 8 Private Limited	July 28, 2025	Loan	3.70
First Energy Private Limited	July 30, 2025	Equity	55.00	First Energy 10 Private Limited	July 30, 2025	Equity	1.23
				First Energy 10 Private Limited	July 31, 2025	Equity	53.77
First Energy Private Limited	August 4, 2025	Loan	4.50	First Energy 8 Private Limited	August 4, 2025	Loan	4.00
				First Energy 8 Private Limited	August 4, 2025	Loan	0.50
First Energy Private Limited	August 5, 2025	Loan	12.65	First Energy 8 Private Limited	August 6, 2025	Loan	12.65
First Energy Private Limited	August 12, 2025	Loan	4.30	First Energy 5 Private Limited	August 13, 2025	Loan	4.30
First Energy Private Limited	August 13, 2025	Equity	60.00	First Energy 10 Private Limited	August 14, 2025	Equity	60.00
First Energy Private Limited	August 26, 2025	Loan	41.80	First Energy 7 Private Limited	August 26, 2025	Loan	41.80
First Energy Private Limited	August 28, 2025	Loan	5.20	First Energy 8 Private Limited	August 26, 2025	Loan	2.70
				First Energy 4 Private Limited	August 26, 2025	Loan	1.80
				First Energy 6 Private Limited	August 26, 2025	Loan	0.70
First Energy Private Limited	September 1, 2025	Loan	3.00	First Energy 8 Private Limited	September 1, 2025	Loan	3.00
First Energy Private Limited	September 8, 2025	Loan	1.00	First Energy 6 Private Limited	September 9, 2025	Loan	1.00
First Energy Private Limited	September 9, 2025	Loan	12.50	First Energy 8 Private Limited	September 9, 2025	Loan	12.50
First Energy Private Limited	September 26, 2025	Loan	54.00	First Energy 8 Private Limited	September 26, 2025	Loan	54.00
First Energy Private Limited	September 29, 2025	Loan	0.50	First Energy 6 Private Limited	September 29, 2025	Loan	0.50
First Energy Private Limited	September 29, 2025	Loan	1.30	First Energy 5 Private Limited	September 29, 2025	Loan	1.30
First Energy Private Limited	October 7, 2025	Loan	6.50	First Energy 8 Private Limited	October 7, 2025	Loan	6.50
First Energy Private Limited	October 7, 2025	Loan	3.50	First Energy 6 Private Limited	October 7, 2025	Loan	3.50
First Energy Private Limited	October 9, 2025	Loan	12.00	First Energy 8 Private Limited	October 9, 2025	Loan	12.00
First Energy Private Limited	October 10, 2025	Loan	42.00	First Energy 11 Private Limited	October 10, 2025	Loan	42.00
First Energy Private Limited	October 15, 2025	Loan	2.00	First Energy 5 Private Limited	October 16, 2025	Loan	2.00
First Energy Private Limited	October 28, 2025	Loan	91.10	First Energy 8 Private Limited	October 28, 2025	Loan	48.05
				First Energy 5 Private Limited	October 29, 2025	Loan	16.02
				First Energy TN1 Private Limited	October 29, 2025	Loan	27.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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	October 29, 2025	Loan	2.50	First Energy 5 Private Limited	October 29, 2025	Loan	2.50
First Energy Private Limited	October 29, 2025	Loan	3.00	First Energy 11 Private Limited	October 29, 2025	Loan	3.00
First Energy Private Limited	October 31, 2025	Loan	5.05	First Energy 8 Private Limited	October 31, 2025	Loan	5.05
First Energy Private Limited	November 7, 2025	Loan	12.00	First Energy 8 Private Limited	November 7, 2025	Loan	7.30
				First Energy 5 Private Limited	November 13, 2025	Loan	4.70
First Energy Private Limited	November 20, 2025	Loan	3.00	First Energy 8 Private Limited	November 27, 2025	Loan	0.95
				First Energy 5 Private Limited	November 27, 2025	Loan	1.20
				First Energy 8 Private Limited	November 27, 2025	Loan	0.85
First Energy Private Limited	December 5, 2025	Loan	0.80	First Energy 8 Private Limited	December 6, 2025	Loan	0.30
				First Energy 11 Private Limited	December 6, 2025	Loan	0.50
First Energy Private Limited	December 9, 2025	Loan	5.50	First Energy 8 Private Limited	December 10, 2025	Loan	5.50
First Energy Private Limited	December 11, 2025	Loan	0.40	First Energy 11 Private Limited	December 11, 2025	Loan	0.40
First Energy Private Limited	December 12, 2025	Loan	0.50	First Energy 8 Private Limited	December 12, 2025	Loan	0.50
First Energy Private Limited	December 12, 2025	Loan	0.53	First Energy 6 Private Limited	December 12, 2025	Loan	0.53
First Energy Private Limited	December 15, 2025	Loan	2.00	First Energy 8 Private Limited	December 15, 2025	Loan	1.00
				First Energy 8 Private Limited	December 15, 2025	Loan	1.00
First Energy Private Limited	December 16, 2025	Loan	4.00	First Energy 11 Private Limited	December 16, 2025	Loan	4.00
First Energy Private Limited	December 29, 2025	Loan	4.70	First Energy 11 Private Limited	December 29, 2025	Loan	4.70
First Energy Private Limited	December 30, 2025	Loan	0.20	First Energy 6 Private Limited	December 30, 2025	Loan	0.20
First Energy Private Limited	December 30, 2025	Loan	1.30	First Energy 5 Private Limited	December 30, 2025	Loan	1.30
First Energy Private Limited	December 30, 2025	Loan	1.25	First Energy 11 Private Limited	December 30, 2025	Loan	1.25
First Energy Private Limited	January 12, 2026	Loan	2.55	First Energy 11 Private Limited	January 13, 2026	Loan	2.55
First Energy Private Limited	January 13, 2026	Loan	3.00	First Energy 5 Private Limited	January 13, 2026	Loan	3.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 21, 2026	Loan	0.25	First Energy 6 Private Limited	January 22, 2026	Loan	0.25
First Energy Private Limited	January 29, 2026	Loan	1.70	First Energy 5 Private Limited	January 29, 2026	Loan	1.70
First Energy Private Limited	January 29, 2026	Loan	8.00	First Energy 11 Private Limited	January 29, 2026	Loan	8.00
First Energy Private Limited	February 5, 2026	Loan	2.00	First Energy 11 Private Limited	February 5, 2026	Loan	2.00
First Energy Private Limited	February 5, 2026	Loan	2.50	First Energy 8 Private Limited	February 5, 2026	Loan	2.50
First Energy Private Limited	February 6, 2026	Loan	1.00	First Energy 11 Private Limited	February 6, 2026	Loan	1.00
First Energy Private Limited	February 6, 2026	Loan	5.00	First Energy 11 Private Limited	February 6, 2026	Loan	5.00
First Energy Private Limited	February 10, 2026	Loan	1.00	First Energy 11 Private Limited	February 10, 2026	Loan	1.00
First Energy Private Limited	February 13, 2026	Loan	61.40	First Energy 11 Private Limited	February 13, 2026	Loan	61.40
First Energy Private Limited	February 17, 2026	Loan	14.40	First Energy 10 Private Limited	February 17, 2026	Loan	14.40
First Energy Private Limited	February 17, 2026	Loan	5.80	First Energy 11 Private Limited	February 17, 2026	Loan	5.80
First Energy Private Limited	February 18, 2026	Loan	3.30	First Energy 11 Private Limited	February 18, 2026	Loan	3.30
First Energy Private Limited	February 20, 2026	Loan	2.80	First Energy 11 Private Limited	February 20, 2026	Loan	2.80
First Energy Private Limited	February 26, 2026	Loan	6.51	First Energy 11 Private Limited	February 26, 2026	Loan	6.51
First Energy Private Limited	February 26, 2026	Loan	2.00	First Energy 11 Private Limited	February 26, 2026	Loan	2.00
First Energy Private Limited	February 26, 2026	Loan	2.50	First Energy 8 Private Limited	February 26, 2026	Loan	2.50
First Energy Private Limited	March 2, 2026	Loan	3.36	First Energy 11 Private Limited	March 2, 2026	Loan	3.36
First Energy Private Limited	March 2, 2026	Loan	4.80	First Energy 11 Private Limited	March 2, 2026	Loan	4.80
First Energy Private Limited	March 4, 2026	Loan	5.00	First Energy 11 Private Limited	March 4, 2026	Loan	5.00
First Energy Private Limited	March 6, 2026	Loan	12.92	First Energy 11 Private Limited	March 6, 2026	Loan	12.92
First Energy Private Limited	March 6, 2026	Loan	1.00	First Energy 8 Private Limited	March 6, 2026	Loan	1.00
First Energy Private Limited	March 6, 2026	Loan	4.80	First Energy 11 Private Limited	March 6, 2026	Loan	4.80
First Energy Private Limited	March 9, 2026	Loan	7.50	First Energy 11 Private Limited	March 9, 2026	Loan	7.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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	March 9, 2026	Loan	5.00	First Energy 10 Private Limited	March 9, 2026	Loan	5.00
First Energy Private Limited	March 9, 2026	Loan	8.14	First Energy 11 Private Limited	March 9, 2026	Loan	8.14
First Energy Private Limited	March 12, 2026	Loan	1.50	First Energy 5 Private Limited	March 12, 2026	Loan	1.50
First Energy Private Limited	March 17, 2026	Loan	1.00	First Energy 3 Private Limited	March 17, 2026	Loan	1.00
First Energy Private Limited	March 17, 2026	Loan	1.00	First Energy 8 Private Limited	March 17, 2026	Loan	1.00
First Energy Private Limited	March 20, 2026	Loan	17.50	First Energy 8 Private Limited	March 21, 2026	Loan	17.50
First Energy Private Limited	March 25, 2026	Loan	11.00	First Energy 11 Private Limited	March 25, 2026	Loan	11.00
First Energy Private Limited	March 27, 2026	Loan	1.50	First Energy 5 Private Limited	March 27, 2026	Loan	1.50
First Energy Private Limited	March 30, 2026	Loan	4.21	First Energy 11 Private Limited	March 30, 2026	Loan	4.21
First Energy Private Limited	March 30, 2026	Loan	0.65	First Energy 8 Private Limited	March 30, 2026	Loan	0.65
First Energy Private Limited	March 30, 2026	Loan	0.75	First Energy 11 Private Limited	March 30, 2026	Loan	0.75
First Energy Private Limited	March 30, 2026	Loan	2.50	First Energy 8 Private Limited	March 30, 2026	Loan	2.50
First Energy Private Limited	March 30, 2026	Loan	0.30	First Energy 5 Private Limited	March 30, 2026	Loan	0.30
First Energy Private Limited	January 1, 2026	Loan	0.47	First Energy TN1 Private Limited	January 1, 2026	Loan	0.47
First Energy Private Limited	January 1, 2026	Loan	1.39	First Energy 8 Private Limited	January 1, 2026	Loan	1.39
Thermax Chemical Solutions Private Limited	November 10, 2025	Equity	2.35	Fortmax Chemicals India Private Limited	November 12, 2025	Equity	2.35
Thermax Bioenergy Solutions Private Limited	December 18, 2025	Loan	10.00	Lakhimpur kher RNG Pvt Ltd	December 30, 2025	Equity	10.00
Thermax Bioenergy Solutions Private Limited	December 30, 2025	Loan	13.00	Patiala RNG Pvt Ltd	December 30, 2025	Equity	6.50
				Sangrur RNG Pvt Ltd	December 30, 2025	Equity	6.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 (INR 11.01 crs)	PT Thermax International Indonesia	September 11, 2024	Equity	USD 0.32 Million (INR 2.74 crs)
				PT Thermax International Indonesia	December 10, 2024	Equity	USD 0.5 Million (INR 4.27 crs)
				PT Thermax International Indonesia	March 11, 2025	Equity	USD 0.5 Million (INR 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
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
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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.	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) Limited	October 23, 2024	Equity	USD 0.001 Million (Rs. 0.80 crs)
				Thermax (Thailand) Limited	October 25, 2024	Equity	USD 2.96 Million (Rs. 25.30 crs)
				Thermax (Thailand) Limited	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 29, 2024	Loan	4.80	First Energy 4 Private Limited	October 29, 2024	Loan	4.80
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 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
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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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.	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

