



## THERMAX LIMITED

Regd. 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

### NOTICE

NOTICE is hereby given that the Thirty-third Annual General Meeting of THERMAX LIMITED ('the Company') will be held on Tuesday, July 22, 2014 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 consider and adopt the audited Statement of Profit and Loss for the financial year ended on March 31, 2014, 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 Mrs. A. R. Aga (DIN – 00019622), who retires by rotation and being eligible, offers herself for re-appointment.
4. To consider, and if thought fit, pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the vacancy arising out of Mr. Tapan Mitra who retires by rotation and not seeking re-appointment as a Director, be not filled up by the Company at this meeting or any adjournment thereof.”

5. 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 Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. B.K. Khare & Co., Chartered Accountants, Mumbai, (Firm Registration No. 105102W) be and are hereby appointed as Auditors of the Company for a period commencing from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Audit Committee of the Board of Directors.”

#### SPECIAL BUSINESS

6. 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 197 and other applicable provisions, if any,

of the Companies Act, 2013, ('the Act') read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and provisions of the Listing Agreement executed with the Stock Exchanges, the Company hereby accords its consent to the payment of remuneration to Non-executive Directors of the Company or any of them [other than the Managing Director / Whole-time Director(s)] by way of commission, as the Board may decide from time to time, commencing with the financial year 2013-14, not exceeding in the aggregate of 1% of the net profits of the Company calculated in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be considered necessary, desirable or expedient for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Jairam Varadaraj (DIN-00058056), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from July 22, 2014 upto July 21, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Valentin A.H. von Massow (DIN-00239314), a Non-executive Director of the Company,

who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from July 22, 2014 upto July 21, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Raghunath A. Mashelkar (DIN-00074119), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from July 22, 2014 upto July 21, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nawshir Mirza (DIN-00044816), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from July 22, 2014 upto July 21, 2019.”

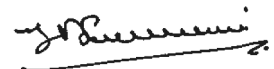
11. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, if applicable, for the financial

year ending March 31, 2015, be paid the remuneration of Rs. 7,50,000 (Rupees seven lakh fifty thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary or incidental to give effect to this resolution.”

By Order of the Board of Directors



Gajanan P. Kulkarni  
Vice President-Legal &  
Company Secretary

Place: Pune  
Dated: June 18, 2014

**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 form of proxy is enclosed, which, 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 20, 2014.

2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (‘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 113 of the Companies Act, 2013 authorising their representatives to attend and vote at the Annual General Meeting.
4. **E-Voting (Voting through Electronic means):**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable all the Members to cast their votes electronically on the resolutions mentioned in the Notice of 33<sup>rd</sup> Annual General Meeting (AGM) of the Company. The Company has appointed Mr. S.V. Deulkar, Practicing Company Secretary, Pune as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

Necessary arrangements have been made by the Company with Karvy Computershare Pvt. Ltd., (‘Karvy’) to facilitate e-voting. 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 July 12, 2014.

The e-voting period commences on **Wednesday, July 16, 2014 (9.00 a.m.) and ends on Friday, July 18, 2014 (5.00 p.m.)**. The voting module shall be disabled by Karvy for voting thereafter.

*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 AGM and Annual Report. 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 minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a 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 July 12, 2014 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) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi) 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).
- xii) **Corporate / Institutional Members** (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the 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](mailto: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\_EVEN NO".

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

- (a) **User ID and initial Password** as provided in a separate e-voting communication being sent along with the Notice of AGM and Annual Report.
  - (b) Please follow all steps from Sr.No.i) to xii) as mentioned in (A) above, to cast your vote.
- C)** Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
- D)** 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).
- E)** The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairperson of the AGM.
- F)** The Results shall be declared on the Annual General Meeting (AGM) of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website ([www.thermaxindia.com](http://www.thermaxindia.com)) and on the website of Karvy within two (2) days of passing

of the resolutions at the AGM of the Company on July 22, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited.

- G) A copy of this notice has been placed on the website of the Company and the website of Karvy.

**5. Book Closure & Dividend:**

- (a) The Register of Members and Transfer Books of the Company will be closed from Monday, July 14, 2014 to Tuesday, July 22, 2014 (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 22, 2014. 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 12, 2014.

**6. 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 of 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 (R&T) or may be downloaded from the Company's website ([www.thermaxindia.com](http://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 R&T 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.

7. 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.

