



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

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and administration) Rules, 2014] NOTICE is hereby given to the members of Thermax Limited ("**the Company**") pursuant to the provisions of Section 110 of the Companies Act, 2013 ("**the Act**") read with the provisions of Rule 22 of the Companies (Management and Administration) Rules, 2014 ("**the Rules**") including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, that the following special resolution is proposed for passing by the members through postal ballot including voting by electronic means (e-voting).

The explanatory statement pursuant to Section 102 of the Act, pertaining to the resolution setting out the material facts and the reasons there of, is annexed hereto along with a Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed Mr. S.V. Deulkar (FCS: 1321 CP: 965), Partner of M/s. SVD & Associates, Company Secretaries, Pune, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and record their assent or dissent and return the same duly completed in the enclosed prepaid self-addressed Business Reply Envelope not later than 5.00 pm on Wednesday, March 27, 2019. Postal Ballot Form(s), if sent at the expense of the member(s), will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the Business Reply Envelope. Please note that Postal Ballot forms received after 5.00 pm on Wednesday, March 27, 2019 shall be deemed invalid.

The Scrutinizer will submit his report to the Chairperson of the Company after completion of the scrutiny of the Postal Ballots (including e-voting). The result of Postal Ballot shall be declared on or before Friday, March 29, 2019 and communicated to the stock exchanges, registrar and share transfer agent and shall also be displayed on the Company's website, www.thermaxglobal.com

RESOLUTION:

CONSIDER AND APPROVE THE TRANSFER OF BOILER & HEATER ("B&H") BUSINESS OF THE COMPANY BY WAY OF A SLUMP SALE AS "GOING CONCERN" TO THERMAX BABCOCK & WILCOX ENERGY SOLUTIONS PRIVATE LIMITED ("TBWES"), A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and any other applicable law for the time being in force and subject to other applicable rules, regulations, guidelines and also subject to requisite approvals, sanctions, consent and observations from secured creditors, customers, any government or regulatory authorities and any other person, as may be applicable, and such terms and conditions as may be imposed by them, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "**the Board**") which shall be deemed to include any Committee of Directors or Director(s) or official(s) of the Company for the time being authorized by the Board to exercise the powers conferred on the Board by this resolution) to transfer, sell, assign, deliver or otherwise dispose of the Boiler & Heater business ("**B&H Business**") of the Company on a slump sale basis as a going concern along with its employees, assets, liabilities, working capital pertaining thereto, all licenses, rights, regulatory approvals, permits and contracts, as identified by the Board, to Thermax Babcock & Wilcox Energy Solutions Private Limited ("**TBWES**"), a wholly owned subsidiary ("**WOS**") of the Company, at a lump sum cash consideration of not less than the Net Book Value of the B&H Business subject to necessary adjustment of working capital and upon such other terms and conditions as may be determined by the Board, by way of Slump Sale Agreement ("**SSA**") to be executed between the Company and TBWES.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit, necessary, proper or desirable, including finalizing, varying and settling the terms and conditions of the sale of the Company's B&H business in the aforementioned manner and to finalize, execute, deliver and perform such agreements (including but not limited to Business Transfer Agreement), contracts, deeds, undertakings, and other documents, file applications, and make representations in respect thereof and seek the requisite approvals, consents, permissions and sanctions as may be applicable from statutory and regulatory authorities as may be necessary, suitably inform and apply as necessary to all the concerned authorities, institutions or bodies, courts, municipal authorities, Registrar of Companies, custom authorities, excise authorities, Income Tax Authorities, Goods and Service Tax Authorities, any other statutory or regulatory authorities and / or to represent the Company before the said authorities, institutions or bodies, and to sign and submit such applications, letters, forms, returns, deeds, documents and to settle any question, difficulty, doubt that may arise, if any with regard to this dealing and reconsider the matter due to change in circumstances as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution, to any Director(s), or to any committee of Directors or any other officer(s) / Authorised Representative(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

By Order of the Board of Directors

For Thermax Limited

Kedar P. Phadke
Company Secretary
FCS: 3349

Date: February 8, 2019

Place: Pune

NOTES:

- 1) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts pertaining to the resolution is annexed hereto along with the Postal Ballot form for your consideration.
- 2) In terms of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the item of business set out in the Notice above is sought to be passed through Postal Ballot.
- 3) The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners, as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, February 15, 2019.
- 4) The voting rights shall be reckoned in proportion to a Member's share in the paid-up Equity Share capital of the Company as on Friday, February 15, 2019.
- 5) As per Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic transmission. Members who have registered their e-mail IDs with depositories or with the Company are being sent Notice of Postal Ballot by e-mail and Members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with Postal Ballot Form and prepaid Business Reply Envelope through post/courier.
- 6) The Postal Ballot form is enclosed for use of the Members. They are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
- 7) In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, if any, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, 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 of the Company to cast their votes electronically on the resolution mentioned in the notice.
- 8) Necessary arrangements have been made by the Company with Karvy Fintech Pvt. Ltd. (“**Karvy**”), to facilitate electronic voting (e-voting). 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.
- 9) Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form duly completed with the assent (for) or dissent (against), so as to reach the Scrutinizer not later than 5.00 pm. on Wednesday, March 27, 2019 to be eligible for being considered, failing which, it shall be treated as if no reply has been received from the Member. The Scrutinizer will submit his report after completion of the scrutiny and the results of postal ballot will be submitted on or before Friday, March 29, 2019, to the Company.
- 10) 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 cut-off date Friday, February 15, 2019.
- 11) The e-voting period commences on Monday, February 25, 2019 (9.00 a.m.) and ends on Wednesday, March 27, 2019 (5.00 p.m.). The voting module shall be disabled by Karvy for voting thereafter.
- 12) The instructions for e-voting forms part of the Postal Ballot Form, annexed to this Notice.
- 13) Members can opt for only one mode of voting, i.e., either by Postal Ballot form or e-voting. In case any member cast his/her votes through both the modes, voting cast through e-voting shall be prevailed and votes cast through physical Postal Ballot Forms will be treated as invalid.
- 14) The resolution shall be taken as passed effectively on the last date specified by the Company for receipt of duly completed Postal Ballot forms or e-voting and results will be posted on the website of the Company www.thermaxglobal.com.
- 15) All the material documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Corporate Office of the Company on all working days from the date of dispatch of notice up to the last date of receipt of duly completed Postal Ballot form, (Monday- Friday) between 11:00 a.m. and 1:00 p.m. up to Wednesday, March 27, 2019.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