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 THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 of equity shares and preference share 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, 2026	As at March 31, 2025
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 International Limited	Mauritius	100%	100%
5	Thermax Europe Ltd.	United Kingdom	100%	100%
6	Thermax Inc.*	U.S.A.	100%	100%
7	Thermax do Brasil Energia-e Equipamentos Ltda.	Brazil	100%	100%
8	Thermax Netherlands B.V.	Netherlands	100%	100%
9	Thermax Denmark ApS*	Denmark	100%	100%
10	Danstoker A/S*	Denmark	100%	100%
11	Ejendomsanp artsselskabet Industrivej Nord 13*	Denmark	100%	100%
12	Boilerworks A/S*	Denmark	100%	100%
13	Danstoker Poland S.p.Z.o.o.*	Poland	100%	100%
14	Rifox-Hans Richter GmbH Spezialarmaturen	Germany	100%	100%
15	Thermax SDN. BHD*	Malaysia	100%	100%
16	Thermax Engineering Singapore Pte. Ltd.	Singapore	100%	100%
17	PT Thermax International Indonesia*	Indonesia	100%	100%
18	First Energy Private Limited	India	100%	100%
19	First Energy TN 1 Private Limited*	India	70%	74%
20	First Energy 2 Private Limited*	India	74%	74%
21	First Energy 3 Private Limited*	India	74%	74%
22	First Energy 4 Private Limited*	India	74%	74%
23	First Energy 5 Private Limited*	India	74%	74%
24	First Energy 6 Private Limited*	India	74%	74%
25	First Energy 7 Private Limited*	India	71%	71%
26	First Energy 8 Private Limited*	India	73%	100%
27	First Energy Nine Private Limited*	India	100%	100%
28	First Energy 10 Private Limited*	India	100%	100%
29	First Energy 11 Private Limited*	India	69%	100%
30	Jalansar Wind Energy Private Limited*	India	74%	74%
31	Kanakal Wind Energy Private Limited*	India	74%	74%
32	First Energy 12 Private Limited*	India	100%	0%
33	First Energy 14 Private Limited*	India	100%	0%
34	First Energy 15 Private Limited*	India	100%	0%
35	Thermax Bioenergy Solutions Private Limited	India	100%	65%
36	Thermax Energy and Environment Philippines Corporation*	Philippines	100%	100%
37	Thermax Energy & Environment Lanka (Private) Limited*	Sri Lanka	100%	100%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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, 2026	As at March 31, 2025
38	Thermax Nigeria Limited*	Nigeria	100%	100%
39	Thermax Babcock & Wilcox Energy Solutions Limited (TBWES)	India	100%	100%
40	Thermax Cooling Solutions Limited	India	100%	100%
41	Thermax Engineering Construction FZE*	Nigeria	100%	100%
42	Thermax International Tanzania Limited*	Tanzania	100%	100%
43	Thermax (Thailand) Limited*	Thailand	100%	100%
44	Enernxt Private Limited*	India	100%	100%
45	Thermax Chemical Solutions Private Limited	India	100%	100%
46	Thermax Vebro Polymers India Private Limited*	India	50.1%	50.1%
47	Buildtech Products India Private Limited	India	100%	100%
48	Thermax Chemical Europe A/s*	Denmark	100%	100%
49	TSA Process Equipments Private Limited	India	51%	51%
50	Fortmax Chemicals India Private Limited*	India	51%	-
51	Thermax Energy Solutions Company*	Saudi Arabia	100%	-
52	Thermax Employee ESOP and Welfare Trust**	India	-	-

