

# Secretarial Audit Report

For the Financial Year Ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Limited** (hereinafter called "the company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder, and also that the company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956, (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 **(Not applicable to the company during the audit period);**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the company during the audit period);**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 **regarding the Companies Act and dealing with client;**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the company during the audit period); and**
  - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable to the company during the audit period);**
- vi) We further report that having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the company.

We have also examined compliance with the applicable clauses and regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreement entered into by the company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above except that;

- i) *The corporate announcement made to Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on June 19, 2020, for intimating the appointment of an additional director of the company does not include a statement to the effect that he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority as required by circulars issued by BSE and NSE on June 20, 2018, for enforcement of SEBI orders issued in that regard.*

#### **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 *except that it consists of a director whose name has not been included in the independent directors' data bank as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, and we are informed that an application for condonation of this delay has been made to Ministry of Corporate Affairs. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.*

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further Information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **We further report that** during the audit period:

1. The company has received a notice under sub-Section 1 of section 206 of the Act dated October 21, 2020, from Registrar of Companies (ROC) seeking clarification on various matters stipulated therein based on a complaint by one of the company's vendor, alleging tax evasion. The company has replied to the said notice and has been providing the requisite data and necessary clarification to the office of ROC in the said matter.
2. M.S. Unnikrishnan ceased to be the Managing Director (MD) & Chief Executive Officer (CEO) of the company from the close of business hours of August 31, 2020. Ashish Bhandari was appointed as the MD & CEO of the company effective September 1, 2020, for a period of five years.
3. The company acquired the balance 24% stake in First Energy Private Limited (FEPL) effective December 21, 2020, making it a wholly owned subsidiary of the company.
4. Thermax Onsite Energy Solutions Limited (TOESL), a wholly owned subsidiary of the company incorporated its subsidiary by the name of Enerxnt Private Limited (EPL) on January 5, 2021. EPL has thus become a step-down subsidiary of the company effective January 5, 2021.

#### **For SVD & Associates**

Company Secretaries

#### **Sridhar Mudaliar**

Partner

FCS No: 6156

CP No: 2664

UDIN: F006156C000360576

Place: Pune

Date: May 25, 2021

**Note:** This report is to be read with letter of even date by the secretarial auditors, which is attached as Annexure A and forms an integral part of this report.



## ANNEXURE-A

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

Our Secretarial Audit Report of even date is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. We believe that the audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
4. We have relied on the documents and evidences provided by electronic mode, in view of prevailing pandemic situation of COVID-19.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

### Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

### For SVD & Associates

Company Secretaries

### Sridhar Mudaliar

Partner  
FCS No: 6156  
CP No: 2664  
UDIN: F006156C000360576

Place: Pune

Date: May 25, 2021