



THERMAX LIMITED

Registered Office: D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune 411 019

Corporate Office: Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune 411 003

Corporate Identity No. (CIN) - L29299PN1980PLC022787

NOTICE

NOTICE is hereby given that the Thirty-fifth Annual General Meeting of THERMAX LIMITED ('the Company') will be held on Wednesday, August 10, 2016 at 11.30 a.m. at Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan Complex, Baner Road, Pune - 411007 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the standalone and consolidated audited financial statements of the Company for the year ended March 31, 2016 together with the reports of the Auditors and Board of Directors thereon.
2. To declare dividend on equity shares for the financial year ended on March 31, 2016.
3. To appoint a Director in place of Mr. M.S. Unnikrishnan (DIN-01460245), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. B.K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No.105102W), be and are hereby appointed as Statutory Auditors of the Company for the period commencing from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Audit Committee of the Board of Directors."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including

any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the resolution of the Members at the Thirty-fourth Annual General Meeting (AGM) held on July 28, 2015, appointment of M/s. SRBC & CO. LLP, Chartered Accountants (Firm Registration No. 324982E) as Joint Statutory Auditors of the company, be ratified from the conclusion of this AGM till the conclusion of Thirty-sixth AGM on such remuneration as may be determined by the Audit Committee of the Board of Directors".

SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, be paid the remuneration of Rs. 8,00,000/- (Rupees eight lac only) plus applicable taxes and reimbursement of actual out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary or incidental to give effect to this resolution."

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with The Companies (Management & Administration) Rules, 2014 (including any statutory modifications, or re-enactment thereof, for the time being in force), consent be and is hereby given to the Company for keeping and maintaining the Register of Members, the index of

members and all other registers and returns etc., as required to be kept and maintained by the Company under Section 88 and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act, and other statutory registers, returns and other related books, papers etc., at the Corporate Office of the Company at Thermax House, 14, Mumbai-Pune Road, Wakdevadi, Pune - 411 003 with effect from August 10, 2016.

RESOLVED FURTHER THAT in terms of Article 62 of the Articles of Association of the Company, the Registers, Indexes, Returns, documents etc. as aforesaid be kept open for inspection and/or making extract there from on any working day as provided in Section 94 (2) and (3) of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution”.

8. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (“SEBI”) (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as “**SBEB Regulations**”) (including any statutory modification(s) or re-enactment thereof), the Companies Act, 2013, as amended, together with rules issued thereunder, the provisions of the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and any other applicable laws, rules and regulations for the time being in force, and subject to such approvals, consents, permissions and sanctions as may be necessary including such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company which term shall be deemed to include the Nomination & Remuneration Committee (**NRC**), the consent of the members of the Company be and is hereby accorded to the forty eight existing Staff General Welfare Schemes, (“**Welfare Scheme**”) and to continue to grant or extend benefits/ facilities/ assistance as per the respective Welfare Scheme to/ for the benefit of such identified employees (and their dependents) who are in permanent employment of the Company, including the Managing Director/ Whole-time Director (excluding any other Director) of the Company,

except an employee who is a promoter or belongs to the promoter group and a director who either by himself or through his relative/ any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company, on such terms and in such manner as contained in the Welfare Scheme and as per the objectives of the respective forty eight ‘Staff Welfare Trusts’ (collectively, “**Welfare Trusts**”).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the NRC of the Board of Directors of the Company be and is hereby authorised to formulate, vary, amend the necessary policies, terms, conditions and procedures under the Welfare Scheme and Welfare Trusts and to administer, implement and superintend the Welfare Trusts, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company, and to do all such acts, deeds, matters and things as may be considered necessary or expedient in this regard.”

9. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (“SEBI”) (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as “**SBEB Regulations**”) (including any statutory modification(s) or re-enactment thereof), the Companies Act, 2013, as amended, together with rules issued thereunder, the provisions of the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and any other applicable laws, rules and regulations for the time being in force, and subject to such approvals, consents, permissions and sanctions as may be necessary including such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company which term shall be deemed to include the Nomination & Remuneration Committee (**NRC**), the consent of the members of the Company be and is hereby accorded to grant, extend, benefits/facilities /assistance as detailed in the explanatory statement attached to this notice (in addition to Employee Stock Option benefits as per the approval granted by the members of the Company at the 20th Annual General Meeting held on September 5, 2001, as currently modified to bring it in line with

the SBEB Regulations) through Thermax Employees Stock Option Trust (**ESOP Trust**) to the identified employees of the Company including the Managing Director/ Whole-time Director (excluding any other Director) of the Company, and except an employee who is a promoter or belongs to the promoter group and a director who either by himself or through his relative/any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company, on such terms, in such manner and as per the objective and purpose of the ESOP Trust formed for the said purpose pursuant to approval of the shareholders as detailed above and vide Indenture of Trust dated March 19, 2002 including any revision/ modification/amendment to such objectives/scheme from time to time.

RESOLVED FURTHER THAT subject to necessary consents, approvals if any, the name of 'Thermax Employees Stock Option Trust' be changed to Thermax Employees ESOP and Welfare Trust ' (**ESOP and Welfare Trust**)".

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the NRC of the Board of Directors of the Company be and is hereby authorised to formulate, vary, amend the necessary terms and conditions of the scheme, policies, procedures under the ESOP and Welfare Trust as well as the scheme and to administer, implement and superintend the ESOP and Welfare Trust, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company, and to do all such acts, deeds, matters and things as may be considered necessary or expedient in this regard."

By Order of the Board of Directors

Place: Pune
Dated: May 25, 2016

Amit Atre
Company Secretary
FCS No: 8535

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A form of proxy is enclosed, which, in order to be effective, must reach the Corporate Office of the

Company at least 48 hours before the meeting i.e. by 11.30 a.m. on August 08, 2016.

A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ('the Act') in respect of the special business, is annexed hereto.
3. Corporate Members are requested to send a duly certified copy of Board Resolution, pursuant to Section 113 of the Act, authorising their representatives to attend and vote at the Annual General Meeting.
4. **E-Voting (Voting through Electronic means):**

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable all the Members to cast their votes electronically on the resolutions mentioned in the Notice of the 35th Annual General Meeting (AGM) of the Company. Necessary arrangements have been made by the Company with Karvy Computershare Pvt. Ltd. ('Karvy'), to facilitate e-voting. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by e-voting, shall be able to exercise their rights at the AGM through ballot paper. The Company has appointed Mr. S.V. Deulkar, Partner of M/s. SVD & Associates, Company Secretaries, Pune as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

E-voting is optional and e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on July 30, 2016. The e-voting period commences on Friday, August 5, 2016 (9.00 a.m.) and ends on Tuesday, August 09, 2016 (5.00 p.m.). The voting module shall be disabled by Karvy for voting thereafter.

The instructions and process for e-voting are as under:

A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii) Enter the login credentials (i.e. User ID and Password) as provided in a separate e-voting communication, being sent along with the Notice of AGM and Annual Report. Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii) After entering these details appropriately, click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Thermax Limited.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on July 30, 2016 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your

vote on any specific item, it will be treated as abstained.

- x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorised to vote, to the Scrutinizer at e-mail ID:deulkarcs@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN NO". The documents should reach the Scrutinizer on/ before Tuesday, August 9, 2016 at 5.00 p.m.

B) In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:

- (a) User ID and initial Password in a separate e-voting communication, will be sent along with the Notice of AGM and Annual Report.
- (b) Please follow all steps from Sr. No. i) to xii) as mentioned in (A) above, to cast your vote.

C) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the AGM.

D) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com> or contact Karvy's Tel. No. at 1800 345 4001 (toll free).

E) The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through e-voting, make a Consolidated Scrutinizer's Report and submit the same to the Chairperson of the Company, not later than two (2) days of conclusion of the AGM.

F) The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website (www.thermaxglobal.com) and on the

website of Karvy. The results shall simultaneously be communicated to the BSE Limited and National Stock Exchange of India Limited.