*Held indirectly

**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, 2026	As at March 31, 2025
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, 2026	As at March 31, 2025
1	ExactSpace Technologies Private Limited (Refer note 5(b))	India	15.17%	15.17%
2	Covacsis Technologies Private Limited (Refer note 5(b))	India	-	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
6 Mr. Yohan Morris - Relative of Director/Chairperson

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 Mr. Harsh Mariwala - Independent Director
3 Mr. Sashishekhar Balakrishna (Ravi) Pandit - Independent Director
4 Mrs. Rajani Kesari - Independent Director
5 Mr. Ravi Shankar Gopinath - Independent Director
6 Mr. Shyamak Tata - Independent Director
7 Mr. Parag Shah - Independent Director (w.e.f. December 12, 2024)
8 Mr. Rajendran Arunachalam - Group Chief Financial Officer
9 Ms. Sangeet Hunjan - Company Secretary (Appointed w.e.f. June 27, 2025)
10 Dr. Jairam Varadaraj - Independent Director (ceased w.e.f. July 21, 2024)
11 Mr. Nawshir Mirza - Independent Director (ceased w.e.f. July 21, 2024)
12 Ms. Janhavi Khele - Company Secretary (Resigned w.e.f. April 18, 2025)

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, 2026:

	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	470.36	-	0.36	-	470.72
Miscellaneous income	7.56	-	0.01	-	7.57
Interest income	18.43	-	-	-	18.43
Dividend income	158.06	-	-	-	158.06
Recovery of expenses	104.03	-	-	-	104.03
Purchase of raw material and components	189.03	-	-	-	189.03
Site expenses and contract labour charges	8.00	-	-	-	8.00
Reimbursement of expenses	39.77	-	0.45	-	40.22
Power and fuel	12.35	-	-	-	12.35
Other expenses	1.07	3.83	-	-	4.90
Short-term employee benefits - Remuneration to Key Management Personnel*	-	-	-	12.87	12.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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
Remuneration to individuals having significant influence over the Group by reason of voting power, and their relatives	-	-	-	0.54	0.54
CSR expenditure	-	-	9.55	-	9.55
Share-based payment to Key Management Personnel	-	-	-	0.36	0.36
Investment in equity/preference shares	280.19	-	-	-	280.19
Sale of share in an associate	-	10.00	-	-	10.00
Loans given	713.61	-	-	-	713.61
Loan Recovered	583.61	-	-	-	583.61
Director's sitting fees	-	-	-	0.93	0.93
Commission paid	-	-	-	8.18	8.18
Rent paid	0.66	-	-	0.62	1.28
Redemption of 8% cumulative preference shares (Including dividend)	7.87	-	-	-	7.87

*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. 90.07 and to Employee Welfare and ESOP Trust Rs. 9.12.

Transactions carried out in the capacity of agent with TBWES:

Description	As at March 31, 2026
Purchase of raw material and components	7.30

Receivables and payables arising in the capacity of agent with TBWES have been presented on a net basis in the standalone financial statements.

	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^	213.03	-	-	-	213.03
Advances given	32.86	-	-	-	32.86
Loans given*	199.24	-	-	-	199.24
Trade payables	109.78	1.27	-	-	111.05
Commission Payable	-	-	-	2.58	2.58
Contract Asset (net)	4.10	-	-	-	4.10
Contract Liability (net)	24.46	-	-	-	24.46
Security deposits given	-	-	-	0.53	0.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(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
Other financial assets-other receivables	44.25				44.25
Guarantee/letter of support/comfort given on behalf of subsidiaries	448.07	-	-	-	448.07

^Before impairment provision Rs. 2.32
*Before impairment provision Rs. 4.12

H Loans to related parties

Loans to Subsidiaries	31-Mar-26	31-Mar-25
Beginning of the year	**61.16**	**193.11**
Loans advanced	713.61	380.04
Loan repayments received	(583.70)	(511.30)
Interest charged	18.43	18.58
Interest received	(10.26)	(19.27)
End of the year	**199.24**	**61.16**

Before impairment provision Rs. 4.12

I 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
Power and fuel	9.55	-	-	-	9.55
Other expenses	1.17	2.71	-	-	3.88
Short-term employee benefits - Remuneration to Key Management Personnel*	-	-	-	11.06	11.06

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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
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	-	-	-	0.91	0.91
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. 9.11.