**8. Unclaimed Dividend:**

Dividend declared by the Company on July 25, 2007 for the financial year 2006-07 (final) which remained unclaimed, is due for transfer to the Investor Education and Protection Fund (the IEPF) on August 30, 2014 pursuant to the provisions of Section 205A (5) of the Companies Act 1956. Members who have not encashed their dividend warrants pertaining to the year 2006-2007 (final) and/or any subsequent years that still remains outstanding are requested to lodge their claims with Karvy Computershare Pvt. Ltd., the Company's R&T, for obtaining payments thereof.

Members are advised that in terms of Section 205C of the Companies Act, 1956, no claim shall lie with respect to unclaimed dividend after it is transferred to the IEPF. **The company has already transferred the unclaimed, dividend declared for the financial year 2005-2006 and 2006-2007 (interim) to the IEPF.**

**9. 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 R&T in case of shares held in physical form and with their respective DP in case of dematerialised holdings.

**10. 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.

11. The accounts for the financial year ended March 31, 2014 can also be viewed on the company's website ([www.thermaxindia.com](http://www.thermaxindia.com)).

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

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

**Mrs. A.R. Aga**

Mrs. A.R. Aga, 71, Director of the Company, began her industry career at Thermax, in 1982. She was the Chairperson of the Board of the Company from February 1996 to October 2004.

Mrs. Aga has done her B.A. in Economics and holds a post graduate degree in medical and psychiatric social work from Tata Institute of Social Sciences (TISS). She was selected for the Fullbright Scholarship for social workers to study in the U.S.

She has been very active in various national and local associations like Confederation of Indian Industries (CII) and had served as the Chairperson of CII's Western Region. She has written extensively and given talks on the subjects of corporate governance, corporate social responsibility, role of women and education.

Mrs. Aga is the Chairperson of the Thermax Social Initiative Foundation, established to drive Thermax's corporate social responsibility initiative. The Foundation, in collaboration with the Akanksha Foundation and the Pune and Pimpri-Chinchwad Municipal Corporations, supports six municipal schools for children from the under-privileged sections of society. She is also closely associated with the Teach for India initiative which partners with corporates to improve the quality of education in India. She is keenly involved in the causes of communal harmony and human rights, especially for women and children and is a member of the Commonwealth Human Rights Commission.

In March 2010, the Government of India conferred upon Mrs. Aga the Padma Shri Award for her distinguished service in the field of social work.

Mrs. Aga is the Chairperson of Corporate Social Responsibility Committee and also a Member of Nomination and Remuneration Committee of the company .

Mrs. A.R. Aga holds directorship on the Board of following companies:

- a) RDA Holdings Pvt. Ltd.
- b) Thermax Social Initiative Foundation
- c) Give Foundation
- d) ARA Trusteeship Company Pvt. Ltd.

Mrs. Aga holds 68,88,305 shares of the Company.

**Dr. Jairam Varadaraj**

Dr. Jairam Varadaraj, 53, is a Director of the Company since January 31, 2003. He holds a Masters degree in Business Administration from George Washington University, USA and Ph.D. in International Business from the University of Michigan, USA. He has varied experience 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 Euro-bond markets. He has also conducted 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.

As an Independent Director on the Company's Board, he serves as a member of Audit Committee, Strategic Business Development Committee and also Chairs Nomination and Remuneration Committee.

Dr. Varadaraj holds directorship and is also a Chairman/ Member of committees of the following companies:

<b>Directorships</b>	<b>Chairmanship(s) and Membership(s) of committees</b>
Elgi Equipments Ltd.- Managing Director	Share Transfer Committee- Member
Elgi Ultra Industries Ltd.	Share Transfer Committee- Member
Elgi Rubber Company Limited	---
Adisons Precision Instruments Manufacturing Co. Ltd.	---
Precot Meridian Ltd.	Audit Committee- Member Remuneration Committee - Member
Magna Electro Castings Ltd.	---
ATS Elgi Limited - Chairman	---
Elgi Sauer Compressors Ltd.	---
Treadsdirect Limited, Kenya	---
Treadsdirect Limited, Mauritius	---
Treadsdirect Limited, Bangladesh	---
Treadsdirect Limited, Sri Lanka	---
Belair S.A, France	---
Rotair S p a	---
Elgi Equipments Italy S r l	---
Elgi Compressors USA	---
Patton's Inc.	---

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

**Dr. Valentin A.H. von Massow**

Dr. von Massow is an Independent Director on the Board and also Chairs the Strategic Business Development Committee.

Dr. von Massow received his Ph.D. in Agricultural Economics from Georgia Augusta University, Göttingen (Germany) in 1983. After initial work experience in Africa, he worked for almost 20 years as a Management Consultant with The Boston Consulting Group (BCG) in Europe, US and India; in 1993 he was promoted as Vice President and Director of BCG Inc. During his tenure with BCG he held a number of senior positions, including that of Managing Director, India. He brings with him a rich global experience of business models, governance, strategy and operations.