Thermax Limited (“**the Company**”) offers solutions to energy, environment and chemical sectors. The Company’s portfolio includes boiler and heater, absorption and chillers / heat pumps, power plants, solar equipment, air pollution control equipment / system, water and waste recycle plant, ion exchange resins and performance chemicals and related services.

Thermax Babcock & Wilcox Energy Solutions Private Limited (“**TBWES**”) was a joint venture entity between the Company and United States based Babcock & Wilcox India Holdings Inc. However, in July 19, 2018 the Company acquired stake of the Joint Venture partner in TBWES and consequently TBWES has now become a Wholly Owned Subsidiary of the Company. TBWES is engaged in the business of designing, engineering, fabrication, supply, erection, commissioning of boilers and it caters to both domestic and international markets. TBWES has state-of-art and advanced manufacturing facilities for manufacture of boilers.

The nature of risk and opportunities inherent in B&H business is distinct from other businesses of the Company and requires different business plans, strategies for growth and management focus. In light of the above background, the Board thought it apt to consolidate the boiler and heater business in a single entity. Accordingly, the Board has approved proposal to transfer the Boiler & Heater business of the Company to TBWES, a wholly owned subsidiary of the Company, on a going concern basis, by way of ‘slump sale’, for a lump sum cash consideration which shall not be less than the Net book value adjusted to working capital of the B&H business at its meeting held on Friday, February 8, 2019. Proposed transfer shall help in consolidation of the B&H business of the Company with TBWES which will inter-alia benefit the Thermax Group as a whole as under:

- Consolidation of B&H business would result into operational synergies and lead to overall cost optimization;
- Consolidation of B&H businesses of the Group in a single entity and hence creating a separate sector focused company;
- Creation of a separate company for B&H business with a separate focused management would provide greater flexibility in pursuing long-term growth plans and strategies for the B&H business. It will also help management in evaluation of performance of the B&H business on an independent basis;
- De risk the existing businesses of the Company from B&H business thus help management to efficiently exploit opportunities for different businesses independently;
- Considering that facility of TBWES is latest and state-of art, proposed consolidation of business would help in improving the efficiency of the B&H business and attracting more customers;

In view of the management, the proposed consolidation of B&H business in TBWES would be in the best interest of the shareholders, creditors, employees and all other stakeholders of the Company.

Considering that TBWES is a wholly owned subsidiary of the Company and would remain as a wholly owned subsidiary of the Company even after the proposed transfer, the same will not have any effect on the turnover and net worth of the Company on a consolidated basis.

The Board at its meeting held on Friday, February 8, 2019 has approved, subject to approval by the Members and other requisite approvals, the proposal of transferring the Boiler & Heater business (“**B&H Business**”) of the Company to Thermax Babcock & Wilcox Energy Solutions Private Limited (“**TBWES**”) (a wholly owned subsidiary of the Company) on a going concern basis, along with its employees, assets, liabilities, working capital pertaining thereto, all licenses, rights, regulatory approvals, permits and contracts, as identified by the Board, by way of ‘slump sale’ for a lump sum cash consideration which shall not be less than the net book value subject to necessary adjustment in working capital of the B&H business.

The Audit Committee of the Board of Directors of the Company has also reviewed the above transaction in their meeting held on Thursday, February 7, 2019 to understand financial and accounting impact of the said transaction on the company’s books of accounts.

In terms of the provisions of Section 180 (1) (a) of the Companies Act, 2013 (the “**Act**”), consent of the Members would be required in this regard to sell/ transfer the said B&H Business of the Company. In terms of the provisions of Section 110 of the Act read with Companies (Management and Administration) Rules, 2014 the approval of the Members has to be obtained, mandatorily through Postal Ballot process. The Board therefore, places the proposed resolution for your consideration and recommends that it be passed as a Special Resolution.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution.

By Order of the Board of Directors

For Thermax Limited

Kedar P. Phadke
Company Secretary
FCS: 3349

Date: February 8, 2019
Place: Pune

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 Postal Ballot. 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 one 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 Friday, February 15, 2019 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) You may then cast your vote by selecting an appropriate option and click on "Submit".
- x) 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).
- xi) 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_ EVENNO". The documents should reach the Scrutinizer on/ before Wednesday, March 27, 2019 at 5.00 p.m.

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

- i) User ID and initial Password in a separate evoting communication, will be sent along with the Notice of Postal Ballot.
- ii) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- iii) 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).
- iv) The Scrutinizer shall, after scrutinizing the votes cast through e-voting and by physical Postal Ballot, make a Consolidated Scrutinizer's Report and submit the same to the Chairperson of the Company.
- v) 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 www.karvy.com. The results shall simultaneously be communicated to the BSE Limited and National Stock Exchange of India Limited.
- vi) A copy of this notice has been placed on the websites of the Company www.thermaxglobal.com and Karvy www.karvy.com