



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 Thirty-first Annual General Meeting of THERMAX LIMITED ('the Company') will be held on Thursday, July 26, 2012 at 11.30 a.m. at 'Symbiosis' Viman Nagar Campus (Auditorium), Survey No. 231/3A, New Airport Road, Vimannagar, Pune 411 014, 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, 2012, 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 Dr. Valentin A.H. von Massow, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Raghunath A. Mashelkar, 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 decide 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 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. M. S. Unnikrishnan, as the Managing Director & Chief Executive Officer of the Company, for a period of five years with effect from July 1, 2012 on the terms and conditions 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 re-appointment and /or Agreement including remuneration, provided that such alteration/variation shall be within limits specified in Schedule XIII to the Act or any amendments thereto from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary for giving effect to this resolution."

By Order of the Board of Directors

Place: Pune
Dated: May 11, 2012

Devang Trivedi
Dy. 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 24, 2012.

2. The explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (the Act) in respect of the special business is annexed hereto.
3. Corporate Members are requested to send duly certified copy of Board resolution, pursuant to Section 187 of the Act authorizing their representative to attend and vote at the Annual General Meeting.

4. Book Closure & Dividend:

- (a) The Register of Members and Transfer Books of the Company will be closed from Monday, July 16, 2012 to Thursday, July 26, 2012 (both days inclusive).
- (b) 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 26, 2012. 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 13, 2012.

5. 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 the 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 Registrar & Transfer Agent 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 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 Registrar and Transfer Agent 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.

6. 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.

7. **Unclaimed Dividend:**

Unclaimed dividend, declared by the Company on July 26, 2005 for the financial year 2004-2005 and pro-rata dividend on 6% Redeemable Preference Shares for the financial year 2005-06 are due for transfer to the Investor Education and Protection Fund (the IEPF) on August 31, 2012 pursuant to the provisions of Section 205A(5) of the Act. Members who have not encashed their dividend warrants pertaining to the year 2004-2005 and/or any subsequent years that still remains outstanding are requested to lodge their claims with Karvy Computershare Pvt. Ltd., 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 declared for the financial year 2003-04 to the IEPF.

8. **Email Address:**

In order to communicate the important and relevant information and events to the members in a cost efficient manner, including quarterly results, members are encouraged to register their e-mail addresses with the Registrar & Share Transfer Agent (R&T) in case of shares held in physical form and with their respective DP in case of dematerialised holdings.

9. **Queries related to accounts:**

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.

10. The accounts for the financial year ended March 31, 2012 could also be viewed on the company's website www.thermaxindia.com.

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

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

Dr. Valentin A.H. von Massow

Dr. Valentin A.H. von Massow, 55, is a German National and resident of UK. He has done a Diploma Engineer degree in Agriculture and a Ph.D. in Agricultural Economics (both with distinction) at Georgia Augusta University in Gottingen, Germany. He worked with Boston Consulting Group (BCG) from 1986 to 2005, since 1993 as Vice-President and Director. During his tenure as Managing Director of BCG India, he had worked with the company for its turnaround and growth strategy.

He is a Non-executive Director of the Board of Crompton Greaves Limited and of other European companies in the renewable energy, agriculture and environment sectors and serves on the Board of Trustees of the Worldwide Fund for Nature (WWF) in UK.

Dr. von Massow holds directorships in Crompton Greaves Limited, CG Holdings Belgium N.V., Agrosolar GmbH & Co. K.G., ADAS Group (UK), Solarlite GmbH and Ritterschaftliches Kreditinstitut Stade.

Dr. von Massow is also a Chairman of the Strategic Business Development Committee of the company. He does not hold any shares of the company.

Dr. Raghunath A. Mashelkar

Dr. Raghunath A. Mashelkar, 69, an eminent engineering scientist, is a Director of the company from January 29, 2008. He has a Ph.D. in Chemical Engineering. Presently, he is a National Research Professor at National Chemical Laboratory, Pune. He is also the President of Global Research Alliance, a network of publicly funded R&D institutes from Asia-Pacific, Europe and USA with over 60,000 scientists. He was the President of Indian National Science Academy (INSA).

Dr. Mashelkar was the Director General of the Council of Scientific and Industrial Research (CSIR) for over eleven years. Dr. Mashelkar is only the third Indian Engineer to have been elected as Fellow of Royal Society (FRS), London in the twentieth century. Twenty-six universities have honored him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin and Delhi.

Dr. Mashelkar has won over 50 awards and medals from several bodies for his outstanding contribution in the field of science and technology.

The President of India honored him with Padmashri (1991) and with Padmabhushan (2000), in recognition of his contribution to nation building.