Since 2006, Dr. Massow has been working as an Independent Non-executive Director, based in London. His board mandates include companies and organisations in the (renewable) energy, environment and agriculture sectors in India, Germany and UK. He serves, among others, on the Board of Crompton Greaves Ltd. (India) and a member of its Corporate Social Responsibility Committee, as Chairman of ADAS Ltd. (UK) and has been a Trustee of the Worldwide Fund for Nature (WWF) in Germany and UK for many years.

Dr. Massow does not hold any shares of the company.

**Dr. Raghunath A. Mashelkar**

Dr. Raghunath A. Mashelkar, 71, 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 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. He was elected Foreign Associate of National Academy of Science, USA (2005), Foreign Fellow of US National Academy of Engineering (2003), Fellow of Royal Academy of Engineering, U.K. (1996) and Fellow of World Academy of Art & Science, USA (2000). He is the first Indian to have been elected as the Foreign Fellow of Australian Technological Science and Engineering Academy (2008). Thirty one universities have honoured him with the 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 honoured him with Padma Shri (1991), Padma Bhushan (2000) and Padma Vibhushan (2014), which are the highest civilian honours in recognition of his contribution to nation building.

As an Independent Director on the Company's Board, he also serves as a member of Corporate Social Responsibility Committee.

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

<b>Directorships</b>	<b>Chairmanship(s) and Membership(s) of committees</b>
Reliance Industries Ltd.	Audit Committee -Member CSR Committee-Member Remuneration Committee-Member
Tata Motors Ltd.	Audit Committee -Member CSR Committee-Member Safety, Health & Environment Committee-Chairman
KPIT Technologies Ltd.	Remuneration Committee-Member
Piramal Enterprises Ltd.	Audit & Risk Committee -Member
Sakal Papers Pvt. Ltd.	-
Vyome Bioscience Pvt. Ltd.	-
IKP Knowledge Park	-
IKP Centre for Technologies in Public Health (ICTPH)	-
International Longevity Centre- India	-
Gharda Scientific Research Foundation	-
Gharda Medical & Advanced Technologies Foundation	-
Invictus Oncology Pvt. Ltd.	-

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

**Mr. Nawshir Mirza**

Mr. Nawshir Mirza, 64, is a Fellow of the Institute of Chartered Accountants of India. He has been a Director of

the company from May, 2011. He spent most of his career with Ernst & Young, its Indian member firm, S. R. Batliboi & Co., Chartered Accountants, and its predecessor firm, Arthur Young, as a partner from 1974 to 2003.

He has contributed to the accounting profession, as a speaker or the chairperson at a large number of professional conferences in India and abroad.

As a philanthropist, he is actively involved with Childline, an all-India NGO for abused and distressed children. He is also honorary treasurer for the Indian Red Cross, Maharashtra and a trustee of the Narielvala Fire Temple in Mumbai.

Since 2003, Mr. Mirza has been involved in the movement for improved governance in the corporate sector. He is also involved in propagating knowledge about the threat to humankind from climate change and on an appropriate responses.

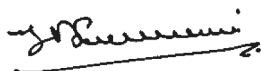
As an Independent Director on the Company's Board, Mr. Mirza is also a member of the Audit Committee.

Mr. Nawshir Mirza holds directorship and is also Chairman/Member of Committees on the Board of the following companies:

Directorships	Chairmanship(s) and Membership(s) of committees
Coastal Gujarat Power Limited	Audit Committee-Chairman Nomination & Remuneration Committee-Chairman
Tata Power Co. Limited	Nomination & Remuneration Committee - Chairman
Food World Supermarkets Private Limited - Chairman	-
Health & Glow Retailing Private Limited - Chairman	-
Tata Power Delhi Distribution Ltd.	Nomination & Remuneration Committee - Chairman

Mr. Nawshir Mirza does not hold any shares of the Company.

By Order of the Board of Directors



Gajanan P. Kulkarni  
Vice President-Legal &  
Company Secretary

Place: Pune  
Dated: June 18, 2014

## **EXPLANATORY STATEMENT**

[Pursuant to Section 102(1) of the Companies Act, 2013]

### **Item No. 4**

Mr. Tapan Mitra was appointed on January 15, 2001 as a Non-executive Director liable to retire by rotation. Mr. Mitra was eligible for being appointed as a Director at the ensuing Annual General Meeting. However, he has expressed his desire to retire as Director and therefore, he is not seeking re-appointment. The resulting vacancy caused thereto shall not be filled-up time being, at this meeting or any adjournment thereof.