Transactions carried out in the capacity of agent with TBWES:

Description	As at March 31, 2025
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 THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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^	177.81	-	0.13	-	177.94
Advances given	24.90	-	-	-	24.90
Loans given*	61.16	-	-	-	61.16
Trade payables	43.55	-	-	-	43.55
Commission Payable	-	-	-	2.58	2.58
Contract Asset (net)	3.96	-	0.03	-	3.99
Contract Liability (net)	26.15	-	-	-	26.15
Security deposits given	-	-	-	0.53	0.53
Other financial assets-other receivables	23.20	-	-	-	23.20
Guarantee/letter of support/comfort given on behalf of subsidiaries	448.07	-	-	-	448.07

^Before impairment provision Rs. 2.32

*Before impairment provision Rs. 4.12

H Loans to related parties

Loans to Subsidiaries	31-Mar-25	31-Mar-24
Beginning of the year	**193.11**	**175.01**
Loans advanced	380.03	552.00
Loan repayments received	(511.29)	(536.30)
Interest charged	16.72	14.40
Interest received	(17.41)	(12.00)
End of the year	**61.16**	**193.11**

Before impairment provision Rs. 4.12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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):

	For the year ended March 31, 2026		For the year ended March 31, 2025	
	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.	203.96		143.23	
Thermax Babcock & Wilcox Energy Solutions Limited	116.68		66.29	
Thermax Onsite Energy Solutions Limited	35.13		29.12	
Thermax Bioenergy Solutions Private Limited	3.01		62.66	
Sub-total- individually significant parties		**358.78**		**301.30**
Others		111.94		87.44
Total		**470.72**		**388.74**
Miscellaneous income				
Thermax Babcock & Wilcox Energy Solutions Limited	6.38		5.51	
Sub-total- individually significant parties		**6.38**		**5.51**
Others		1.19		1.19
Total		**7.57**		**6.70**
Interest income				
First Energy Private Limited	14.43		18.58	
Thermax Bioenergy Solutions Private Limited	4.00		-	
Total		**18.43**		**18.58**
Dividend income				
Thermax Babcock & Wilcox Energy Solutions Limited	141.35			
Thermax International Limited, Mauritius	11.71			
Thermax Instrumentation Limited	5.00		25.00	
Total		**158.06**		**25.00**
Finance cost				
Thermax Babcock & Wilcox Energy Solutions Limited	-		6.19	
Total		**-**		**6.19**
Recovery of expenses				
Thermax Babcock & Wilcox Energy Solutions Limited	61.83		56.43	
Thermax Inc., U.S.A.	8.67		14.20	
Sub-total- individually significant parties		**70.50**		**70.63**
Others		33.53		30.86
Total		**104.03**		**101.49**
Redemption of preference shares				
Thermax Babcock & Wilcox Energy Solutions Limited	-		78.00	
Thermax International Limited, Mauritius	7.87		-	
Total		**7.87**		**78.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Purchase of raw material and components				
Thermax Babcock & Wilcox Energy Solutions Limited	179.06		57.94	
Sub-total- individually significant parties		**179.06**		**57.94**
Others		9.97		3.02
Total		**189.03**		**60.96**
Purchase of PPE/CWIP				
First Energy Private Limited	-		0.23	
Total		**-**		**0.23**
Site expenses and contract labour charges				
Thermax Instrumentation Limited	6.24		22.77	
Thermax Babcock & Wilcox Energy Solutions Limited	1.44		0.80	
Sub-total- individually significant parties		**7.68**		**23.57**
Others		0.32		0.37
Total		**8.00**		**23.94**
Reimbursement of expenses				
Thermax (Thailand) Limited, Thailand	16.83		14.51	
Sub-total- individually significant parties		**16.83**		**14.51**
Others		23.39		21.33
Total		**40.22**		**35.84**
Power and fuel				
Thermax Onsite Energy Solutions Limited	12.35		9.55	
Total		**12.35**		**9.55**
Other expenses				
ExactSpace Technologies Private Limited	3.83		2.67	
First Energy Private Limited	1.07		0.69	
Thermax Babcock & Wilcox Energy Solutions Limited	-		0.34	
Sub-total- individually significant parties		**4.90**		**3.70**
Others		-		0.18
Total		**4.90**		**3.88**
Transactions during the year				
CSR expenditure				
Thermax Foundation	9.55		7.49	
Total		**9.55**		**7.49**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
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	
First Energy Private Limited	227.00		25.32	
Thermax Bioenergy Solutions Private Limited	29.73		-	
Sub-total- individually significant parties		**256.73**		**205.21**
Others		23.46		28.62
Total		**280.19**		**233.83**
Sale of share in an associate				
Covacsis Technologies Private Limited	10.00		-	
		10.00		**-**
Transactions during the year				
Loans given				
First Energy Private Limited	612.61		380.04	
Thermax Bioenergy Solutions Private Limited	101.00		-	
Total		**713.61**		**380.04**
Loans recovered				
First Energy Private Limited	580.61		511.30	
Thermax Bioenergy Solutions Private Limited	3.00		-	
Total		**583.61**		**511.30**
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	0.12		0.11	
Mr. Pheroz Pudumjee	0.14		0.14	
Mr. Ravi Shankar Gopinath	0.10		0.10	
Dr. Jairam Varadaraj	-		0.04	
Mr. Nawshir Mirza	-		0.04	
Mr. Ravi Pandit	0.11		0.11	
Mr. Harsh Mariwala	0.09		0.08	
Mrs. Rajani Kesari	0.11		0.12	
Mr. Shyamak Tata	0.14		0.13	
Mr. Parag Shah	0.12		0.04	
Total		**0.93**		**0.91**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Commission paid				
Mr. Ashish Bhandari	5.60		5.20	
Mrs. Meher Pudumjee	0.53		0.53	
Mr. Pheroz Pudumjee	0.25		0.25	
Mr. Ravi Shankar Gopinath	0.30		0.30	
Mr. Harsh Mariwala	0.30		0.30	
Mr. Ravi Pandit	0.30		0.30	
Mrs. Rajani Kesari	0.25		0.25	
Mr. Shyamak Tata	0.40		0.40	
Mr. Parag Shah	0.25		0.08	
Total		**8.18**		**7.61**
Rent paid				
Thermax Instrumentation Limited	0.66		0.66	
Mrs. Anu Aga	0.62		0.60	
Total		**1.28**		**1.26**

Note - post-employment benefits and other long-term benefits for KMP have not been disclosed since the same is calculated for all employees of the company as a whole. There are no termination benefits paid to KMP.

