



THERMAX LIMITED

Regd. Office: D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune 411 019.
Corp. Office: Thermax House, 4, Mumbai-Pune Road, Shivajinagar, Pune 411 005.

NOTICE

NOTICE is hereby given that the Twenty-third Annual General Meeting of THERMAX LIMITED will be held on Tuesday, the 27th day of July, 2004 at 11.00 a.m. at Firodia Hall, The Institution of Engineers, 1332, Jangli Maharaj Road, Shivajinagar, Pune - 411 005 to transact the following business:

ORDINARY BUSINESS:

Item No. 1

To receive, consider and adopt the audited Profit and Loss Account for the financial year ended on March 31, 2004, the Balance Sheet as at that date and the reports of the Board of Directors and Auditors, thereon.

Item No. 2

To declare dividend @ 6% on Redeemable Preference Shares of Rs. 10 each, pro-rata for a period of 192 days from September 22, 2003 to March 31, 2004 (both days inclusive), for the financial year ended on March 31, 2004.

Item No. 3

To declare dividend @ 120% (Rs. 12) per equity share for the financial year ended on March 31, 2004.

Item No. 4

To appoint a Director in place of Mrs. Meher Pudumjee who retires by rotation and being eligible, offers herself for re-appointment.

Item No. 5

To appoint a Director in place of Mr. Pheroz Pudumjee who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 6

To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

Item No. 7

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”), consent of the Company be and is hereby accorded to the re-appointment of Mr. Prakash Kulkarni, as Managing Director of the Company, for a period commencing from May 26, 2004 up to June 30, 2007 on the terms and conditions including remuneration set out in the Agreement dated May 26, 2004 entered into between the Company and Mr. Kulkarni with specific authority to the Board of Directors to enhance, alter and vary the terms and conditions of the aforesaid re-appointment and /or Agreement, including remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Kulkarni, provided that such alteration/variation shall be within limits specified in Schedule XIII to the Act or any amendments thereto from time to time.”

Item No. 8

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

“RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with Stock Exchanges, the Securities and Exchange Board of India (SEBI) (Delisting of Securities) Guidelines, 2003 or any amendment or modification(s) thereof, and subject to such approvals, permissions and sanctions, as may be necessary, and subject to the compliance with other statutory formalities and subject to such conditions and modifications as may be prescribed or imposed by any authority including the Stock Exchanges, while granting such approvals, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (‘the Board’) or any Committee / person(s) authorised by the Board, consent be and is hereby accorded to voluntarily delist the Equity Shares and 6% Redeemable Preference Shares (“6% RPS”) of the Company from The Stock Exchange, Ahmedabad (ASE), The Delhi Stock Exchange Association Limited (DSE), The Calcutta Stock Exchange Association Limited (CSE) and Pune Stock Exchange Ltd. (PSE).

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RESOVED FURTHER THAT authority be and is hereby accorded to the Board or any Committee / person(s) authorised by the Board, to settle all questions, difficulties or doubts that may arise in this regard to the aforesaid voluntary delisting of Equity Shares and 6% RPS as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the member shall be deemed to have given their approval expressly by the authority of this resolution.

RESOVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard to comply with all the statutory and procedural formalities and further to authorise any of its committees or any of its Directors or any of the Officers of the Company to do all such acts, deeds or things to give effect to the aforesaid resolution.”