G) A copy of this notice has been placed on the websites of the Company and Karvy.

5. Book Closure & Dividend:

- (a) The Register of Members and Transfer Books of the Company will be closed from Monday, August 1, 2016 to Wednesday, August 10, 2016 (both days inclusive).
- (b) Dividend on equity shares, if declared at the AGM, will be paid to those Members whose names appear in the Register of Members on August 10, 2016. In respect of dematerialised shares, the dividend will be paid based on the beneficial ownership as per the details furnished by the depositories for this purpose at the end of business hours on July 30, 2016.

6. National Electronic Clearing Service (NECS):

The Company has provided facility to the Members for receiving dividend through Electronic Clearing System (ECS) to avoid loss in transit/fraudulent interception & encashment/undue delay in receipt of the dividend warrant. The ECS facility is available at locations approved by Reserve Bank of India from time to time and covers most of the cities and towns.

- Members holding shares in physical form and wish to avail this facility are requested to send their details in the ECS mandate form. The ECS mandate form may be collected from the Company's Corporate Office or its Registrar & Transfer Agent (RTA) or may be downloaded from the Company's website (www.thermaxglobal.com). The ECS mandate form submitted earlier shall be valid for the recommended dividend.
- Members holding shares in dematerialised (electronic) form are requested to note that bank details registered against their respective depository accounts would be used by the Company for payment of dividend. The Company or its RTA cannot act on any instruction / request directly from Members pertaining to their bank account details, ECS mandates, nominations, power of attorney, change of address/name, etc. All changes should be advised to your Depository Participant (DP) only, which would be downloaded and updated in the Company's records for disbursement of dividend.

7. Members/Proxies are requested to bring the Attendance Slip, duly completed, for attending the meeting. Signatures on the attendance slip should match the specimen signature(s) registered with the Company. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID details for identification.

8. Unclaimed Dividend:

Dividend declared by the Company on July 21, 2009 for the financial year 2008-09 which remained unclaimed, is due for transfer to the Investor Education and Protection Fund (the IEPF), on August 27, 2016, pursuant to the provisions of Section 205A (5) of the Companies Act, 1956. Members who have not encashed their dividend warrants pertaining to the year 2008-2009 and/or any subsequent years that still remains outstanding, are requested to lodge their claims with Karvy Computershare Pvt. Ltd., the Company's RTA, at the earliest for obtaining payments thereof.

Members are advised that in terms of Section 205C of the Companies Act, 1956, no claim shall lie with respect to unclaimed dividend after it is transferred to the IEPF. **The company has already transferred the unclaimed dividend, declared upto the financial year 2007-2008 to the IEPF.**

Sections 205A and 205C of the Companies Act, 1956 are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified.

9. Email Address:

In order to communicate the important and relevant information and events to the members in a cost efficient manner members are encouraged to register their e-mail addresses with the RTA in case of shares held in physical form and with their respective DP in case of dematerialised holdings.

10. Queries related to financial statements:

Members are requested to write to the company their queries, if any, on the financial statements, at least 10 days before the meeting to enable the management to keep the required information available.

11. The audited financial statements and consolidated financial statements for the financial year ended March 31, 2016 can also be viewed on the company's website (www.thermaxglobal.com).

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 (3) of the Listing Regulations]

M.S. Unnikrishnan

Mr. M.S. Unnikrishnan, 55, is the Managing Director & CEO of the Company since July 1, 2007. His current term as Managing Director & CEO is from July 1, 2012 to June 30, 2017.

Mr. Unnikrishnan began his career with Thermax after graduating in Mechanical engineering from VNIT, Nagpur in 1982. He is a graduate in Advanced Management Programme from the Harvard Business School, USA.

He worked with the EID-Parry group for 5 years as the Head of its Engineering business and with Terrazzo Inc, U.A.E from 1992 to 1997 as its Assistant General Manager.

