

Corporate Governance Report

1. Thermax's Philosophy on Corporate Governance

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

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

Empowered by the Board, the company's key management officials implement policies and guidelines related to corporate governance. The corporate governance framework is guided by the core values of the company and is based on the principles as below.

Further, this year, the company has added ESG (Environmental, Social, Governance) since these three elements are at the heart of what Thermax stands for, apart from energy. It has been practiced for many years and will continue to strengthen the value system of the

company as it continues to become greener, embody the social compact and uphold the standards of governance in all that it does.

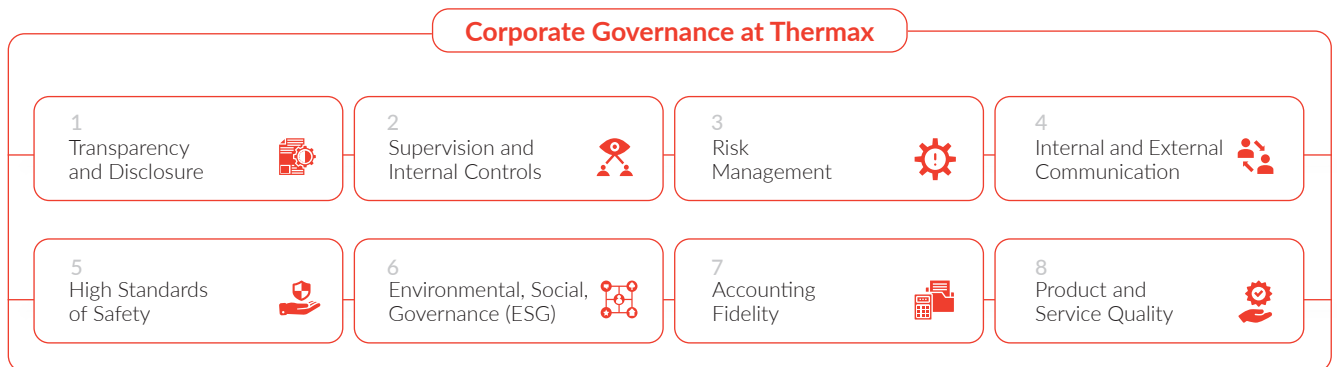
2. Board of Directors

The Board of the company comprises nine directors – two non-executive promoter directors, six independent directors and the executive director.

A. Composition of the Board

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

The table on the next page gives the composition of the Board and inter alia the directorships held by each of the directors of the company at the end of the financial year 2020-21.



Name of the Director	Pecuniary or Business Relationship with the Company	Number of Directorships @	Committee Position #		Number of Shares held in the Company
			Chairperson	Member	
NON-EXECUTIVE PROMOTER					
Meher Pudumjee	None except*	2	0	1	-
Pheroze Pudumjee	None except*	1	1	2	6,000
INDEPENDENT					
Dr. Valentin A. H. von Massow	None	1	0	0	-
Dr. Jairam Varadaraj	None	10	1	7	-
Nawshir Mirza	None	2	2	2	189
Harsh Mariwala	None	6	0	1	-
S. B. (Ravi) Pandit	None	4	0	1	-
Rajani Kesari	None	2	0	1	-
EXECUTIVE					
Ashish Bhandari ^	N.A.	3	0	1	-

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

Includes only Audit Committee and Stakeholders' Relationship Committee

^ M.S. Unnikrishnan ceased to be the Managing Director and Chief Executive Officer effective August 31, 2020, upon completion of tenure. Ashish Bhandari was appointed as the Joint Managing Director effective June 18, 2020, and later as the Managing Director and Chief Executive Officer effective September 1, 2020

* During the year, the company has paid Rs. 10,90,600/- to Meher Pudumjee as rent for premises taken on lease. The company has paid Rs. 10,90,600/- to Pheroze Pudumjee, as rent for premises taken on lease and maintained Rs. 18,00,000/- as the security deposit

The company has also paid Rs. 13,00,000/- as rent for premises taken on lease and given security deposit of Rs. 35,00,000/- to Anu Aga (promoter and relative of Meher Pudumjee, Chairperson of the company).