By Order of the Board of Directors
For **Thermax Limited**

Place: Pune
Dated: May 26, 2004

Sunil Lalai
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH THE CORPORATE OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Transfer Books of the Company will be closed from July 12, 2004 to July 27, 2004, both days inclusive.
3. Dividend on 6% RPS and equity shares, if declared at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members on July 27, 2004. 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 10, 2004.
4. Members are advised that bank details and address as furnished by them or by NSDL / CDSL to the Company, for share held in physical form and in dematerialised form respectively, will be printed on their dividend warrants so as to protect against fraudulent encashment.
5. Members holding shares of the Company in dematerialised (electronic) form are requested to furnish their bank account details to their Depository Participant (DP), so as to enable them to incorporate the same in the record of NSDL/CDSL. Kindly note that the Company or its Registrar cannot effect any change in the bank details / address for shares held in dematerialised form and therefore requested not to send any information relating to change of bank details / address to the Company or its Registrar. Such shareholders should send the information directly to their DP only.
6. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
7. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
8. The Company has transferred unclaimed dividend prior to and including the financial year 1994-95 to the General Revenue Account of Central Government. Those shareholders who have not so far claimed dividend upto the aforesaid financial year may make an application to the Registrar of Companies, Pune, 3rd Floor, PMT Commercial Building, Deccan Gymkhana, Pune – 411 004 for an order for payment of such unclaimed dividend.
9. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year 1996-97 onwards, which remain unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Date of declaration	For the Financial Year	Due for transfer on
08.09.1997	1996-1997	24.10.2004
02.09.1998	1997-1998	16.10.2005
20.09.1999	1998-1999	05.11.2006
25.05.2000	1999-2000	12.07.2007
05.09.2001	2000-2001	10.10.2008
27.09.2002	2001-2002	30.10.2009
31.07.2003	2002-2003	04.09.2010

As such, shareholders who have not encashed their dividend warrants are requested in their own interest to write to the Company's Registrar & Transfer Agents, MCS Limited, claiming dividend declared by the Company during the years 1996-97 and onwards and still remaining outstanding. *In terms of Section 205C*

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of the Companies Act, 1956, shareholders are requested to note that no claim shall lie either with IEPF or against the Company in respect of dividend amounts unclaimed for a period of seven years from the dates they first became due for payment and transferred to the IEPF. **The Company has already transferred unclaimed dividend for the financial year 1995-96 to the IEPF.**

Additional information, pursuant to clause 49 of the Listing Agreement, on Directors recommended by the Board of Directors for re-appointment at the Annual General Meeting, is as follows:

Mrs. Meher Pudumjee

Mrs. Meher Pudumjee (37), is currently the Vice-Chairperson of the Company, was appointed a Director of the Company effective 15th January 2001. Mrs. Pudumjee is a postgraduate in Chemical Engineering from Imperial College of Science, Technology & Medicine, London. She has wide experience that encompasses marketing, procurement, shop floor assembly work, treasury operations and general administration. She was in charge of the Company's overseas operations in UK for about four years. She was appointed head of 'Corporate Strategic Planning' to address consolidation and growth plans of the company, new ventures, acquisitions, divestments, etc. From July 1996 to July 2000 she was associated with the Company as an Executive Director.

Mrs. Meher Pudumjee is also a director on the Board of the following companies:

Thermax Babcock & Wilcox Ltd.,
Thermax Energy Performance Services Ltd.,
Thermax Surface Coatings Ltd.,
Thermax Capital Ltd.,
Thermax Electronics Ltd.,
Thermax Instrumentation Ltd.,
Winman Gas Ltd.,
Thermax Europe Ltd., UK,
Thermax (Rus) Ltd., Russia
Thermax International Ltd., Mauritius,
ME Engineering Ltd., U.K.,
Thermax Inc., USA,
ARA Trading & Investments Pvt. Ltd.,
KRA Holding & Trading Pvt. Ltd. and
RDA Holding & Trading Pvt. Ltd.

Mrs. Pudumjee is the Chairperson / Member of the following Board appointed Committees,

Thermax Limited:

- 1) Borrowing & Investments Committee - Chairperson
- 2) Audit Committee - Member
- 3) Strategic Business Development Committee - Member
- 4) Share Transfer & Shareholders' Grievance Committee - Member
- 5) Share Allotment Committee - Member

Thermax Babcock & Wilcox Limited:

- 1) Audit Committee - Chairperson
- 2) Remuneration Committee - Chairperson

Keeping in view her experience and knowledge, the Board recommends re-appointment of Mrs. Meher Pudumjee as a Director of the Company.

Mr. Pheroze Pudumjee

Mr. Pheroze Pudumjee (43) a Director of the Company from 15th January 2001 is a graduate in Commerce and has done his Masters in Business Administration. He also holds a Diploma in Automobile Technology from Stanford University, USA. He has played a key role in developing a number of products suitable for overseas market and has gained in-depth experience in international marketing of industrial products. The exports of the Company had risen up to Rs. 100 crores under his proficient guidance. From September 1997 to July 2000 he was associated with the Company as an Executive Director.