He rejoined Thermax as General Manager in 1997. Since then, he has headed the Waste Management and Absorption Cooling divisions of Thermax. In 2000, he became a member of the newly formed Executive Council. He has also led the human resources function of the Company and spearheaded the transformation initiative of the Company.

Under Mr. Unnikrishnan's leadership, Thermax has grown to be a billion dollar company in 2010-11. During the period, Thermax extended its reach through two acquisitions in Europe. It also positioned itself as a leading supplier of power systems and equipment through two joint ventures, one of them for the niche area of supercritical boilers.

Mr. Unnikrishnan is the Chairman of CII's National Committee for Capital Goods & Engineering since 2011. From March 2016, he chairs FICCI's BRICS Business Council of Skill Development. He co-chairs the CII National Committee on Industrial Relations since April 2016, and also FICCI's National Committee for Capital Goods & Engineering. He is a Member of the Development Council appointed by the Ministry of Heavy Industries and Public Undertaking, Government of India since 2009.

Mr. Unnikrishnan is a Member of the following Board appointed committees of the company:

Committee	Chairmanship/ Membership
Stakeholders' Relationship Committee	Member
Strategic Business Development Committee	Member
International Investment Committee	Member

Mr. Unnikrishnan holds directorship of the following companies:

- a) Thermax Onsite Energy Solutions Ltd.
- b) Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.
- c) Thermax SPX Energy Technologies Ltd.
- d) Thermax Sustainable Energy Solutions Ltd.
- e) Thermax Foundation

Mr. Unnikrishnan does not hold any shares in the Company and there is no inter-se relationship between Mr. Unnikrishnan and other Directors of the Company.

By Order of the Board of Directors

Place: Pune
Dated: May 25, 2016

Amit Atre
Company Secretary
FCS No: 8535

EXPLANATORY STATEMENT

[Pursuant to Section 102(1) of the Companies Act, 2013]

Item No. 6

M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune have been appointed as the Cost Auditors of the Company for the financial year 2016-17 by the Board of Directors at its meeting held on May 25, 2016. It is proposed to pay Rs. 8,00,000/- (Rupees eight lac only) plus applicable taxes and reimbursement of actual out of pocket expenses as the remuneration to the Cost Auditors for the FY 2016-17. They were also the Cost Auditors of the Company for financial year 2015-16.

In terms of provisions of Section 148(3) of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be approved by the shareholders of the Company.

Your Directors recommend the resolution for your approval.

No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item No. 7

Section 94 of the Companies Act, 2013, (the "Act") prescribes that certain registers and returns as mentioned in Section 88 of the Act, such as the register of members and index of members - separately for each class of equity and preference shares, register and index of debenture holders, register and index of any other Security holders, Register of Renewed and Duplicate Shares / Debentures / Securities Certificates, Register of Sweat Equity Shares, Register of ESOP, and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act, and other related books (Registers, Records and Returns), are required to be maintained at the registered office of the Company. However, with the consent of the members by way of a special resolution, the Company can keep and maintain the said registers, returns, etc. at any other place within the city, town or village in which the registered office is situated.

The Company maintains all Registers, Records and Returns at its Registered Office situated at D-13, MIDC Industrial Area, Chinchwad, Pune - 411019, India. The Corporate Office which houses the central support functions like Finance, Secretarial is situated at Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune - 411 003.

In view of ease of maintaining the Registers, Records and Returns and to provide easy access to the members/other stakeholders, it is proposed to keep the Registers, Records and Returns at the Corporate Office of the Company as stated in the resolution.

Your Directors recommend the resolution for your approval.

No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item No. 8

Your Company had inter alia set up forty eight staff welfare trusts ("**Welfare Trusts**") for providing housing loans, medical, educational aid and other welfare objects and purposes which are conducive to or beneficial to the identified employees of the Company and their dependents as per the Welfare Trusts. At present, these Trusts collectively hold 36,35,190 equity shares (aggregating to 3.05% of the total paid-up share capital) of Rs. 2/- each. The purpose of issuance of the shares to these Welfare Trusts was to create an income source for the said Trusts for carrying out its objectives of employee welfare. The

above mentioned shares were allotted to these Trusts prior to the public issue undertaken by the Company in the year 1995. These shares are listed with the BSE Limited and the National Stock Exchange of India Limited, and shown as 'Non Promoter-Non Public' holding in the shareholding pattern submitted with the Stock Exchanges. The Welfare Trusts never dealt with these shares of the Company in the secondary market either for its acquisition or sale.

