



THERMAX LIMITED

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

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

NOTICE

NOTICE is hereby given that the Twenty-ninth Annual General Meeting of THERMAX LIMITED ('the Company') will be held on Wednesday, July 21, 2010 at 11.30 a.m. at Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan Complex, Baner Road, Pune - 411 007 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, 2010, the Balance Sheet as at that date together with the reports of the Auditors and Board of Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Pheroze Pudumjee, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Jairam Varadaraj, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. B.K. Khare & Co., Chartered Accountants, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next

Annual General Meeting and to authorise the Audit Committee of the Board 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 pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded, in partial modification to Resolution no. 7 passed at the Annual General Meeting of the Company held on July 25, 2007, for payment of revised remuneration and benefits to Mr. M. S. Unnikrishnan, Managing Director of the Company, with effect from July 1, 2010 on the terms and conditions and stipulations contained in the Supplementary Agreement entered into between the Company and Mr. M. S. Unnikrishnan, copy whereof is placed before the meeting."

By Order of the Board of Directors

Place: Pune
Dated: May 12, 2010

Sunil Lalai
Company Secretary

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 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 at least forty-eight hours before the meeting i.e. by 11.30 a.m. on July 19, 2010.

2. Corporate Members are requested to send duly certified copy of the Board resolution, pursuant to Section 187 of the Companies Act, 1956 (the Act) authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and Transfer Books of the Company will be closed from Monday, July 12, 2010 to Wednesday, July 21, 2010 (both days inclusive).
4. 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 21, 2010. 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, 2010.
5. Currently, as per the directive of Securities and Exchange Board of India, the Company uses Electronic Clearing Service (ECS) introduced by Reserve Bank of India for payment of dividend to shareholders, wherever available. Through this system, the bank account of the shareholder is directly credited with the dividend amount under advice to the shareholder.

With effect from October 1, 2009, Reserve Bank of India (RBI) has instructed Banks to move to the National Electronic Clearing Service (NECS) platform replacing the ECS facility. NECS essentially operates on new and unique bank account number allotted by banks post implementation of Core Banking Solution (CBS) for centralized processing of inward instructions and further efficiency in handling bulk transactions. The advantages of NECS over ECS include faster credit of remittances to beneficiary's account, coverage of more bank branches and ease of operations for remitting agencies.

In view thereof, shareholders of the Company holding shares in,

- DEMATERIALISED (electronic) form are requested to intimate to their Depository

Participant (DP) new bank account number allotted by their bank after implementation of CBS. Further, all changes pertaining to their bank account details, electronic credit mandate, nominations, power of attorney, change of address/name etc., should be informed to their DP only and not to the Company or its Registrar and Transfer Agent, Karvy Computershare Pvt. Ltd. Changes intimated to the DP would be downloaded and updated in the Company's records for disbursement of dividend or any corporate benefits.

- PHYSICAL form and desirous of availing this facility are requested to send their details through a mandate form. This may be collected from the Company's Corporate Office or its Registrar and Transfer Agent or could also be downloaded from the Company's website (www.thermaxindia.com). To avail the NECS facility the mandate form should be sent by post or hand delivered to the Company's Corporate Office or its Registrar and Transfer Agent to reach before commencement of the book closure date i.e. July 12, 2010.

Consequently, if the new account number has not been provided post implementation of CBS, electronic credit to your old account may either be rejected or returned.

6. Members/Proxies are requested to bring the Attendance Slip duly completed for attending the meeting. The 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.
7. Unclaimed dividend for the financial year 2002-03, is due for transfer to the Investor Education and Protection Fund (the IEPF) on September 4, 2010 pursuant to the provisions of Section 205A(5) of the Act. Members who have not encashed their dividend warrants pertaining to the year 2002-03 and/or any subsequent years that still remain outstanding are requested to lodge their claims with the Company's Registrar & Transfer Agent, for obtaining payments thereof.

Members are advised that in terms of Section 205C of the Act, no claim shall lie with respect to unclaimed dividend after it is transferred to the IEPF. During the year, the Company has already transferred the unclaimed dividend for the financial year 2001-02 to the IEPF.

8. The accounts for the financial year ended March 31, 2010 could also be viewed on the Company's website (www.thermaxindia.com). 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.

ADDITIONAL INFORMATION OF DIRECTORS BEING RECOMMENDED FOR RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to Clause 49(IV)(G) of the Listing Agreement]

Mr. Pheroze Pudumjee

Mr. Pheroze Pudumjee, 48, is a Director of the Company since January 15, 2001. He facilitates and coordinates the Company's international initiatives including the incubation and development of new business and relevant organizational changes.

Mr. Pudumjee is the Chairman of the following Board appointed committees – Overseas Investment Committee and Share Transfer and Shareholders' Grievance Committee. He is also a Member of the Audit Committee, Strategic Business Development Committee, Borrowing and Investments Committee and Human Resources Committee.

Mr. Pudumjee is a member of the Confederation of Indian Industries (CII)'s National Committee on Export and a member of its Western Regional Council. Earlier, he was the Chairman of CII, Pune. He is also a member on the Maratha Chamber of Commerce's International Panel.