Mr. Pheroze Pudumjee is also a Director on the Board of the following companies:

Winman Gas Ltd.
Thermax Europe Ltd., UK,
Thermax (Rus) Ltd.,
Thermax International Ltd., Mauritius,
ME Engineering Ltd., U.K.,
Thermax Inc., USA.
Thermax Hong Kong Ltd., Hong Kong and
KRA Holding & Trading Pvt. Ltd.

Mr. Pudumjee is the Chairman / Member of the following Board appointed Committees,

Thermax Limited:

- 1) Overseas Investment Committee - Chairman
- 2) Share Transfer & Shareholders' Grievance Committee - Chairman
- 3) Remuneration & Human Resources Committee - Member
- 4) Strategic Business Development Committee - Member
- 5) Share Allotment Committee - Member

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Keeping in view his experience and knowledge, the Board recommends re-appointment of Mr. Pheroj Pudumjee as a Director of the Company.

Mr. Prakash Kulkarni

Mr. Prakash Kulkarni (56) is the Managing Director of the Company since 21st July 2000. He has been associated with the Company for over 33 years, having joined Thermax [then Wanson (India) Ltd.] in 1971 as a design engineer. A mechanical engineer by qualification, Mr. Kulkarni is an alumnus of Harvard Business School where he underwent a three-month advanced management development programme in 1992.

In 1990, he moved as Joint Managing Director of Thermax Babcock & Wilcox Limited (TBW) and soon made the transition to Managing Director. Under his leadership, TBW grew rapidly and established itself as a technology and market leader with a turnover of Rs. 130 crores in the fiscal year 1998.

In 1999, as part of a restructuring exercise, Mr. Kulkarni took over as Joint Managing Director of Thermax Limited, with operational responsibility of the manufacturing, energy systems, process heat and absorption cooling divisions.

In July 2000, Mr. Kulkarni was appointed Managing Director of Thermax Limited following the reconstitution of the Board. As Managing Director, Mr. Kulkarni is attributed with turning around the company in a span of two years through business portfolio restructuring, operational efficiency improvements and organisational right sizing.

Mr. Kulkarni is a Director on the Board of the following companies:

Thermax Babcock & Wilcox Ltd.
Thermax Energy Performance Services Ltd.
Thermax Engineering Construction Co. Ltd.
Thermax Surface Coatings Ltd.
Thermax Capital Ltd.
Thermax Electronics Ltd.
Thermax Instrumentation Ltd.
Thermax Co-Gen Ltd.
ME Engineering Ltd., UK
Thermax Inc., USA
Thermax (Rus) Ltd., Russia
Thermax Europe Ltd., UK and
Thermax Hong Kong Ltd., Hong Kong

Mr. Kulkarni is a Member of the following Board appointed Committees,

Thermax Limited:

- 1) Borrowings & Investments Committee - Member
- 2) Strategic Business Development Committee - Member
- 3) Overseas Investment Committee - Member
- 4) Share Allotment Committee - Member

Thermax Babcock & Wilcox Limited:

- 1) Audit Committee - Member
- 2) Remuneration Committee - Member

Keeping in view his vast experience and knowledge, the Board recommends re-appointment of Mr. Prakash Kulkarni as the Managing Director of the Company.

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EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No. 7

Mr. Prakash Kulkarni was appointed as Managing Director of the Company with effect from July 21, 2000. The shareholders of the Company, at the 19th Annual General Meeting held on September 15, 2000, had approved his appointment on the terms and conditions set out in the Agreement dated July 21, 2000. Subsequently, the Board of Directors at its meeting held on October 23, 2000 had revised the remuneration of Mr. Kulkarni with effect from July 1, 2000 vide Supplementary Agreements dated October 23, 2000 which were also approved by the shareholders at the 20th Annual General Meeting held on September 5, 2001.