The Company is currently extending mainly housing loans, medical and education aid to the employees of the Company as per scheme of the respective Trusts. Issuance of the above mentioned shares to various Welfare Trusts was also undertaken prior to introduction of the Securities and Exchange Board of India ("**SEBI**") (Employee Stock Option Schemes and Employee Stock Purchase Schemes) Guidelines, 1999 (hereinafter referred as "**ESOP Guidelines**").

The SEBI (Share Based Employee Benefits) Regulations, 2014 (the "**SBEB Regulations**") were promulgated in place of the erstwhile ESOP Guidelines, as a new set of regulations concerning employee benefit scheme dealing in shares of the Company, pursuant to which all existing schemes are to ensure compliance with these SBEB Regulations.

Under the SBEB Regulations, the companies can continue extending benefits to their employees under Welfare Scheme being operated through such trusts. The Nomination & Remuneration Committee (NRC) of the Company will overview the operations of such Welfare Scheme by formulating detailed terms and conditions of the welfare scheme and will frame suitable policies and procedures to ensure compliance of securities laws as may be desirable. Additionally, as the Welfare Schemes are being implemented through the Welfare Trusts, the NRC of the Company shall delegate the administration of such Welfare Scheme to the Trustees of the respective Welfare Trusts.

In terms of the SBEB Regulations, approval from the shareholders by way of a special resolution is being sought, to continue extending the benefits to the employees of the company and to bring the trusts in line with the SBEB Regulations.

Details of the Welfare Scheme and the manner in which the Welfare Scheme is being implemented and operated are as follows:

- a. **The total number of options, stock appreciation rights (SARs), shares or benefits, as the case may be, to be granted:** Benefits like housing loans/ medical/ educational etc. to the identified employees of the Company as detailed in the resolution and as per the terms of the respective welfare scheme.

- b. **Identification of classes of employees entitled to participate and be beneficiaries in the Welfare Scheme:** Benefits are to be granted to the identified employees of the Company as detailed in the resolution and as per the terms of the respective welfare scheme.
- c. **Requirements of vesting and period of vesting:** Not Applicable
- d. **Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options / SARs / benefit shall be vested:** Benefits are to be granted as per the terms of the respective schemes.
- d. **Exercise price, SAR price, purchase price or pricing formula:** Not Applicable
- e. **Exercise period and process of exercise:** Not Applicable
- f. **The appraisal process for determining the eligibility of employees for the Welfare Scheme:** Housing loans, medical & educational and other welfare aid, benefits to the identified permanent employees of the Company as detailed in the resolution and as per the eligibility and limits set in the respective welfare scheme.
- g. **Maximum number of options, SARs, shares, as the case may be, to be issued per employee and in aggregate:** Not Applicable
- h. **Maximum quantum of benefits to be provided per employee under the Welfare Scheme:** Providing benefits like Housing loans, medical & educational aid etc. to the identified permanent employees as detailed in the resolution and as per the eligibility and limits set in the respective welfare scheme.
- i. The Welfare Scheme is to be implemented and administered through forty eight respective Staff Welfare Trusts.
- j. The Welfare Scheme does not involve either an issue of shares by the Company or secondary acquisition by any trust.
- k. **The amount of loan to be provided for implementation of the Welfare Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:** NIL.
- l. **Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Welfare Scheme:** NIL.
- m. The Company undertakes that it shall conform to the accounting policies specified in Regulation 15 of the SBEB Regulations.

- n. **The method which the Company shall use to value its options or SARs:** Not Applicable

The Company proposes to continue the Welfare Scheme implemented through the various 'Staff Welfare Trusts'. The Company believes that the said implementation of the Welfare Scheme is in the best interests of its employees.