Attendance and Remuneration of each Director during the Financial Year 2020-21

Name of the Director	Whether attended last AGM held on August 12, 2020	Total Attendance at Board Meetings	Sitting Fees*	Salary and Perquisites	Commission †	Total Remuneration
(Amount in Rs.)						
Meher Pudumjee	Yes	6	7,00,000	NA	40,50,000	47,50,000
Dr. Valentin A. H. von Massow	Yes	5	7,00,000	NA	29,33,676@	36,33,676
Pheroze Pudumjee	Yes	6	10,00,000	NA	18,00,000	28,00,000
Dr. Jairam Varadaraj	Yes	5	9,00,000	NA	13,50,000	22,50,000
Nawshir Mirza	Yes	6	7,00,000	NA	31,50,000	38,50,000
Harsh Mariwala	Yes	5	4,00,000	NA	18,00,000	22,00,000
S. B. (Ravi) Pandit	Yes	6	5,50,000	NA	13,50,000	19,00,000
Rajani Kesari	Yes	6	6,50,000	NA	13,50,000	20,00,000
M.S. Unnikrishnan #	Yes	2	NA	14,81,54,035	-	14,81,54,035
Ashish Bhandari #	Yes	5	NA	5,64,06,586	1,75,00,000	7,39,06,586

NA = Not applicable

* Sitting fees also include payments for Board appointed committee meetings

† The commission proposed for the year ended March 31, 2021, will be paid, subject to deduction of tax and as per the provisions of the Companies Act, 2013

© Euro 34,200 (rate as on March 31, 2021 is Rs. 85.78 per Euro)

M.S. Unnikrishnan ceased to be the Managing Director and Chief Executive Officer effective August 31, 2020, upon completion of tenure. Ashish Bhandari was appointed as the Joint Managing Director effective June 18, 2020, and later as the Managing Director and Chief Executive Officer effective September 1, 2020

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

B. Number of Meetings of the Board held during the Year and the Dates of Meetings

The Board met six times during the financial year 2020-21 on the dates - June 18, 2020, August 12, 2020, October 31, 2020, November 4, 2020, February 3, 2021, and March 12, 2021. The maximum time gap between any two sequential meetings was not more than 120 days.

C. Confirmation and Certification from Practising Company Secretary

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

D. Details of Directorships held in Listed Entities as on March 31, 2021

Sr. No.	Name of the Director	Name of Listed Entity	Category
1	Meher Pudumjee	Thermax Limited	Chairperson & Non-Executive Director
2	Pheroze Pudumjee	Thermax Limited	Non-Executive Director
3	Ashish Bhandari	Thermax Limited	Executive Director
4	Nawshir Mirza	Thermax Limited	Independent Director

5	Jairam Varadaraj	Elgi Equipments Limited	Managing Director
		Precot Meridian Limited	Independent Director
		Magna Electro Castings Limited	Independent Director
		Elgi Rubber Company Limited	Non-Executive Director
		Thermax Limited	Independent Director
6	Dr. Valentin von Massow	Thermax Limited	Independent Director
7	Harsh Mariwala	Marico Limited	Chairman & Non-Executive Director
		Kaya Limited	Chairman & Managing Director
		Zensar Technologies Limited	Independent Director
		JSW Steel Limited	Independent Director
		Thermax Limited	Independent Director
8	S.B. (Ravi) Pandit	KPIT Technologies Limited	Whole-Time Director
		Thermax Limited	Independent Director
9.	Rajani Kesari	Thermax Limited	Independent Director

E. Disclosure of the Relationship Between Directors Inter se

Meher Pudumjee and Pheroze Pudumjee are related to each other.

F. Familiarisation Programme Imparted to Independent Directors

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

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

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

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

G. Board Independence

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

are independent of the management.

All independent directors except Dr. Valentin A.H. von Massow 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. Necessary application has been made to the MCA for condonation of delay for registration of Dr. Valentin A.H. von Massow with ID databank.

H. Independent Directors' Meeting

During the year under review, the independent directors met once on February 3, 2021, where all independent directors were present *inter alia* to review the performance of the Board, chairperson and non-independent directors of the company. They also reviewed the quality, quantity, timelines and flow of information between the management and the Board. The meeting was chaired by the Nomination and Remuneration Committee Chairman.