Your Directors recommends the resolution for your approval.

No Director, Key Managerial Personnel or their relatives, except Mr. Tapan Mitra, are concerned or interested in the resolution.

### **Item No. 6**

In terms of Section 309(4) of the Companies Act, 1956 the shareholders at the Annual General Meeting of the Company held on July 22, 2008, had approved by a Special Resolution the payment of remuneration to Non-executive Directors of the Company, i.e. the Directors other than the Managing Director and Whole-time Director(s), by way of commission upto an amount permissible under the said Act, i.e. an amount in the aggregate for all the eligible Directors put together not exceeding 1% of the net profits computed in accordance with the provisions of Section 198 of the said Act. Subsequently upon application, the Central Government had also granted approval for payment of remuneration to Non-executive Directors by way of commission for a period of five years from the financial year 2008-09.

Based on the approvals, the Board of Directors has paid to the Non-executive Directors (NEDs) since financial year 2008-09 against the permissible limit calculated as per the provision of the Companies Act, 1956. In the financial year 2011-12, the Company had revised the guidelines for payment of commission to its NEDs to suitably compensate them for their growing responsibilities in adherence to corporate governance practices and policies.

The Companies Act, 2013 ('the Act') has been introduced along with the most of the Rules, effective from April 1, 2014 superseding most of the provisions of the Companies Act, 1956. The Act aims to provide a major overhaul in the Corporate Governance norms for all companies. SEBI has also come out with an amendment in the Listing Agreement which would be effective from October 1, 2014 with the objectives to align with the provisions of the Companies Act,

2013, adopt best practices on corporate governance and to make the corporate governance framework more effective.

The present structure of the Board comprises of nine Directors of whom one is the Managing Director. The Board has eminent persons from various fields that not only helped the Company to grow and strengthen its dominance in the market but with its able guidance it could sustain in uncertain economic environment in recent years. Moreover, with the enlarged role and responsibilities driven by the Companies Act, 2013 and amended Listing Agreement, NEDs are required to devote more time and efforts to provide guidance to the Board and its Committees for ensuring highest standard of corporate governance and compliances from time to time.

In view thereof, it is proposed to compensate the NEDs by way of commission from the financial year 2013-14. This remuneration would be quantified in such amounts and distributed in such proportions in such manner and respect amongst all or some of the NEDs as may be decided by the Board of the Company.

Under the provisions of Section 197(4) of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is necessary to seek a fresh approval of the shareholders by way of a Special Resolution for payment of commission.

Your Directors recommend the resolution for your approval.

Non-executive Directors of the Company may individually be deemed to be interested or concerned in the proposed Special Resolution of this Notice. No Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

#### **Item No. 7 to 10**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Dr. Jairam Varadaraj, Dr. Valentin A.H. von Massow, Dr. Raghunath A. Mashelkar and Mr. Nawshir Mirza as Independent Directors at various times.

In terms of the provisions of Section 149 of the Companies Act, 2013 ('the Act'), effective from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nomination & Remuneration Committee of the Company has recommended the appointment of these directors as Independent Directors from July 22, 2014 upto July 21, 2019 (i.e. for a term of five consecutive years from the conclusion of the ensuing 33<sup>rd</sup> Annual General Meeting).

Dr. Jairam Varadaraj, Dr. Valentin A.H. von Massow, Dr. Raghunath A. Mashelkar and Mr. Nawshir Mirza, Non-executive Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is being placed before the shareholders for their approval.

The terms and conditions of appointment of the above Directors are available for inspection to the shareholders of the Company for all working days at Corporate Office between 10.00 a.m. and 12.30 noon upto the date of this Annual General Meeting.

A brief resume of these Directors is given in the Notice of this Annual General Meeting.

No Director, Key Managerial Personnel or their relatives, except Independent Directors in Resolutions at Item No. 7 to 10 respectively, are concerned or interested in the resolutions.

#### **Item No. 11**

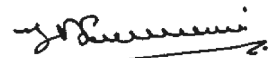
M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune have been appointed as the Cost Auditors of the Company for the financial year 2014-15 by the Board of Directors at its meeting held on May 27, 2014. Their appointment has been made on remuneration of Rs. 7,50,000 (Rupees seven lakh fifty thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses. He was also the Cost Auditors of the Company for financial year 2013-14.

In terms of provisions of Section 148(3) of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be ratified by the shareholders of the Company.

Your Directors recommends the resolution for your approval.

No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

By Order of the Board of Directors



Gajanan P. Kulkarni  
Vice President-Legal &  
Company Secretary

Place: Pune  
Dated: June 18, 2014