Mr. Pudumjee has a Masters degree in Business Administration and a Diploma in Automotive Technology from Stanford University, USA. He is a squash, golf and motoring enthusiast.

The other companies where Mr. Pheroze Pudumjee holds directorship are given below:

Name of the Company	Designation
1. RDA Holding & Trading Pvt. Ltd.	Director
2. Thermax SPX Energy Technologies Ltd.	Chairman
3. Thermax International Ltd., Mauritius	Director
4. Thermax Hong Kong Ltd., Hong Kong	Director

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

Dr. Jairam Varadaraj

Dr. Jairam Varadaraj, 49, is a Director of the Company since January 31, 2003. He holds a Masters degree in Business Administration from George Washington University, USA and has done his Ph.D. in International Business from the University of Michigan, USA. He has varied experience of

Indian industrial sector covering textiles, polymers, mechanical machines and consumer appliances.

Dr. Varadaraj has spent about four years in teaching and research in the United States, studying computerized marketing simulation as well as researching on Euro-bond markets. He has also conducted detailed research studies on international financial markets, joint ventures, corporate strategy and technology transfers in the United States. He was the Chairman of the Tamil Nadu State Committee of CII.

The other companies on which Dr. Varadaraj holds directorship and is also a chairman/ members of Committees of the Board is given below:

Name of the Company	Chairmanship and Membership of committees
1. Elgi Equipments Ltd.	Managing Director & Member of Share Transfer Committee
2. Elgi Industrial Products Ltd.	Managing Director
3. Elgi Ultra Industries Ltd.	Member of Share Transfer Committee
4. Elgi Rubber Company Limited	-
5. Adisons Precision Instruments Manufacturing Co. Ltd.	-
6. Precot Meridian Ltd.	Member of Audit Committee & Remuneration Committee
7. Magna Electro Castings Ltd.	-
8. Executive and Business Coaching Foundation India Ltd.	-
9. ATS Elgi Limited	Chairman
10. Elgi Sauer Compressors Ltd.	-
11. Treadsdirect Limited, Kenya	-
12. Treadsdirect Limited, Mauritius	-
13. Treadsdirect Limited, Bangladesh	-
14. Treadsdirect Limited, Sri Lanka	-
15. Belair S.A., France	-

As an independent director of the Company, Dr. Varadaraj also serves as a member on two Board appointed committees viz. Audit Committee and Human Resources Committee.

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

By Order of the Board of Directors

Place: Pune
Dated: May 12, 2010

Sunil Lalai
Company Secretary

EXPLANATORY STATEMENT

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

Mr. M. S. Unnikrishnan was appointed as Managing Director of the Company effective July 1, 2007 by the Board of Directors at its meeting held on May 29, 2007. The shareholders of the Company, at the Twenty-sixth Annual General Meeting held on July 25, 2007 had also approved his appointment and the terms and conditions including the remuneration, in the salary scale of Rs.3,50,000 – Rs.8,00,000 per month.

With the annual increments, the present salary of Mr. M. S. Unnikrishnan has attained the outer limit of the approved salary scale. The Board of Directors at its meeting held on May 12, 2010 decided to revise the remuneration of Mr. M. S. Unnikrishnan with effect from July 1, 2010 as per Company's policy. It was therefore imperative to enter into a Supplementary Agreement with Mr. M. S. Unnikrishnan to that effect. The revision in remuneration is in accordance with the applicable provisions of the Companies Act, 1956 (the Act). Save and except the aforesaid revision in remuneration, other terms and conditions governing the appointment provided in the Agreement dated July 2, 2007 remain unchanged/unaltered. The revised remuneration is as under:

- I. Salary in the scale of Rs.8,00,000 – Rs.20,00,000 per month with annual increments to be decided by the Board of Directors, subject to the limits specified in Schedule XIII to the Act.
- II. Other emoluments as per Company rules:
 - a. Unfurnished Company leased accommodation or House Rent Allowance.
 - b. Reimbursement of medical expenses of self and family upto one month's basic salary per annum.
 - c. Reimbursement of car and driver expenses as per Company policy (recovery to be made for personal use of car).
 - d. Reimbursement of leave travel expenses.
 - e. Company's contribution to the provident fund at 12% of the salary.
 - f. Company's contribution to the superannuation fund at 15% of the salary.
 - g. Gratuity at half a month's salary for each completed year of service.
 - h. Reimbursement of telecommunication and other communication expenses including payment of local and long-distance official calls (personal calls to be recovered).

- i. Commission/Ex-gratia, as may be decided by the Chairperson and/or the Board of Directors from time to time.

- III. The Board of Directors is at liberty to alter and vary the terms and conditions of the said Agreement as long as it does 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 the limits prescribed under Part II of Section II of Schedule XIII to the Act.

The Board considers the aforesaid revision in the remuneration commensurate with the increase in the duties and responsibilities of the Managing Director. Accordingly, the Board recommends the resolution for your approval.

The Agreement dated July 2, 2007 and Supplementary Agreement dated May 12, 2010 entered into are 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 this Annual General Meeting.

No Director other than Mr. M. S. Unnikrishnan is concerned or interested in this resolution.

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

By Order of the Board of Directors

Place: Pune
Dated: May 12, 2010

Sunil Lalai
Company Secretary