Dr. Mashelkar holds directorship and is also Chairman/Member of Committees of the following companies:

Directorships	Chairmanship(s) and membership(s) of committees
Reliance Industries Ltd.	Audit Committee - Member
Tata Motors Ltd.	Audit Committee - Member
Hindustan Unilever Ltd.	Remuneration-cum-Compensation Committee- Member Audit Committee - Member
KPIT Cummins Infosystems Ltd.	Remuneration Committee - Member
Piramal Healthcare Ltd.	Audit & Risk Committee - Member
Sakal Papers Ltd.	-
Vyome Bioscience Pvt. Ltd.	-
Reliance Gene Medix PLC.	-
ICICI Knowledge Park	-
IKP Centre for Technologies in Public Health	-

Dr. Mashelkar does not hold any shares in the company.

Mr. M. S. Unnikrishnan

M. S. Unnikrishnan, 51, is the Managing Director of the company since July 1, 2007.

A Mechanical engineering graduate from the Regional Engineering College, Nagpur, with an Advanced Management Program graduation from the Harvard Business School, U.S.A. Mr. Unnikrishnan began his career with Thermax as a trainee engineer in the year 1982.

He has also worked with the EID-Parry group for a period of 5 years as the Head of its Engineering business and with Terrazzo Inc, U.A.E between 1992-1997 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 resource 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. He also co-chairs 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:

Directorships	Chairmanship/ Membership
Borrowing & Investments Committee	Member
International Investment Committee	Member
Share Transfer & Shareholders' Grievance Committee	Member
Strategic Business Development Committee	Member

Mr. Unnikrishnan holds directorship and is also Chairman/ Member of committees of the following companies:

Directorships	Chairmanship(s) and membership(s) of committees
Thermax Onsite Energy Solutions Ltd.	-
Thermax Sustainable Energy Solutions Ltd.	-
Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	-
Thermax SPX Energy Technologies Ltd.	Audit Committee - Member

Mr. Unnikrishnan does not hold any shares in the company.

By Order of the Board of Directors

Place: Pune
Dated: May 11, 2012

Devang Trivedi
Dy. Company Secretary

EXPLANATORY STATEMENT

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

Item No. 6

Mr. M. S. Unnikrishnan was appointed as Managing Director of the company with effect from July 1, 2007 for the period of five years. The shareholders of the company, at the Twenty-sixth Annual General Meeting held on July 25, 2007, had approved his appointment on the terms and conditions set out in the Agreement dated July 2, 2007. Subsequently, the Board of Directors at its meeting held on May 12, 2010 had revised the remuneration of Mr. Unnikrishnan with effect from July 1, 2010 vide Supplementary Agreements dated May 12, 2010 which were also approved by the shareholders at the Twenty-ninth Annual General Meeting held on July 21, 2010. The existing tenure of Mr. Unnikrishnan expires on June 30, 2012.

The Board of Directors at their meeting held on May 11, 2012 has re-appointed Mr. Unnikrishnan as Managing Director & Chief Executive Officer of the company for the period of five years commencing from July 1, 2012 and has also approved draft agreement to be entered into with Mr. Unnikrishnan. The salient terms and conditions of the said agreement 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.12,00,000/- to Rs. 30,00,000/- 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 or House Rent Allowance.
 2. Reimbursement of medical expenses of self and family upto one month's basic salary per annum.
 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 the provident fund at 12% of the salary.

6. Company's contribution to the superannuation fund at 15% of the salary.
7. Gratuity at half a month's salary for each completed year of service.
8. Reimbursement of telecommunication and other communication expenses including payment of local and long-distance official calls (personal calls to be recovered).
9. Commission/Ex-gratia, as may be decided by the Chairperson and/or the Board of Directors from time to time.

- 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 to the Act.

The Board considers the re-appointment of Mr. M. S. Unnikrishnan as beneficial and in the interest of the company and recommends the resolution for your approval.

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

The Agreement between the company and Mr. Unnikrishnan is available for inspection to the shareholders of the company on all working days at its Corporate Office between 10.00 a.m. and 12.30 noon 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 11, 2012

Devang Trivedi
Dy. Company Secretary

IMPORTANT COMMUNICATION TO SHAREHOLDERS

The Ministry of Corporate Affairs has introduced a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies. It has issued circulars stating that documents including Annual Report can be sent by e-mail to its shareholders. Your company welcomes this green initiative for paperless communication, which is in line with its focus on eco friendly and sustainable products and services.

To support this green initiative in full measure, shareholders who have not registered their e-mail addresses, so far, are requested to do so in respect of electronic holdings with the Depository through their concerned Participants. Shareholders who hold shares in physical form are requested to fill and send the e-Communication Registration Form to the company which is available on Thermax's website www.thermaxindia.com or its Registrar & Transfer Agent, Karvy Computershare Private Limited, Hyderabad. Thermax has already sent a separate communication to its shareholders in this regard on May 22, 2012.