	As at March 31, 2026		As at March 31, 2025	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Balances as at year end				
Trade receivables				
Thermax Inc., U.S.A.	90.06		42.82	
Thermax Babcock & Wilcox Energy Solutions Limited	66.69		44.87	
Thermax Bioenergy Solutions Private Limited	28.97		45.97	
Sub-total- individually significant parties		**185.72**		**133.66**
Others		27.31		44.28
Total		**213.03**		**177.94**
Advances given				
Thermax Babcock & Wilcox Energy Solutions Limited	28.89		21.00	
Thermax Instrumentation Limited	1.52		3.88	
Sub-total- individually significant parties		**30.41**		**24.88**
Others		2.45		0.02
Total		**32.86**		**24.90**
Loans given (Gross)				
Thermax Bio energy Solutions Private Limited	101.60		61.16	
First Energy Private Limited	97.64		-	
Total		**199.24**		**61.16**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

	As at March 31, 2026		As at March 31, 2025	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Trade payables				
Thermax Babcock & Wilcox Energy Solutions Limited	85.97		15.19	
Thermax Instrumentation Limited	4.08		9.48	
Thermax Inc., U.S.A.	2.10		6.11	
Sub-total- individually significant parties		**92.15**		**30.78**
Others		18.90		12.77
Total		**111.05**		**43.55**
Contract assets (net)				
Thermax Bioenergy Solutions Private Limited	3.88		2.38	
Thermax SDN. BHD	-		1.08	
Sub-total- individually significant parties		**3.88**		**3.46**
Others		0.22		0.53
Total		**4.10**		**3.99**
Contract liabilities (net)				
Thermax Babcock & Wilcox Energy Solutions Limited	22.91		22.32	
Thermax SDN. BHD	-		3.40	
Sub-total- individually significant parties		**22.91**		**25.72**
Others		1.55		0.43
Total		**24.46**		**26.15**
Security deposits placed				
Mrs. Anu Aga	0.53		0.53	
Total		**0.53**		**0.53**
Commission Payable				
Mrs. Meher Pudumjee	0.53		0.53	
Mr. Pheroz Pudumjee	0.25		0.25	
Mr. Ravi Shankar Gopinath	0.30		0.30	
Mr. Harsh Mariwala	0.30		0.30	
Mr. Ravi Pandit	0.30		0.30	
Mrs. Rajani Kesari	0.25		0.25	
Mr. Shyamak Tata	0.40		0.40	
Mr. Parag Shah	0.25		0.08	
Total		**2.58**		**2.41**
Other financial assets - Other receivables				
Thermax Vebro Polymers India Private Limited	0.30		2.78	
Thermax Babcock & Wilcox Energy Solutions Limited	24.35		7.02	
Thermax Bio energy Solutions Private Limited	10.20		3.30	
First Energy Private Limited	2.45		6.50	
Sub-total- individually significant parties		**37.30**		**19.60**
Others		6.95		3.60
Total		**44.25**		**23.20**

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

Particulars	As at March 31, 2026	As at March 31, 2025
First Energy Private Limited		
Balance outstanding	97.64	61.16
Maximum amount outstanding during the year	367.17	349.19
Thermax Bioenergy Solutions Private Limited		
Balance outstanding	101.60	-
Maximum amount outstanding during the year	101.60	-

K Terms and conditions of related party transactions

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.

The transactions with related parties (excluding relatives of KMPs) includes managerial remuneration which is determined based on market conditions and is approved by Nomination and Remuneration Committee of the Company.

Share-based payments include the perquisite value of stock incentives exercised during the year, determined in accordance with provisions of Income Tax Act, 1961.

There have been no guarantees provided or received for any related party receivables or payables except as disclosed in note 31.

In case of transactions with related parties during the year, the amounts are exclusive of applicable taxes.

As at year ended March 31, 2026, the Company has recorded an impairment of receivables amounting to Rs. 2.32 (March 31, 2025: Rs. 2.32) and impairment of loan amounting to Rs. 4.12 relating to amounts owed by related parties (March 31, 2025: 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

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

a) Category of financial instruments and valuation techniques

(i) Financial assets

Details of financial assets carried at amortised cost:

	As at March 31, 2026	As at March 31, 2025
Trade receivables	1,524.25	1,407.92
Loans	197.81	59.87
Investments	409.24	150.35
Other financial assets	269.35	66.76
Cash and cash equivalents	100.14	117.05
Other bank balances	78.27	3.25
Total	**2,579.06**	**1,805.20**
Current assets	1,974.59	1,784.14
Non-current assets	604.47	21.06
Total	**2,579.06**	**1,805.20**

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

Details of financial assets carried at fair value through profit or loss:

	As at March 31, 2026	As at March 31, 2025
Investments	718.87	1,192.70
Total	**718.87**	**1,192.70**
Current assets	590.22	1,145.05
Non-current assets	128.65	47.65
Total	**718.87**	**1,192.70**

The fair values of the quoted mutual funds are based on Net Asset Value as at the reporting date.

Details of financial assets carried at fair value through other comprehensive income:

	As at March 31, 2026	As at March 31, 2025
Investments	8.25	-
Total	**8.25**	**-**
Current assets	-	-
Non-current assets	8.25	-
Total	**8.25**	**-**

The equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Company considered this to be more relevant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Details of derivative assets:

	As at March 31, 2026	As at March 31, 2025
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	0.48	1.69
Derivative not designated as hedges		
Foreign exchange forward contracts	4.78	9.79
Total	**5.26**	**11.48**
Current assets	5.26	11.48
Non-current assets	-	-
Total	**5.26**	**11.48**

(ii) Financial liabilities

Details of financial liabilities carried at amortised cost

	As at March 31, 2026	As at March 31, 2025
Borrowings	125.16	84.51
Trade payables	1,420.84	1,154.08
Employee related payables	77.13	85.48
Other financial liabilities	17.44	28.82
Total	**1,640.57**	**1,352.89**
Current liabilities	1,617.33	1,275.37
Non-current liabilities	25.00	77.52
Total	**1,640.57**	**1,352.89**