The Special Resolution set out under item No. 8 seeks approval from members for granting benefits to employees of the company as per the objects of respective 'Staff Welfare Trusts'.

The details regarding the Trusts like name, shareholding of each Trust, benefits extended etc. is available on the Company's website www.thermaxglobal.com. Copies of all relevant documents, including the Trust Deeds of Staff Welfare Trusts, and the Welfare Scheme will be available for inspection on all working days between 11.00 a.m. and 1.00 p.m., at the Corporate Office of the Company at Thermax House, 14, Mumbai-Pune Road, Wakdevadi, Pune – 411003, and at the Registered Office of the Company at D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune 411 019 up to the date of the 35th Annual General Meeting (AGM) and during the AGM.

Your Directors recommend the resolution for your approval.

No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution except to the extent of benefit they may be entitled to as per the resolution and the applicable scheme(s).

Item No. 9

The shareholders of the Company had approved issuance of upto 5% of Equity under the Securities and Exchange Board of India ("SEBI") (Employee Stock Option Schemes and Employee Stock Purchase Schemes) Guidelines, 1999 (hereinafter referred as "ESOP Guidelines"), to the Thermax Employees Stock Option Plan (ESOP) Trust and resolution u/s Section 81(1A) under the Companies Act, 1956, was passed at the 20th Annual General Meeting held on September 5, 2001 and consequently 5,81,250 shares of Rs. 10/- each were allotted at a premium of Rs. 66.25 per share. The Company consequently had set up a trust for Thermax Employees Stock Option Plan (ESOP), in March 2002 ("Trust"). This Trust was created by way of initial contribution of Rs. 10,000/- by the Settlor (i.e. Thermax Ltd., the Company), to the Trustees. The Shareholders at the said meeting had approved such allotment of the shares on preferential basis to the Trust.

The Company had extended a loan of Rs. 4,43,20,312/- during the financial year 1995-96 to the Trust to acquire

these shares through preferential allotment made by the Company and the loan was eventually repaid by the Trust from the dividend received by the Trust, from the Company. Consequent upon sub-division, the Trust now holds 29,06,250 equity shares (aggregating to 2.44% of the total paid-up share capital) of Rs. 2/- each. The equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited and shown as 'Non Promoter-Non Public' holding in the shareholding pattern submitted with the Stock Exchanges. The Trust has never dealt with these shares of the Company in the secondary market either for its acquisition or sale.

The Company has not yet formulated any ESOP Scheme and consequently has not granted any options, SAR benefits, etc., to any employees/ Managing Director/ Whole-time Director of the Company. The Company, at an appropriate time may consider implementing an ESOP Scheme in accordance with the regulatory requirements and as per the approval granted by the shareholders.

The Company intends for now to use this Trust besides ESOP, for the benefit of employees of the Company for training & education purposes as may be identified by the Company and also encouraging employees to pursue sports related activities. The Company will support identified employees' training, education and sports related needs and activities through the Scheme formed under the said Trust and inter alia use income generated through dividend to fund such benefits and activities. The programmes to be supported include leadership development programmes, coaching, high potential employee training programmes, technology enabled learning programmes for the identified employees (e-learning programmes), and for making provision for coaching, training in sports. The objects of the Trust support providing such benefits to the employees of the Company. Therefore, it is proposed to change the name of the Trust from 'Thermax Employees Stock Option Plan Trust' to 'Thermax Employees ESOP and Welfare Trust' ("**ESOP and Welfare Trust**") considering the enhanced scope of the Trust and undertake a scheme for the implementation under the ESOP and Welfare Trust.

The Nomination & Remuneration Committee (NRC) of the Company shall administer the operations of any ESOP and Welfare Scheme by formulating/modifying detailed terms and conditions of the ESOP and Welfare Scheme and shall frame suitable policies and procedures to ensure compliance of securities laws as may be required from time to time. Additionally, as the ESOP and Welfare Scheme is being implemented through a trust, the NRC of the Company shall delegate the administration of such ESOP and Welfare Scheme to the Trust.

