



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-sixth Annual General Meeting of THERMAX LIMITED ('the Company') will be held on Wednesday, the 25th day of July 2007 at 11.00 a.m. at Bal Gandharva Rang Mandir, Jangli Maharaj Road, Shivajinagar, Pune - 411 005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended on March 31, 2007, the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors, thereon.
2. To declare final dividend on equity shares and confirm the interim dividend of Rs. 3.40 per equity share declared and paid during the financial year ended March 31, 2007.
3. To appoint a Director in place of Dr. Jairam Varadaraj who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pheroz Pudumjee who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. M.S. Unnikrishnan who was appointed as an Additional Director with effect from

July 01, 2007 at the Meeting of the Board of Director held on May 29, 2007 and who holds office under Section 260 of the Companies Act, 1956 ('the Act' upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

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 XII and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), consent of the Company be and is hereby accorded to the appointment of Mr. M.S. Unnikrishnan, as the Managing Director of the Company, for a period of five years with effect from July 01, 2007 on the terms and condition including remuneration set out in the draft Agreement to be entered into between the Company and Mr. Unnikrishnan with specific authority to the Board of Directors to alter and vary the terms and conditions of the aforesaid appointment and /or Agreement including remuneration, provided that such alteration/variation shall be within the limits specified in Schedule XIII to the Act or any amendments thereto from time to time

RESOLVED FURTHER THAT Mr. M.S. Unnikrishnan shall not be subject to retirement by rotation during his tenure as Managing Director in terms of Article 126 and 127 of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Director be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND INTENDED TO BE USED. PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH THE CORPORATE OFFICE OF THE COMPANY ATLEAST FORTY-EIGHT HOURS BEFORE THE MEETING.

2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.

3. Karvy Computershare Private Limited, Hyderabad (KCPL) has been appointed as Registrar and Transfer Agent (RTA) of the Company with effect from May 16, 2007 in place of MCS Limited. Members are henceforth requested to furnish bank details, change of address, requests for transfer / transmission / transposition of shares, consolidation / split / duplicate share certificate(s), non-receipt of dividend or any other queries and related correspondence to KCPL at the address given below:

Karvy Computershare Pvt. Ltd.

Unit: Thermax Ltd.

Plot No. 17 to 24, Vittalrao Nagar,

Madhapur, Hyderabad – 500 081

Tel No. 040-23420818 and 28,

Fax No. 040-23420814

E-mail ID for Investor Grievances: igkcpl@karvy.com

Website: www.karvycomputershare.com

4. The Register of Members and Transfer Books of the Company will be closed from July 16, 2007 to July 25, 2007 (both days inclusive).

5. Dividend on 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 25, 2007. In respect of dematerialised shares, the dividend will be paid based on the beneficial ownership as per details furnished by the depositories for this purpose at the end of business hours on July 13, 2007.

6. The Company has provided facility to the members for remittance of 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 identified by Reserve Bank of India from time to time and covers most cities and towns.

➤ Members holding shares in *physical form* and wish to avail this facility are requested to send their details in ECS mandate form. The ECS

mandate form may be collected from the Company's Corporate Office or its RTA or may be downloaded from the Company's website (www.thermaxindia.com). The ECS mandate form submitted earlier shall be valid for the recommended dividend.

➤ Members holding shares in *dematerialised* (electronic) form are hereby informed 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 their Depository Participant (DP) only, which would be downloaded and updated in the Company's records for disbursement of dividend.

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

8. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 (the Act), dividend remaining unclaimed for a period of seven years from the date they became due for payment are required to be transferred to Investor Education and Protection Fund ('IEPF') established by the Central Government in accordance with the provisions of Section 205C of the Act. It may be noted that the unclaimed dividend, declared by the Company on May 25, 2000 for the financial year 1999-2000, is due for transfer to IEPF on July 12, 2007. Members who have not encashed their dividend warrants pertaining to the year 1999-2000 and/or any subsequent years should approach KCPL, the Company's RTA, for obtaining payments thereof.

In terms of Section 205C of the Act, members 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 became due for payment and transferred to the IEPF. During the year, the Company has already transferred unclaimed dividend for the financial year 1998-99 to the IEPF.

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

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

[Pursuant to Clause 49 of the Listing Agreement]

Dr. Jairam Varadaraj

Dr. Jairam Varadaraj, 44, is the Managing Director of Elgi Equipments Ltd.

Dr. Varadaraj holds a Masters degree in Business Administration from George Washington University, USA and has a PhD in International Business from the University of Michigan, USA.

He has varied experience of nearly 17 years in India covering textiles, polymers, mechanical machines and consumer appliances. He was also the Chairman of the Tamilnadu State Committee of Confederation of Indian Industries. Dr. Varadaraj has 4 years of teaching and research experience in the US. His research studies covered international financial markets, euro currency markets, joint venture, corporate strategy and technology transfers in the US.

Dr. Varadaraj is Member on the Board of the following companies:

1. Elgi Finance Ltd.
2. Elgi Ultra Industries Ltd.
3. Elgitread (India) Ltd.
4. Adisons Precision Instruments Mfg. Co. Ltd.
5. Elgitread Ltd.
6. Precot Meridian Ltd.
7. Magna Electro Castings Ltd.
8. Executive & Business Coaching Foundation India Ltd.
9. ATS Elgi Ltd.

As an independent director on the Company's Board from January 15, 2001, Dr. Varadaraj also serves on two Board appointed Committees-Chairman of the Remuneration & Compensation Committee and a Member of the Audit Committee.