I. Board Evaluation

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

J. Board Support

The company secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The company secretary is also responsible for preparation of the agenda and convening of the Board and Committee meetings. The company secretary attends all the meetings of the Board and its Committees, in the capacity of Secretary of the Committees. The company secretary advises/assures the Board and its Committees on compliance and governance principles and ensures appropriate recording of minutes of the meetings. With a view to leverage technology and reduce paper consumption, the company has adopted a web-based application for transmitting Board/Committee agenda and pre-reads. The directors of the company receive the agenda and pre-reads in

electronic form through this application, which can be accessed through browsers or other electronic devices. The application meets high standards of security and

integrity that are required for storage and transmission of the Board/Committee agenda and pre-reads in electronic form.

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

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

Name of the Director	Industry Knowledge	Leadership	Expertise & Experience in Finance	Strategy & Planning	Board Governance	Mergers & Acquisitions	Exposure in Policy Shaping and Industry Advocacy	Sales & Marketing	Technology
Meher Pudumjee	✓	✓	-	✓	✓	-	-	-	-
Pheroz Pudumjee	✓	✓	-	✓	✓	-	-	✓	✓
Ashish Bhandari	✓	✓	✓	✓	✓	✓	✓	✓	✓
Harsh Mariwala	-	✓	✓	✓	✓	✓	-	✓	-
Dr. Valentin A.H. von Massow	✓	-	-	✓	-	-	-	-	-
Nawshir Mirza	✓	✓	✓	✓	✓	✓	✓	✓	-
S.B. (Ravi) Pandit	-	✓	✓	✓	✓	✓	-	-	✓
Dr. Jairam Varadaraj	-	✓	-	✓	✓	✓	-	✓	-
Rajani Kesari	✓	✓	✓	✓	✓	✓	-	-	-

3. Board Committees

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



A. Audit Committee

The Audit Committee (“the committee”) comprises three independent directors and a non-executive director as on March 31, 2021

1. Nawshir Mirza - Chairman
2. Pheroz Pudumjee

3. Dr. Jairam Varadaraj

4. Rajani Kesari

The committee met five times during the financial year 2020-21, which is more than the requirement of the Companies Act, 2013, and the Listing Regulations.

Attendance details of the committee are as follows:

Name of the Member	Audit Committee Meeting dates					Held during the Tenure	Attended	% of Attendance
	June 4, 2020	June 16, 2020	August 11, 2020	November 3, 2020	February 2, 2021			
Nawshir Mirza						5	5	100%
Pheroz Pudumjee						5	5	100%
Dr. Jairam Varadaraj						5	5	100%
Rajani Kesari						5	5	100%

The constitution of the committee meets the requirements of Section 177 of the Companies Act, 2013, and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

The internal auditor presents to the committee, observations and recommendations arising out of internal audits and also on issues having an impact on the control system and compliance. The chief financial officer, chief internal auditor and the representatives of statutory auditors are permanent invitees and attend all the meetings of the committee. The company secretary acts as the secretary to the committee.

The Board has approved the charter of the Audit Committee defining its role, responsibilities, powers and processes as amended pursuant to the SEBI (LODR) Regulations, 2015. The charter is available on the company’s website: www.thermaxglobal.com.

















The terms of the charter broadly include:

- Overseeing the processes that ensure the integrity of financial statements
- Overseeing the processes for compliance with laws and regulations to ensure their effectiveness

- Approving transactions with related parties
- Enquiring into reasons for any default by the company in honouring its obligations to its creditors and members
- Overseeing the quality of internal accounting and other controls
- Overseeing the quality of the financial reporting process, including the selection of accounting policies
- Ensuring the independence of the auditor
- Recommending to the Board the appointment and remuneration of the auditors
- Scrutinising inter-corporate loans and investments
- Monitoring the end use of funds raised through public offers, if any
- Conducting the valuation of any undertaking or asset of the company
- Structure the internal audit function and to approve the appointment of the Chief Internal Auditor
- Bringing to the notice of the Board any lacunae in the code of conduct
- Reviewing with the CEO and the CFO of the company the underlying process followed by them in their annual certification to the Board
- Approving the appointment of the CFO

- Recommending to the Board the appointment and remuneration of the secretarial and cost auditors
- Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments
- Review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015
- Verify internal control system to prevent insider trading are adequate and are operating effectively

Attendance details of the committee are as follows:

Name of the Member	Nomination & Remuneration Committee Meetings			Held during the Tenure	Attended	% of Attendance
	June 17, 2020	November 2, 2020	February 2, 2021			
Harsh Mariwala				3	3	 100%
Dr. Jairam Varadaraj				3	3	 100%
Dr. Valentin A.H. von Massow				3	3	 100%
Meher Pudumjee				3	3	 100%

The constitution of the committee meets the requirements of Section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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 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

B. Nomination & Remuneration Committee

The Nomination and Remuneration Committee ("the committee") comprises three independent directors and one non-executive director as on March 31, 2021.

