

Form No. MR-3  
Annexure-5(a) to the Directors' Report

# Secretarial Audit Report

For the Financial Year Ended March 31, 2022

[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 - 411 019

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 the secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, 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, 2022, 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) 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 up to August 12, 2021. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from August 13, 2021 (SBEB & SE 2021);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 up to August 15, 2021. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with effect from August 16, 2021 **(Not applicable to the Company during the audit period);**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client **(Not applicable to the Company during the audit period);**
  - g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 up to June 10, 2021. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 with effect from June 11, 2021 **(Not applicable to the Company during the audit period); and**

- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

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

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

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

### We further report that,

The Board of Directors of the Company is duly constituted with a proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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 voluntary liquidation of Thermax Sustainable Energy Solutions Limited (TSESL), a wholly-owned subsidiary (WOS) of the Company was approved by its shareholders at the Extra Ordinary General Meeting held on April 5, 2021.
2. Special resolution was passed in the Annual General Meeting held on August 6, 2021 for appointment of Mr. Harsh Mariwala as an Independent Director to hold office from November 9, 2021 for a period of five consecutive years up to November 9, 2026. Further, pursuant to Regulation 17(1A) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and the rules made thereunder, approval of the Company was also accorded to continue the appointment of Mr. Harsh Mariwala, as Independent Director of the Company to hold office from May 14, 2026 up to November 9, 2026 after attaining the age of 75 years.
3. The Company has appointed Ms. Janhavi Khele (Membership No. - ACS 20601) as the Company Secretary, Compliance Officer and Key Managerial Personnel (KMP) of the Company with effect from September 1, 2021 in place of Mr. Kedar P. Phadke, who resigned as the Company Secretary, Compliance Officer and Key Managerial Personnel (KMP) of the Company with effect from close of business hours of August 31, 2021.
4. The Company, at its Board Meeting, held on November 10, 2021, approved the appointment of Mr. Ravi Gopinath as an Additional and Independent Director for a term of five years from November 10, 2021, up to November 9, 2026, subject to the approval of shareholders at the ensuing Annual General Meeting (AGM).
5. The Company, at its Board Meeting, held on November 10, 2021, noted the internal restructuring of the subsidiary and step down subsidiary where Thermax Onsite Energy Solutions Limited (TOESL), a WOS of the Company acquired 100% shares of Thermax Energy & Environment Lanka (Private) Limited (TEELK) which was a stepdown subsidiary of the Company through

another WOS viz. Thermax Engineering Singapore Pte. Ltd. (TESPL).

6. The members of the Company inter alia, through a postal ballot dated January 13, 2022, approved the special resolutions for:
  - a) Grant of stock options to the employees of the Company under 'Thermax Limited Employee Stock Option Plan 2021';
  - b) Grant of stock options to the employees of group Company(ies) of the Company including a subsidiary or its associate Company(ies) under 'Thermax Limited Employee Stock Option Plan 2021'.
7. The Company has entered into a Share Subscription Agreement dated February 07, 2022, to make an investment in ExactSpace Technologies Private Limited (ExactSpace) by subscribing to cumulative

convertible preference shares in one or more tranches. The investment will result in the Company holding up to 15.17% of the share capital of ExactSpace.

**For SVD & Associates**  
Company Secretaries

**Sridhar Mudaliar**  
Partner  
FCS No.: 6156  
CP No.: 2664

Place: Pune  
Date: May 20, 2022

Peer Review Number: P2013MH075200  
UDIN: F006156D000325871

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

**ANNEXURE-A**

To,  
The Members,  
**Thermax Limited**  
D-13, MIDC Ind. Area  
R D Aga Road, Chinchwad,  
Pune - 411 019

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

**Disclaimer**

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

**For SVD & Associates**  
Company Secretaries

**Sridhar Mudaliar**  
Partner  
FCS No.: 6156  
CP No.: 2664

Place: Pune  
Date: May 20, 2022

Peer Review Number: P2013MH075200  
UDIN: F006156D000325871