It has been mutually agreed to terminate the Agreement dated July 21, 2000 and Supplementary Agreements dated October 23, 2000 with effect from May 26, 2004. The Board of Directors at its meeting held on May 26, 2004 have approved entering into a fresh agreement with Mr. Kulkarni re-appointing him as the Managing Director of the Company on revised terms and conditions set out in the Agreement dated May 26, 2004 for the period commencing from May 26, 2004 upto June 30, 2007 being the date of his retirement. The salient terms and conditions of the fresh agreement dated May 26, 2004 are as follows:

- I. The Managing Director shall, subject to the superintendence, control and direction of the Board of Directors of the Company, be in charge of the general conduct and management of the whole of business and affairs of the Company and also exercise and perform such powers and duties as the Board of Directors of the Company may determine from time to time.
- II. Salary in the scale of Rs. 2,00,000 – Rs. 5,00,000 per month with annual increments to be decided by the Board of Directors, subject to the limits specified in Schedule XIII to the Companies Act, 1956.
- III. Other emoluments as per Company rules:
 1. Unfurnished Company leased accommodation,
 2. Reimbursement of electricity and cooking gas expenses,
 3. Reimbursement of medical expenses up to 40% of one month's basic salary per annum,
 4. Reimbursement of car and driver expenses (recovery to be made for personal use of car),
 5. Company's contribution to Provident Fund and Superannuation as per Company rules, presently 12% and 15% of the basic salary, respectively.

6. Gratuity at half month's salary for each completed year of service,
7. Telephone facility at residence (personal long-distance calls to be recovered),
8. Commission/Ex-gratia, if any, to be decided by the Board of Directors.

IV. The Board of Directors is at liberty to alter and vary the terms and conditions of the said Agreement as long as they do not exceed the remuneration limits specified in Schedule XIII to the Companies Act, 1956 or any other amendments thereto.

Notwithstanding anything contrary herein contained, where in any financial year during the currency of tenure of the appointee, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites and allowances as specified above, as minimum remuneration subject to the overall ceiling as is set out in Section II of Part II of Schedule XIII and the same as may be amended from time to time.

The Board considers the re-appointment of Mr. Kulkarni as beneficial and in the interest of the Company and recommends the resolution for your approval.

The Agreement dated May 26, 2004 is available for inspection to the shareholders of the Company on all working days at its Corporate Office between 10 a.m. and 12.30 p.m. up to the date of the meeting.

None of the Directors except Mr. Kulkarni may be deemed to be concerned or interested in this resolution.

Item No. 8

The Company's Equity Shares of Rs. 10/- each and 6% Redeemable Preference Shares (6% RPS) of Rs. 10/- each (the "securities") are presently listed on the following six Stock Exchanges:

- a) Pune Stock Exchange Limited (PSE)
- b) The Stock Exchange, Mumbai (BSE)
- c) The National Stock Exchange of India (NSE)
- d) The Stock Exchange, Ahmedabad (ASE)
- e) The Delhi Stock Exchange Association Limited (DSE)
- f) The Calcutta Stock Exchange Association Limited (CSE)

Majority of trading volume in the Company's equity securities, which are required to be compulsorily traded in dematerialised form, are transacted on NSE and BSE. NSE and BSE which account for majority of the traded volumes of the Company's securities have extensive networking of

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trading terminals and facilitates trading by Members / investors across the country. Comparatively, trading in the Company's securities on other Stock Exchanges is negligible and insignificant. Continued listing on such other Stock Exchanges neither serves the interest of the Members / investors nor that of the Company.

The Board of Directors of your Company (the Board) at its meeting held on May 26, 2004 accordingly recommended for the approval of the Members, the proposal to voluntarily delist the Company's securities from the Stock Exchanges at Ahmedabad, Delhi, Calcutta and Pune. The Company's securities will however continue to be listed on the NSE and BSE.

The proposed delisting of the Company's securities from the aforesaid Stock Exchanges will not adversely affect the interest of Members / investors and would result in administrative convenience and savings in costs on account of listing fees, compliances, etc. The delisting will

take effect after all approvals, permissions and sanctions are received.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, consent of the Members by way of a Special Resolution is required for voluntary delisting of the Company's securities from the aforesaid four Stock Exchanges.

None of the Directors of your Company are, in any way, concerned or interested in this Special Resolution.

Your Directors recommend this Special Resolution for your approval.

By Order of the Board of Directors
For **Thermax Limited**

Place: Pune
Dated: May 26, 2004

Sunil Lalai
Company Secretary