1. Harsh Mariwala - Chairman
2. Dr. Jairam Varadaraj
3. Dr. Valentin A.H. von Massow
4. Meher Pudumjee

The committee met thrice during the financial year 2020-21, which is more than the requirement of the Companies Act, 2013, and the Listing Regulations.

- Evaluate the need for EDs and recommend their appointment
- Identify all critical positions in the company among the EDs and senior management and review the progress of succession plans
- Recommend to the Board, the policy relating to the remuneration of directors and key management personnel
- Lay down criteria for selecting new Non-Executive Directors (NEDs) based on the requirements of the organisation
- Carry out evaluation of the performance of NEDs and define the system for linking it to their remuneration
- Review the succession plan for those NED positions that are likely to be vacant during the year
- Recommend to the Board, the appointment and removal of directors
- Review and approve, the annual compensation of the organisation, including a benchmarking with other companies
- Ensure periodic meeting of the senior management with the directors

- Initiate and review employee engagement surveys
- Review and approve the code of conduct for the company
- Review and approve the disclosures of the committee in the Annual Report
- Formulate policies related to human resources, including diversity

Details of Remuneration

• Non-Executive Directors

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

The Nomination & Remuneration Committee (NRC) of the Board has framed a policy on selection and the appointment of directors and their remuneration. Based on the recommendation of the NRC, the Board has approved the policy, which forms the basis for the remuneration of directors for the year 2020-21. The policy broadly consists of:

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

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

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

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

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

• Managing Director & CEO

The company's Board at present comprises one Executive Director, namely, Ashish Bhandari, who was appointed as Managing Director & CEO effective September 1, 2020, for a period of five years. The remuneration of the managing director is governed by the agreement dated February 4, 2020, between the company and Ashish Bhandari, which has been approved by the Board of Directors and the shareholders. The remuneration broadly comprises fixed and variable components, i.e. salary, allowances, perquisites and other benefits. The variable component comprises a performance bonus. The NRC has recommended a remuneration policy for the appointment of directors and their remuneration which has been approved by the Board. As per the policy, while determining remuneration payable to the Managing Director & CEO, the following factors are considered:

- The clarity of the relationship between remuneration and performance
- Balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the company and its goals
- Responsibilities required to be shouldered by the Managing Director & CEO as per industry benchmarks and current trends
- 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 committee") comprises one independent director and two non-executive directors and an executive director as members as on March 31, 2021:

1. Pheroj Pudumjee - Chairman
2. Meher Pudumjee
3. Ashish Bhandari
4. S.B. (Ravi) Pandit

Attendance details of the committee are as follows:

Name of the Member	Stakeholders' Relationship Committee Meetings				Held during the Tenure	Attended	% of Attendance
	June 18, 2020	August 7, 2020	November 4, 2020	February 1, 2021			
PheroZ Pudumjee					4	4	 100%
Meher Pudumjee					4	4	 100%
Ashish Bhandari*	NA	A			3	2	 67%
M.S. Unnikrishnan*		A	NA	NA	2	1	 50%
S.B. (Ravi) Pandit					4	4	 100%

N.A. - Not Applicable

A - Absent

* On completion of tenure as the Managing Director and Chief Executive Officer, M.S. Unnikrishnan ceased to be a member of the committee effective August 31, 2020. Further, Ashish Bhandari was inducted as the member of the committee effective June 18, 2020.

The constitution of the committee meets the requirements of Section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The broad terms of reference of the committee are:

- To approve and register transfer and/or transmission of shares
- To approve dematerialisation and rematerialisation of the company's shares
- To affix or authorise affixing of the common seal of the company on the share certificates
- To look into the shareholders/investors/debenture holders/security holders grievances and redress them
- To review measures taken for 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 timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers

The committee reviews the performance of KFin Technologies Private Limited (*erstwhile Karvy Fintech Private Limited*), the company's Registrar and Transfer Agent (RTA) and also recommends measures for overall improvement for better investor services. The committee

specifically looks into complaints of shareholders and investors pertaining to transfer/ transmission of shares, non-receipt of share certificates, non-receipt of dividend, etc.