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

Details of derivative liabilities

	As at March 31, 2026	As at March 31, 2025
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	37.40	0.10
Derivative not designated as hedges		
Foreign exchange forward contracts	23.71	5.34
Put option liability	0.98	0.98
Total	**62.09**	**6.42**
Current liabilities	62.09	6.42
Non-current liabilities	-	-
Total	**62.09**	**6.42**

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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, 2026:

	Date of valuation	Level 1	Level 2	Level 3
Financial assets				
Investments				
Equity instruments	March 31, 2026	-	-	-
Preference shares	March 31, 2026	-	-	8.25
Mutual funds	March 31, 2026	718.87	-	-
Derivative financial assets	March 31, 2026	-	5.26	-
Financial liabilities				
Derivative financial liabilities	March 31, 2026	-	62.09	-

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	-	-
Derivative financial assets	March 31, 2025	-	11.48	-
Financial liabilities				
Derivative financial liabilities	March 31, 2025	-	6.42	-

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.

c) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- For foreign currency forwards and principal swap - the present value of future cash flows based on the forward exchange rates at the balance sheet date;
- For other financial instruments - discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and level 2 except for unlisted equity securities, where the fair values have been determined based on discounting of future cash flows.

Since Investment in level 3 is insignificant, additional disclosues required for level 3 has not been provided.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

35

(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, 2026 and March 31, 2025. 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 a financial instrument 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, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not currently exposed significantly to such risk.

b Foreign currency risk

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	March 31, 2026				March 31, 2025			
	USD	EURO	JPY	GBP	USD	EURO	JPY	GBP
Financial assets								
Trade receivables	370.82	36.31	-	0.55	231.99	31.53	-	6.92
Cash and cash equivalents	0.05	-	-	-	17.89	-	-	-
Other receivables	91.13	1.20	-	-	62.02	0.00	-	-
Derivative assets								
Foreign exchange forward contracts - Sell foreign currency	1,361.49	112.62	-	3.91	944.35	97.73	-	8.25
Financial liabilities								
Bank loan	-	-	-	-	59.33	-	-	-
Trade payables	76.04	26.92	2.81	0.00	76.96	10.79	4.28	0.06
Derivative liabilities								
Foreign exchange forward contracts - Buy foreign currency	102.63	33.66	18.67	29.10	91.30	19.56	3.86	34.08
Net exposure to foreign currency risk - asset/ liability	**1,644.83**	**89.54**	**(21.48)**	**(24.64)**	**1,028.66**	**98.91**	**(8.14)**	**(18.97)**

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, JPY, GBP 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 other components of equity (pre-tax) 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
USD Sensitivity				
INR/USD - Increase by 5%	(8.17)	(19.97)	(39.18)	(13.64)
INR/USD - Decrease by 5%	8.17	19.97	39.18	13.64
JPY Sensitivity				
INR/JPY - Increase by 5%	(0.97)	0.02	-	-
INR/JPY - Decrease by 5%	0.97	(0.02)	-	-
GBP Sensitivity				
INR/GBP - Increase by 5%	(0.17)	(1.79)	-	-
INR/GBP - Decrease by 5%	0.17	1.79	-	-
EURO Sensitivity				
INR/EUR - Increase by 5%	(1.72)	(3.81)	(2.55)	-
INR/EUR - Decrease by 5%	1.72	3.81	2.55	-

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 THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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 investing activities, including deposits with banks, loans to related parties and investment at amortised cost.

Trade receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence and goodwill. Outstanding customer receivables are regularly monitored. The Company does not have a high concentration of credit risk to a single customer forming part of a Company exceeding 10% of company revenue. While cash and cash equivalents are also subject to the impairment requirements of Ind AS 109, the Company has not identified impairment loss in view of banks having high credit rating. In respect of security deposits and other financial assets, the risk of financial loss on account of credit risk is not expected to be material to the financial statements.

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. The Company has a detailed review mechanism of overdue customer receivables at various levels within the organisation.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The provision matrix takes into account a continuing credit evaluation of Company's customers' financial condition; aging of trade accounts receivable; the value and adequacy of security received from the customers in certain circumstances (if any); the Company's historical loss experience; and adjustment based on forward looking information The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the macroeconomic factors of the

countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Impairment losses on trade receivables and contract assets are presented as net impairment losses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Bank deposits and other financial instruments

Credit risk from balances with banks, mutual funds and other financial instruments like derivative contracts 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, 2026 and March 31, 2025 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 standalone financial statements.

Loans to related parties

The Company considers the probability of default upon initial recognition of loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the loan as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Loss allowance recognised as at March 31, 2026 - Rs. 4.12 (March 31, 2025 - Rs. 4.12).

Debt instruments (excluding loans to related parties)

All of the entity's debt instruments (preference shares and security deposits) at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed instruments to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to have low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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

March 31, 2026	< 1 year	1 to 3 years
Non-derivative		
Borrowings	100.16	25.00
Trade payables	1,420.84	-
Other financial liabilities		
Unpaid dividend	0.59	-
Lease obligation	1.77	3.53
Other payables	93.93	-
Liability towards employee separation scheme	0.05	-
Derivatives (net settled)		
Put option liability	0.98	-
Foreign exchange forward contracts	61.11	-

March 31, 2025	< 1 year	1 to 3 years
Non-derivative		
Borrowings	59.51	25.00
Trade payables	1,101.56	52.52
Other financial liabilities		
Unpaid dividend	0.57	-
Lease obligation	1.69	5.30
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	-

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2026	As at March 31, 2025
Expiring within one year (bank overdraft and other facilities)	800.00	940.00
Expiring beyond one year (bank loans)	-	-

The bank overdraft facilities might be drawn at any time. Subject to the continuance of satisfactory credit ratings, the bank loan facilities might be drawn at any time in Rs. 800 crore (March 31, 2025: Rs. 940) and have an average maturity of 12 months (March 31, 2025: 12 months). The working capital limits are secured by hypothecation of current assets, including inventories and trade receivables.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

35

(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, GBP and forecast purchases in USD, JPY, GBP, EUR. These forecast transactions are firm commitments and cover the Company's expected future sales and future purchases based on the orders received.