In terms of Regulation 7 (2) of the SBEB Regulations, the Company is required to bring all existing schemes in line with the SBEB Regulations and therefore, prior to being

offered to the employees of the Company, approval from the shareholders by way of a special resolution is being sought to amend the terms of the ESOP and Welfare Scheme and ESOP and Welfare Trust to ensure compliance with the SBEB Regulations.

Details of the ESOP & Welfare Scheme and the manner in which the ESOP & Welfare Scheme shall be implemented and operated are as follows:

- a. **The total number of options, stock appreciation rights (SARs), shares or benefits, as the case may be, to be granted:** The total number of options that may, in aggregate, be issued under the Scheme will be 5% of the issued equity share capital of the Company as at 31st March, 2016 (i.e. 59,57,815 equity shares of Rs. 2/- each).
- b. **Requirements of vesting and period of vesting:** Vesting of options may commence after a period of 1 year from the date of grant and may extend upto 5 years from the date of grant. The vesting may occur in tranches, subject to the terms and conditions of vesting, as may be stipulated by the NRC, in its discretion.
- c. **Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options / SARs / benefit shall be vested:** The Exercise period will commence from the date of vesting and will expire not later than five years from the date of vesting of options, or such other time period as may be decided by the NRC, from time to time.
- d. **Exercise price, SAR price, purchase price or pricing formula:** The exercise price will be such price which is no lower than the one calculated at 25% discount to the closing market price of the Company's shares on the National Stock Exchange of India Limited (NSE) on the date of grant, or such price which is no lower than the one calculated at 25% discount to average market price of the Company's shares in the six months preceding the date of grant, based on the daily closing price on the NSE, as the NRC may in its absolute discretion decide.
- e. **Exercise period and process of exercise:** The exercise period will commence from the date of vesting, and will expire not later than five years from the date of vesting of options, or such other time period, as may be decided by the NRC, from time to time.

The options will be exercisable by the employees by a written application to the Company, to exercise the options in such manner, and on execution of such documents, as may be prescribed by the NRC, from time to time. The options will lapse if not exercised within the specified exercise period.

f. **The appraisal process for determining the eligibility of employees for the ESOP & Welfare Scheme:**

- (i) The appraisal process for determining the eligibility of the employee will be specified by the NRC, and will be based on criteria such as seniority of employee, length of service, performance record, merit of employee, future potential/contribution by the employee and/or such other criteria that may be determined by the NRC at its sole discretion.
- (ii) For the Welfare Scheme, all identified employees who qualify the criteria of the Company as per the scheme (as may be approved/modified/amended by the NRC) will be entitled to receive training, educational and sports related benefits, facilities and assistance.

g. **Maximum number of options, SARs, shares, as the case may be, to be issued per employee and in aggregate:** The maximum number of options granted per employee will not exceed 11,91,563 shares i.e. 1% of the issued and subscribed equity shares of the Company as on 31st March, 2016. However, such grant to the eligible employees during any one financial year shall be less than 1% of the issued capital of the Company at the time of grant.

h. **Maximum quantum of benefits to be provided per employee under the ESOP & Welfare Scheme:** ESOP – Maximum grant of options upto 1% of the issued, subscribed capital of the Company subject to restrictions under SBEB Regulations.

Welfare activities - The Company will reimburse the cost, grant aid, bear the cost for the employees of the Company in pursuing education, training etc. The terms for availing the benefits and the eligible programmes under the scheme will be as per the scheme to be approved by the NRC.

- i. The ESOP and Welfare Scheme is to be implemented and administered through the ESOP and Welfare Trust.
- j. The ESOP and Welfare Scheme does not involve either a fresh issue of shares by the Company or fresh secondary acquisition by the trust.
- k. **The amount of loan to be provided for implementation of the ESOP and Welfare Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:** NIL.
- l. **Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the ESOP and Welfare Scheme:** NIL.

m. The Company undertakes that it shall conform to the accounting policies specified in Regulation 15 of the SBEB Regulations.

n. **The method which the Company shall use to value its options or SARs:** Appropriate method of valuation will be approved by the NRC at the time of framing the ESOP Scheme.

o. In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' report.