Procedure of Share Transfer

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

Summary of Complaints during FY 2020-21

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	0	0	Nil
Total	Nil	0	0	Nil

Shares Transferred to IEPF

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

Education and Protection Fund (IEPF) authority.

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

In accordance with the IEPF rules and its amendments, the company has sent notices to the shareholders whose shares were due to be transferred to IEPF authority and whose email id was registered with the company. Simultaneously, an advertisement was published in the newspapers.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016/Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, total 7,451 shares of 19 shareholders of the company were transferred on September 29, 2020, to the IEPF.

Compliance Officer

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

D. Corporate Social Responsibility (CSR) Committee

The CSR Committee (“the committee”) comprises two independent directors and a non-executive director as members as on March 31, 2021:

1. Meher Pudumjee - Chairperson
2. Nawshir Mirza
3. S.B. (Ravi) Pandit

The committee met once during the financial year 2020-21 on April 23, 2020, where all the members were present.

The constitution of the committee meets the requirements of Section 135 of the Companies Act, 2013.

The broad terms of reference of this committee are:












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

E. Risk Management Committee

The Risk Management Committee (“the committee”) comprises three independent directors and a non-executive director as on March 31, 2021:

1. Nawshir Mirza - Chairman
2. Pheroz Pudumjee
3. Dr. Jairam Varadaraj
4. Rajani Kesari

Attendance details of the committee are as follows:

Name of the Member	Risk Management Committee Meeting		Held during the Tenure	Attended	% of Attendance
	July 1, 2020	November 19, 2020			
Nawshir Mirza			2	2	 100%
Pheroz Pudumjee			2	2	 100%
Dr. Jairam Varadaraj			2	2	 100%
Rajani Kesari			2	2	 100%

The constitution of the committee meets the requirements of Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The purpose of the risk management committee is to assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks. The risk management committee has the overall responsibility of

monitoring and approving the risk policies and associated practices of the company.

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

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

- To assist the Board in identifying existential risks and reviewing the mitigation and elimination plans for those
- To assess and examine 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

Board is to review and guide the strategic initiatives of the company.

The committee comprises two independent directors, two non-executive directors and an executive director as on March 31, 2021:

1. Dr. Valentin A.H. von Massow - Chairman
2. Pheroz Pudumjee
3. Meher Pudumjee
4. Dr. Jairam Varadaraj
5. Ashish Bhandari

F. Strategic Business Development Committee

The primary objective of the Strategic Business Development Committee (“the committee”) of the

Attendance details of the committee are as follows:

Name of the Member	Strategic Business Development Committee Meetings			Held during the Tenure	Attended	% of Attendance
	August 10, 2020	October 19, 2020	January 5, 2021			
Dr. Valentin A.H. von Massow				3	3	 100%
Pheroz Pudumjee				3	3	 100%
Meher Pudumjee				3	3	 100%
Dr. Jairam Varadaraj				3	3	 100%
Ashish Bhandari *				3	3	 100%
M.S. Unnikrishnan *		NA	NA	1	1	 100%

N.A. - Not Applicable

* On completion of tenure as the Managing Director and Chief Executive Officer, M.S. Unnikrishnan ceased to be a member of the committee effective August 31, 2020. Further, Ashish Bhandari was inducted as the member of the committee effective June 18, 2020.

The broad terms of reference of the committee are:

- Review and recommend corporate strategy, including corporate brand and M&A
- 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

G. International Investment Committee

The International Investment Committee (“the committee”) comprises an independent director, a non-executive director and an executive director as on March 31, 2021:

1. Pheroz Pudumjee – Chairman
2. Dr. Valentin A.H. von Massow
3. Ashish Bhandari

Attendance details of the committee are as follows:

Name of the Member	International Investment Committee Meetings			Held during the Tenure	Attended	% of Attendance
	August 11, 2020	October 16, 2020	February 2, 2021			
Pheroz Pudumjee				3	3	100%
Dr. Valentin A.H. von Massow				3	3	100%
Ashish Bhandari *				3	3	100%
M.S. Unnikrishnan *		NA	NA	1	1	100%

N.A. - Not Applicable

* On completion of tenure as the Managing Director and Chief Executive Officer, M.S. Unnikrishnan ceased to be a member of the committee effective August 31, 2020. Further, Ashish Bhandari was inducted as the member of the committee effective June 18, 2020.