Dr. Varadaraj is also a Member of the following Board appointed Committees of other companies:

- Elgi Equipments Ltd. - Share Transfer Committee
- Elgi Ultra Industries Ltd. - Share Transfer Committee
- Precot Meridian Ltd. - Audit Committee

Dr. Varadaraj does not hold any shares of the Company.

Mr. Pheroze Pudumjee

Mr. Pheroze Pudumjee, 45, is a Director of the Company from January 15, 2001. As Director he facilitates and coordinates the Company's international initiatives including the development of new business. Mr. Pudumjee is the Chairman of the Company's Overseas Investment Committee. He is also a member of the Company's Corporate Development Group that oversees incubation of new business and organisational changes.

Mr. Pudumjee has a Masters in Business Administration and a Diploma in Automotive Technology from Stanford University, USA.

Mr. Pudumjee is the Chairman of the Confederation of Indian Industries (CII), Pune, a Member of the CII National Committee on Export and a member of the Maharashtra Chamber of Commerce's International Panel.

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

1. Thermax International Ltd., Mauritius
2. Thermax Hong Kong Ltd., Hong Kong
3. ARA Trading & Investments Pvt. Ltd.
4. KRA Holding & Trading Pvt. Ltd.
5. RDA Holding & Trading Pvt. Ltd.

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

- Share Transfer & Shareholders' Grievance Committee - Chairman
- Overseas Investment Committee - Chairman
- Audit Committee - Member
- Strategic Business Development Committee - Member

Mr. Pudumjee holds 3,57,000 equity shares of the Company.

Mr. M. S. Unnikrishnan

Mr. M.S. Unnikrishnan, 47, the Managing Director designate of the Company, currently heads the Company's Project Business. As an Executive Vice President, he looks after the three high growth areas of Thermax - captive power, boilers & heaters and air pollution control.

Mr. Unnikrishnan began his career as a Graduate Trainee with the Company after completing his Mechanical Engineering from Regional Engineering College, Nagpur in 1982. He went on to set up the marketing operation for the Energy Division of Thermax in the Western Region.

In 1987, he joined the EID Parry Group as Deputy Regional Manager and after a four-year stint he was promoted as the Head of its Engineering Division. Mr. Unnikrishnan joined as an Assistant General Manager of Terrazzo Incorporated - Sharjah in 1992 heading the manufacturing, marketing and commercial operations.

He rejoined the Company as a General Manager in 1997. Since then, he has headed the Waste Management and Absorption Cooling Divisions of the Company, turning around both these businesses and making them profitable SBUs. After the organizational restructuring in 2000, he became a member of the newly formed Executive Council. He led the Human Resource function of Thermax during its critical turnaround period and later established the Project Management Office to spearhead the transformation initiative of the company.

Mr. Unnikrishnan would take over as Managing Director of the Company from July 01, 2007. He does not hold any shares of the Company.

By Order of the Board of Directors

Place: Pune
Dated: May 29, 2007

Sunil Lalai
Company Secretary

EXPLANATORY STATEMENT

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

Item No. 6

Mr. M.S. Unnikrishnan has been appointed as an Additional Director of the Company with effect from July 01, 2007 at the Board Meeting held on May 29, 2007. The term of his office extends upto the date of this Annual General Meeting. The Company has received Notice in writing from members under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Unnikrishnan for the office of Director of the Company.

A brief resume of Mr. Unnikrishnan is given in the Notes to the Notice of this Annual General Meeting.

No Director other than Mr. Unnikrishnan is concerned or interested in the resolution.

Directors recommend the resolution for your approval.

Item No. 7

Mr. M.S. Unnikrishnan, Executive Vice-President has been appointed as the Managing Director of the company, effective July 01, 2007, by the Board of Directors at its meeting held on May 29, 2007. He succeeds Mr. Prakash Kulkarni, who retires on June 30, 2007.

A brief resume of Mr. M.S. Unnikrishnan is given in the Notes to the Notice of this Annual General Meeting.

The following are the main terms and conditions, including remuneration, of the Agreement to be entered into with Mr. Unnikrishnan:

- I. The period of Agreement is for 5 years with effect from July 01, 2007.
- II. Salary in the scale of Rs. 3,50,000 - Rs. 8,00,000 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 (the Act).
- III. Other emoluments as per Company rules:
 1. Unfurnished Company leased accommodation or House Rent Allowance,
 2. Reimbursement of medical expenses upto one month's basic salary p.a.,
 3. Reimbursement of car and driver expenses as per Company policy (recovery to be made for personal use of car),

4. Reimbursement of leave travel expenses,
5. Company's contribution to provident fund and superannuation, presently 12% and 15% of the basic salary, respectively.
6. Gratuity at half month's salary for each completed year of service,
7. Telephone and other communication facilities 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 Act, 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, subject to limits prescribed under Part II of Section II of Schedule XIII to the Act.

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

The Agreement between the Company and Mr. Unnikrishnan is available for inspection to the members of the Company on all working days at its Corporate Office between 10 a.m. and 12.30 p.m. upto the date of this Annual General Meeting.

No Director other than Mr. Unnikrishnan is concerned or interested in the resolution.

This may be treated as an abstract of the Agreement entered into between the Company and Mr. Unnikrishnan pursuant to Section 302 of the Act.

By Order of the Board of Directors

Place: Pune
Dated: May 29, 2007

Sunil Lalai
Company Secretary