Details at Sr. No. (b) to f(i) and (i) are already approved by the members at the 20th Annual General Meeting.

The Company proposes to use the 'ESOP and Welfare Trust' for the benefit of the employees for their training, education and sports related purposes in addition to being used as an ESOP scheme in the future. The Company believes that the implementation of such Scheme is in the best interests of its employees.

The Special Resolution set out under item No. 9 seeks approval from members for granting benefits to employees of the company as per the objects of 'ESOP and Welfare Trust'.

Copies of all relevant documents, including the Trust Deed will be available for inspection on all working days between 11.00 a.m. and 1.00 p.m. at the Corporate Office of the Company at Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune – 411 003 and the Registered Office of the Company at D-13, MIDC Industrial Area, R.D. Aga Road, Chinchwad, Pune 411 019, upto the date of the 35th Annual General Meeting (AGM) and shall be made available during the AGM.

Your Directors recommend the resolution for your approval.

No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution except to the extent of benefit they may be entitled to as per the resolution and the applicable scheme(s).

By Order of the Board of Directors

Place: Pune
Dated: May 25, 2016

Amit Atre
Company Secretary
FCS No: 8535



THERMAX

THERMAX LIMITED

ATTENDANCE SLIP

Registered Office: D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune 411 019
Corporate Office: Thermax House, 14, Mumbai-Pune Road, Wakdevadi, Pune 411 003
Corporate Identity No. (CIN) – L29299PN1980PLC022787

35TH ANNUAL GENERAL MEETING - WEDNESDAY, AUGUST 10, 2016

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE

DP ID*	
Client ID*	
Regd. Folio No.	

NAME & ADDRESS OF THE REGISTERED SHAREHOLDER
--

* Applicable for shareholding in electronic form.

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company.
I hereby record my presence at the 35th Annual General Meeting of the Company held on Wednesday, August 10, 2016

SIGNATURE OF THE MEMBER/PROXY

NOTE: Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting.

FORM OF PROXY

THERMAX LIMITED

Registered Office: D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune 411 019
Corporate Office: Thermax House, 14, Mumbai-Pune Road, Wakdevadi, Pune 411 003
Corporate Identity No. (CIN) – L29299PN1980PLC022787

35TH ANNUAL GENERAL MEETING

I/We of being a member/members of THERMAX LIMITED, hereby appoint of or failing him/her of as my/our Proxy to vote for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held on Wednesday, August 10, 2016 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Audited Financial Statements (Standalone and Consolidated) for the year ended March 31, 2016 together with the reports of the Auditors and Board of Directors thereon.
2. Declaration of Dividend for the financial year 2015-16.
3. Re-appointment of Mr. M. S. Unnikrishnan as a Director of the Company.
4. Appointment of M/s. B.K. Khare & Co. as Statutory Auditors.
5. Ratification of Appointment of SRBC & Co, as Joint Statutory Auditors.
6. Approval of remuneration to M/s. Dhananjay V. Joshi & Associates, the Cost Auditors for the financial year 2016-17.
7. Approval for keeping & maintaining Register of Members and other registers/returns at the Corporate Office of the Company.
8. Approval to grant/extend benefits to the employees of the Company under 'Welfare scheme'
9. Approval to grant/extend benefits to the employees of the Company under 'ESOP & Welfare Trust'

AS WITNESS my/our hand(s) thisday of August, 2016.

Regd. Folio No. _____

Signature of the Member

DP ID* _____

Client ID* _____

Affix
Revenue
Stamp

* Applicable for shareholding in electronic form.

- NOTE:**
1. The Proxy need not be a Member.
 2. The Proxy Form must be submitted so as to reach the Corporate Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.

Mumbai - Pune Express Highway