The broad terms of reference of the committee are:

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

4. Annual General Meeting

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

Financial Year	Date	Venue	Time
2017-2018 (37 th AGM)	August 8, 2018	Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan Complex, Baner Road, Pune-411 007	4.00 p.m.
2018-2019 (38 th AGM)	August 8, 2019	Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan Complex, Baner Road, Pune-411 007	4.00 p.m.
2019-2020 (39 th AGM)	August 12, 2020	Through Video Conferencing	4.00 p.m.

B. Postal Ballot

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

C. Special Resolution(s) Passed

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

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

5. Means of Communication

- The company publishes the quarterly and yearly financial results in prominent English and regional language newspapers. The same are also displayed on its website.
- The company's corporate website: www.thermaxglobal.com provides comprehensive information regarding the company's business portfolio, including CSR activities. The quarterly and yearly financial results are available in downloadable format for investors' convenience on the company's website. The Annual Report of the company is

also available on the website in a user-friendly and downloadable form.

- c) Transcripts of teleconferences with analysts are available on the website of the company
- d) The official news releases of the company are displayed on its website

6. Shareholder Information

A. 40th Annual General Meeting for the FY 2020-21

Date and time	Friday, August 6, 2021 at 4.00 p.m.
Venue	Through Video Conferencing

B. Financial Calendar

The financial results for FY 2020-21 were announced on:

Financial Results	As Indicated	Actual Date
Quarter ended June 2020	August 12, 2020	August 12, 2020
Quarter ended September 2020	November 4, 2020	November 4, 2020
Quarter ended December 2020	February 3, 2021	February 3, 2021
Year ended March 2021	May 12, 2021	May 25, 2021

For FY 2021-22, the indicative announcement dates are:

Results for the quarter ended June 2021	August 5, 2021
Results for the quarter ended September 2021	November 12, 2021
Results for the quarter ended December 2021	February 4, 2022
Results for the year ended March 2022	May 19, 2022
Record date for payment of dividend subject to approval of shareholders	July 23, 2021
Dividend payment date	August 12, 2021

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

The company has paid listing fees to BSE and NSE and custodial fees to Central Depositories Services (India) Limited and National Securities Depository Limited for the financial year 2021-22 on the basis number of beneficial accounts maintained by them, as on March 31, 2021.

C. Stock Data

(Amount in Rs. per share)

Month	MKT QUOTE - NSE		MKT QUOTE - BSE	
	High	Low	High	Low
April 2020	765.00	684.00	765.00	685.00
May 2020	739.90	692.00	738.55	695.00
June 2020	796.00	701.60	795.30	703.25
July 2020	790.45	724.85	789.90	723.70
August 2020	837.00	728.00	837.55	729.00
September 2020	804.90	716.00	799.75	716.40
October 2020	790.95	703.95	790.00	705.90
November 2020	910.00	744.15	909.80	740.00
December 2020	966.50	874.00	974.95	875.00
January 2021	1,030.00	902.00	1,025.00	885.05
February 2021	1,436.90	957.35	1,435.00	957.35
March 2021	1,465.40	1,303.05	1,464.35	1,302.80

D. Registrar and Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B,
Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032.
Tel: 040-67162222 / 79611000
Fax: 040-23001153
Toll free: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

E. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021, as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the company.

F. Distribution of Shareholding and Shareholding Pattern

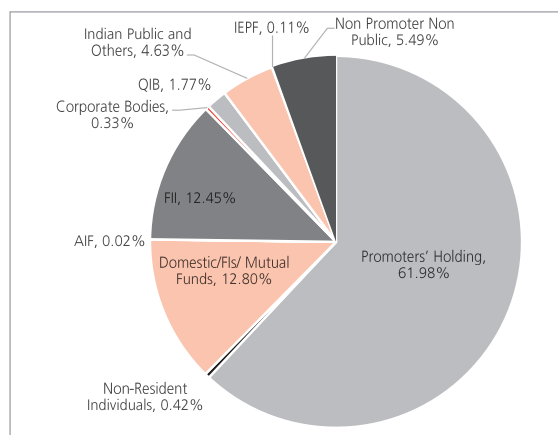
Distribution of Shareholding as on 31/03/2021