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

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign exchange forward contracts designated as hedging instruments	0.48	(37.40)	1.69	(0.10)

The terms of the foreign currency forward contracts match the terms of the firm committments. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss. Notional amounts of hedged items mentioned as assets for export transaction and as liabilities for import transactions, are as mentioned below:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges				
Foreign exchange forward contracts	820.32	(31.00)	270.73	-
Derivatives not designated as hedges				
Foreign exchange forward contracts	657.91	(162.43)	779.61	(149.85)

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Expected future sales	Expected future purchases	Expected future sales	Expected future purchases
Unrealised gain/(loss)	(30.38)	-	1.79	-
Deferred tax asset/(liability)	7.65	-	(0.45)	-
	(22.73)	**-**	**1.34**	**-**

The amounts retained in OCI at March 31, 2026 are expected to mature and affect the Standalone Statement of Profit and Loss during the year ending March 31, 2027.

Reclassifications to profit or loss during the year gains or losses included in OCI are shown in note 29.

a) Disclosure of effects of hedge accounting on financial position:

March 31, 2026:

Type of hedge and risks	Nominal value	Carrying amount of Hedging Instruments Assets/ (Liabilities)	Maturity date	Hedge ratio	Weighted average strike Price	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Foreign currency risk							
Foreign exchange forward contracts - GBP	29.10	0.54	Oct-26	1.1	125.13	0.54	(0.54)
Foreign exchange forward contracts - Euro	49.10	(1.27)	Jun 26 to Dec 26	1.1	108.82	(1.27)	1.27
Foreign exchange forward contracts - USD	772.41	(36.05)	Apr 26 to Apr 27	1.1	91.90	(35.15)	35.15

March 31, 2025:

Type of hedge and risks	Nominal value	Carrying amount of Hedging Instruments Assets/ (Liabilities)	Maturity date	Hedge ratio	Weighted average strike Price	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Foreign currency risk							
Foreign exchange forward contracts - USD	273.94	0.90	Apr 25 to Mar 26	1.1	87.04	0.43	(0.43)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

36 KEY FINANCIAL RATIOS

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance
Current ratio	Current assets	Current liabilities	1.26	1.42	-11%
Debt-Equity ratio	Total debt (including current maturities of long term borrowings and lease liabilities)	Shareholder's Equity	0.03	0.02	50%
Debt service coverage ratio	Earnings available for debt service ^	Debt service*#	36.81	23.10	59%
Return on equity ratio	Profit after tax and exceptional items	Average Shareholder's Equity	15.46%	15.25%	1%
Inventory turnover ratio	Cost of goods sold	Average inventories	8.26	9.00	-8%
Trade receivable turnover ratio	Revenue from contracts with customers	Average trade receivables	4.45	4.27	4%
Trade payables turnover ratio	Total supplier purchases	Average trade payables	4.05	4.34	-7%
Net capital turnover ratio	Revenue from contracts with customers	Working capital**	6.55	5.91	11%
Net profit ratio	Profit after tax and exceptional items	Revenue from contracts with customers	9.94%	9.20%	8%
Return on capital employed (ROCE)	Profit before tax and exceptional items plus finance cost	Capital employed***	16.57%	16.53%	0%
Return on investment (ROI)	Annualised return Category wise	Investment amount multiplied by category wise weights	7.39%	8.34%	-11%

Explanations for variation more than 25%

Debt-Equity ratio - Debt-Equity ratio has been increased on account of additional short term borrowings taken during the year

Debt service coverage ratio - Debt service coverage ratio has increased by 59% on account of repayment of borrowings in the current year

^Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of PPE etc.

*Interest and lease payments + principal repayments

#Current and non current borrowings + non-current lease liabilities + current lease liabilities + interest & lease payments paid

**Average of total current assets - total current liabilities

***Tangible Net Worth + Total Debt + Deferred Tax Liability

37 TRANSACTIONS WITH STRUCK OFF COMPANIES

There are no shares held in struck off companies. For the year ended March 31, 2026, and March 31, 2025 there are no transactions with struck off companies and no balances are outstanding as on year end.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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:

Particulars	As at March 31, 2026		As at March 31, 2025	
	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	34,763	15.25	41,699	15.25
Granted during the year	14,158	15.25	12,898	15.25
Forfeited during the year	-	15.25	636	15.25
Exercised during the year	8,725	15.25	19,198	15.25
Lapsed during the year	1,667	-	-	-
Options outstanding at the end of year	38,529	15.25	34,763	15.25
Options vested and exercisable at the end of the year	11,644	15.25	2,972	15.25

The weighted average remaining contractual life is as follows:

Exercise Price per Option	As at March 31, 2026		As at March 31, 2025	
	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 - 4.41	38,529	Ranging between 1.83 - 4.28	34,763

The fair value of each option is estimated on the date of grant using Black-Scholes model with the following assumptions:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The fair value of each option is estimated on the date of grant using Black-Scholes model with the following assumptions:

Particulars	As at March 31, 2026	As at March 31, 2025
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 - 4,485.35
3. Weighted average fair value of options granted (Rs.)	Ranging between 2,107.61 - 4,384.98	Ranging between 2,107.61 - 4,384.98
4. Expected life of the option (years)	3.5-5.5	3.5-5.5
5. Risk free interest rate (%)	Ranging between 6.41% - 7.56%	Ranging between 6.41% - 7.56%
6. Expected volatility (%)	Ranging between 12.86% - 15.01%	Ranging between 12.86% - 14.09%
7. Dividend yield (%)	Ranging between 0.42% - 0.48%	Ranging between 0.47% - 0.48%

The Company recorded an employee compensation cost of Rs. 4.50 (March 31, 2025: Rs. 5.43) in the Standalone 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.

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, 2026 and March 31, 2025. Capital represents equity attributable to equity holders of the Company.

The Company monitors capital using a gearing ratio which is net debt/obligation dividend by total equity. The Company's policy is to keep the gearing ratio optimum.

	As at March 31, 2026	As at March 31, 2025
Borrowings	125.16	84.51
Lease liabilities	6.51	5.29
Less: Cash and cash equivalents and deposits with maturity of more than 3 months but less than 12 months*	(177.82)	(119.73)
Net (surplus)/debt	**(46.15)**	**(29.93)**
Equity	4,427.09	3,967.76
Capital and net debt	**4,380.94**	**3,937.83**
Gearing ratio**	**NA**	**NA**

*It does not include balance in unpaid dividend

**Gearing ratio is not calculated as the cash and cash equivalents is higher than the lease liabilities and borrowings

Also refer note 15 (b)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

40 EXCEPTIONAL ITEMS

Accounting policy

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such items are disclosed separately as exceptional item (loss)/gain.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Statutory impact of new Labour Codes*	(14.47)	-
Impact with respect to ongoing litigation**		
a. Reversal of provision for litigation	50.63	-
b. Interest on deposit	31.62	-
Impairment of investment in subsidiaries - Reversal/(charge)***		
Thermax Bioenergy Solutions Private Limited	(30.00)	-
Thermax Netherlands B.V.	50.06	93.73
Exceptional items (net)	**87.84**	**93.73**

*Effective 21 November 2025, The Government of India consolidated multiple existing labour legislations into a unified framework comprising of four Labour Codes collectively referred to as the 'New Labour Codes'. Under Ind AS 19 - " Employee benefits ", changes to employee benefit plans arising from legislative amendments constitute a plan amendment, requiring recognition of past service cost immediately in the Statement of Profit and Loss.