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1-5000	31,798	98.62	38,69,763	3.25
2	5001- 10000	136	0.42	4,95,938	0.42
3	10001- 20000	86	0.27	6,04,300	0.51
4	20001- 30000	39	0.12	4,63,314	0.39
5	30001- 40000	15	0.05	2,65,757	0.22
6	40001- 50000	14	0.04	3,13,735	0.26
7	50001- 100000	48	0.15	17,81,780	1.50
8	100001 & Above	107	0.33	11,13,61,713	93.46
	Total	32,243	100.00	11,91,56,300	100.00

Category of Equity Shareholders as on March 31, 2021

Category	No. of Shares held	% of Share holding
(A) Promoters' holding		
1 Individuals	6,000	-
2 Corporate bodies	7,38,49,305	61.98
(A) Total shareholding of promoters	7,38,55,305	61.98
(B) Non-promoters' holding		
1 Mutual funds, banks, financial institutions, insurance companies, etc.	1,52,50,101	12.80
2 Foreign Institutional Investors (FII)	1,48,38,284	12.45
3 Corporate bodies	3,94,277	0.33
4 Non-Resident Individuals	4,95,800	0.42
5 Indian public and others	55,16,077	4.63
6 IEPF	1,25,853	0.11
7 Qualified Institutional Buyer (QIB)	21,09,067	1.77
8 Alternative Investment Fund (AIF)	30,096	0.02
(B) Total public shareholding	3,87,59,555	32.53
(C) Non-promoter Non-public	65,41,440	5.49
Total (A)+(B)+(C)	11,91,56,300	100.00

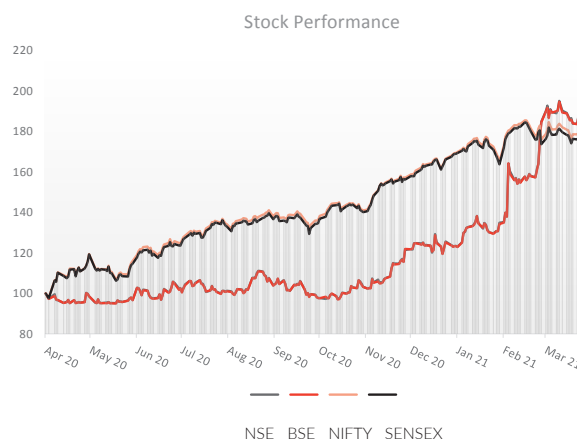
Shareholding Pattern as on March 31, 2021



G. Details of Dematerialisations

The company's equity shares are under compulsory demat trading for all categories of investors. A total of 11,89,26,390 shares have been dematerialised as on March 31, 2021, representing 99.8% of the total equity capital.

Stock Performance



Note: The company's share price and indices have been indexed to 100 as on the first working day of the financial year 2020-21 i.e. April 1, 2020.

H. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

The company has not issued GDRs/ADRs/warrants or any convertible instruments.

I. Foreign Exchange Risk and Hedging Activities

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

J. Plant Locations

Domestic	
Pune <ul style="list-style-type: none"> D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune - 411 019, Maharashtra. 98-99, Bhosari MIDC Industrial Area, Bhosari, Pune - 411 026, Maharashtra. D-1 Block, MIDC Industrial Area, Chinchwad, Pune - 411 019, Maharashtra. 	Solapur Plot No. T-1 MIDC, Chincholi, Taluka Mohol, Dist. Solapur - 413 255, Maharashtra.
	Shirwal Plot No. A-2 & A-3, Khandala Industrial area, Phase 1, MIDC, Village Kesurdi, Tal- Khandala, District- Satara- 412802, Maharashtra.
Paudh At Paudh, Post Mazgaon, Taluka Khalapur, Dist. Raigad - 410 206, Maharashtra.	Savli Plot No. 21/1-2-3, GIDC Manjusar, Taluka - Savli, Dist. Vadodara - 391 775, Gujarat.
Mundra SEZ Survey No. 169, Village Dhrub, Taluka Mundra, Mundra - 370421, District Kutch, Gujarat.	Jhagadia Plot No. 903/1, GIDC, Jhagadia Industrial Estate, Jhagadia- 393 110, Dist. Bharuch, Gujarat.
Dahej Plot No. Z/96/C, Dahej SEZ, Phase-II, Taluka Vagra Dist. Bharuch - 392 130, Gujarat.	Sri City 2700, Peepul Boulevard Sricity DTZ Andhra Pradesh - 517 646.
International	
Danstoker A/S Industrivej Nord 13 DK-7400 Herning, Denmark	PT Thermax Inetrnational 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

K. Address for Correspondence

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

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

Queries relating to the Annual Report may be addressed to:

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

7. Other Disclosures

A. Related Party Transactions

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

B. D&O Insurance for Directors

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

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

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

D. Whistle Blower Policy/Vigil Mechanism

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the company's code of conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the company. It gives a platform to the whistleblower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The company has

assigned e-mail IDs - tlgovernance@gmail.com or nhm@nawshirmirza.com for reporting or sending a written complaint to the chairperson or the managing director. The Whistle Blower Policy is available on the website of the company. The confidentiality of such reporting is maintained, and the whistleblower is protected from any discriminatory action.

E. Board Diversity Policy

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

F. Insider Trading Policy

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

G. Dividend Distribution Policy (DDP)

The company adopted the DDP effective February 8, 2017. There has been no change in the policy during the year and the same is disclosed on the company's website: www.thermaxglobal.com.

- H. Policy for determining material subsidiaries is disclosed on the website of the company: www.thermaxglobal.com.
- I. The company has complied with the Corporate Governance requirements as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- J. The company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).
- K. There was no recommendation that has been proposed by the committees, which has not been approved by the Board.

L. Details of Remuneration Paid to the Statutory Auditors

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

(Amount in Rs.)

Payment to Statutory Auditors and its Network Firms	March 31, 2021
As Auditor	
Audit and limited review fee	3,18,04,897
In Other Capacity	
Other services	68,52,847
Reimbursement of expenses	3,24,729
Total	3,89,82,473

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

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

8. Non-Mandatory Requirements

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

A. The Board

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

B. Separate Post of Chairman and CEO

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

C. Reporting of Internal Auditor

The chief internal auditor of the company reports directly to the Audit Committee.

ANNEXURE-A

To,
The Shareholders of Thermax Limited

Sub: Compliance with Code of Conduct

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

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

Pune, May 25, 2021

Ashish Bhandari
Managing Director & CEO

ANNEXURE-B

Certification by Chief Executive Officer and Chief Financial Officer

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

Dear Sirs,

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

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, those deficiencies, of which we are aware, in the design or operation of such internal controls, and we have taken the required steps to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee that:
 - i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there have been no instances of significant fraud, of which we have become aware involving management or an employee having a significant role in the company's internal control system over financial reporting.

For Thermax Limited

Ashish Bhandari
Managing Director & CEO

Rajendran Arunachalam
Group CFO

Date: May 25, 2021
Place: Pune

Certificate from Company Secretary in Practice

Certificate of Non-Disqualification of Directors

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

To,
The Members
Thermax Limited
D-13 MIDC, Ind Area, R D Aga Road,
Chinchwad , Pune-411019

We have examined the relevant registers, records, forms, returns and disclosures received from the directors of Thermax Limited (hereinafter referred to as “the company”), having CIN - L29299PN1980PLC022787 and having registered office at D-13 MIDC, Ind Area, R D Aga Road, Chinchwad, Pune-411019 produced before us by the company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the company and its officers, we hereby certify that none of the directors on the Board of the Company as stated below for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs. However, as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, the name of Valentin Albrecht Herwart von Massow, Independent Director, is not included in the Independent Directors’ databank and we are informed that an application for condonation of this delay has been made to the Ministry of Corporate Affairs.

Sr. No.	Name of the Director	DIN	Date of appointment as the Director in the Company
1	Jairam Varadaraj	00003361	31/01/2003
2	Meher Pheroz Pudumjee	00019581	15/01/2001
3	Pheroz Naswanjee Pudumjee	00019602	15/01/2001
4	Nawshir Hoshang Mirza	00044816	03/05/2011
5	Shashishekhar Pandit Balkrishna	00075861	30/05/2017
6	Harsh Charandas Mariwala	00210342	10/11/2016
7	Valentin Albrecht Herwart von Massow	00239314	31/01/2006
8	Rajani Kesari	02384170	14/11/2018
9	Ashish Bhandari	05291138	18/06/2020

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

For SVD & Associates
Company Secretaries

Sridhar Mudaliar
Partner

FCS No: 6156

CP No: 2664

UDIN: F006156C000360499

Place: Pune

Date: May 25,2021

Note: We have relied on the documents and evidences provided by electronic mode, in view of prevailing pandemic situation of COVID-19, for the purpose of issuing this certificate.