The Company assessed and disclosed the incremental impact of the New Labour Codes of Rs. 14.47 on standalone financial statements, primarily arising due to change in definition of wages and the recognition of such past service costs. Considering materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such past service costs as "Statutory impact of new Labour Codes" under "Exceptional Items" in the standalone financial statements for the year ended March 31, 2026. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

**The Company was involved in a dispute with a customer, against which an arbitral award of Rs. 218.45 (including interest) was passed in June 2023. The Company challenged this award before the Bombay High Court and, pursuant to a stay, deposited Rs. 50.63 with the customer (refundable with interest based on the outcome). A provision of Rs. Nil (March 31, 2025: Rs. 50.63) was recognised based on independent legal advice; no provision was deemed necessary for the balance.

On December 9, 2025, the High Court set aside the arbitral award and directed the customer to refund the entire deposit of Rs. 218.45 with interest at 6% p.a. The customer's special leave petition for stay was dismissed by the Supreme Court on February 16, 2026. The Company accordingly received the full deposited amount along with interest of Rs. 31.62 on March 12, 2026. The Company has presented reversal of provision and interest under "Exceptional Item" in the standalone financial statements for the year ended March 31, 2026.

The customer has since filed an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 before the Division Bench of the High Court. Based on legal advice, the Company remains reasonably confident of a favourable outcome. Also, refer note 30.

***Basis the assessment performed by the Management of the recoverable value of the assets taking into consideration the current market scenario and performance of certain subsidiaries, the Company has accounted for impairment reversal/(charge) on investments in certian subsidiaries.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

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; under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (formally the Benami Transaction (Prohibition) Act, 1988 (45 of 1988)) and Rules made there under.

(ii) The Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous 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 wilful defaulter by any bank or financial institution or government or any government authority.

(vi) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(vii) The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

(viii) Other than as disclosed in Note 31(B), the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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.

(ix) The Company has not received any funds from any person or entity, 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 to or on behalf of the ultimate beneficiaries.

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

(xi) The Group, as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 has 1 (One) Core Investment Company as part of the Group.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(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 maintains its books of account using multiple accounting software that is equipped with an audit trail facility. The audit trail feature was operational throughout the year and has been enabled for all relevant transactions recorded in the software. However, the audit trail feature:

i. For one accounting software audit trail at application layer was not enabled till May 22, 2025 and audit trail at the database level does not capture pre-modified values;

ii. For one accounting software audit trail was not enabled at database layer till June 30, 2025 and thereafter audit trail at the database level does not capture pre-modified values.

No instances of tampering with the audit trail feature were identified in respect of any of the accounting software reviewed. With regard to prior periods, the audit trail has been preserved in accordance with statutory record retention requirements, to the extent it was enabled and recorded in the respective years.

44 CHANGES IN GROUP STRUCTURE

(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 in TSA subject to certain conditions precedents to the SPA. The Company had completed the acquisition of 51% equity shares in 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.

TSA Process Equipments 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) In the previous year, the Company had entered into Share Purchase Agreement ("SPA") with Buildtech Products India Private Limited (“Buildtech”) and its Promoters on October 25, 2024 for acquiring 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 subject to completion of certain conditions precedent mentioned in the SPA. Accordingly, Buildtech has become a wholly owned subsidiary of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

The Board of Directors of the Company, at its meeting held on October 17, 2025, approved a Scheme of Merger by Absorption of Buildtech, with and into the Company, subject to requisite approvals from the Hon'ble National Company Law Tribunal and other regulatory authorities, as may be required. The merger shall be accounted for as a common control business combination in accordance with Appendix C to Ind AS 103 - "Business Combinations". The Scheme will not have any impact on the consolidated financial statements of the Company and will not result in any change in its shareholding pattern or control.

(c) In the previous year, 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.

(d) During the year, the Company subscribed to its entitlement in a rights issue offered by its subsidiary, Thermax Bioenergy Solutions Private Limited (TBSPL). Pursuant to the allotment, the Company's shareholding in TBSPL increased from 65% to 76.97%. On August 13, 2025, the Company entered into a Share Purchase Agreement with Everenviro Resource Management Private Limited to acquire the balance 23.03% shareholding in TBSPL. Pursuant to the completion of this transaction, TBSPL has become a wholly owned subsidiary of the Company effective August 20, 2025.

(e) February 27, 2026, the Company has entered into a Share Subscription and Share Purchase Agreement and a Shareholders' Agreement with ExactSpace Technologies Private Limited (ExactSpace), its Promoters and existing investors to acquire an additonal stake 35.83% (on a fully diluted basis) in ExactSpace. Accordingly, upon completion of the transaction dated April 09, 2026, ExactSpace has become a subsidiary of the Company.

45 All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated. Amounts below rounding off norm followed by the Company are disclosed as "0".

46 OTHER ACCOUNTING POLICIES

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.

Dividend

Dividend is recgonised when the Company's right to receive the payment is established.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

47 Previous period figures have been regrouped/reclassified to conform to current year's classification. These mainly include:

Particulars	Previously reported amount - Year ended March 31, 2025	Effect of reclassification				Revised Amount
		Contract assets presented on the face of balance sheet	Retention monies reclassified to Contract assets	Offsetting of contract assets and contract liabilities	Other reclassifications	
Contract Assets (Current)	-	336.43	220.43	(327.85)	-	229.01
Other financial assets (Current)	382.08	(336.43)	-	-	23.20	68.85
Trade Receivables (Current)	1,651.55	-	(220.43)	-	(23.20)	1,407.92
Contract assets (Non-current)	-	-	142.46	-	-	142.46
Trade Receivables (Non-current)	142.46	-	(142.46)	-	-	-
Other liabilities (Current)	1,583.89	-	-	(327.85)	-	1,256.04

As per our report of even date attached
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 07, 2026

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 07, 2026

Sangeet Hunjan
Company Secretary
M. No. A23218

Notes

Notes

Notes



Corporate Office

Thermax House,
14 Mumbai - Pune Road,
Wakdewadi, Pune - 411 003
www.thermaxglobal.com

Concept, content and design at stirrup | whatsup@stirrup.works