

Thermax Limited

Moderator: Good afternoon, Madam. The requisite quorum for the meeting is available. You can start the proceedings of the meeting. Thank you. You're on mute madam. Thank you.

Chairperson: A very good afternoon ladies and gentlemen. I extend a warm welcome to all of you at the 41st Annual General Meeting of your company. I thank all our shareholders and members for joining this meeting. I hope all of you are safe and in good health. We decided to continue to hold the AGM through video conferencing since it was allowed and because Covid is still not behind us. This is in compliance with the directions of the Ministry of Corporate Affairs. The company has taken requisite steps to enable members to participate and vote on the items set out in the notice of this AGM. Before we begin, I would like to mention a few points regarding participation in the AGM through video conferencing. The facility of joining the AGM through VC or other audio-visual means has been made available for members on a first come first serve basis. Having said that, we were asked by eight speakers if they could speak and all eight have been confirmed. All members who have joined this meeting shall be muted by default to avoid any disturbances. Thank you. The requisite forum for the meeting as required under Section 103 of the Companies Act 2013 is present. Therefore I call the meeting to order and we can commence the proceedings of the meeting. I take pleasure in introducing our board members and other officials.

We have Mr. Nawshir Mirza, the Chairman of our Audit Committee and Risk Management Committee.

Mr. Harsh Mariwala, the Chairman of our Nomination and Remuneration Committee.

Mr. Pheroz Pudumjee, Chairman of our Stakeholder Relationship Committee.

Dr. Jairam Varadaraj.

Miss Rajani Kesari.

Dr. Ravi Pandit.

I would also like to take this opportunity to congratulate Ravi, who has recently been awarded an honorary doctorate by Coventry University, UK. So, we now have two Dr. Ravi's. Congratulations Ravi. Then we have Dr. Ravi Gopinath. A warm welcome Ravi, who has joined our Board as an Independent Director, effective November 10, 2021. Ravi is a PhD in Chemical Engineering. He joined us from Aviva PLC, a FTSE listed industrial software company, where he worked as Chief Operating Officer, Chief Product Officer and Chief Strategy Officer. Ravi is based in Singapore and brings a perfect blend of engineering, manufacturing and digital domains. Welcome Ravi.

I take this opportunity to thank Dr. Valentin von Massow, whose tenure as Independent Director ended on 21st July 2022. Valentin has been associated with Thermax since the year 1999-2000, when he was the MD of Boston Consulting Group in India and led a very successful turnaround of our company, when Anu Aga was chairing the company at the time. It's after his early retirement from BCG, that he joined our Board and he's been a great pillar of strength, both in the boardroom as well as outside. A big thank you to Valentin for his immense contribution. We wish him and his family a very happy and healthy life. Unfortunately, he has Covid at the moment; otherwise he would have joined us as a guest today at the AGM.

We move on to Mr. Ashish Bhandari, our MD and CEO.

Mr. Rajendran Arunachalam, our CFO.

Miss Janhavi Khele, our Company Secretary and Compliance Officer.

Myself, Meher Pudumjee, Chairperson.

It is with great sadness that I inform you of the passing of Mr. Kedar Phadke, who was our Company Secretary and who was there for our last AGM. He passed away on the 19th of August 2021, very suddenly, with a heart attack. Our heartfelt condolences to his family.

I would now like to proceed further. A request from corporate shareholders for their representatives has been received and considered. Since, there is no physical attendance of members, the requirement of appointing proxies is not applicable. The requisite statutory registers, auditor's report and secretarial audit report are available for inspection. These will remain available to the members for inspection electronically if they so desire. Since the notice has been circulated to all members, I take the notice of the AGM as read. The chairman of the audit committee, the NRC, the stakeholder relationship committee, representatives of the statutory auditors, cost auditors and secretarial auditors are all present at the meeting. I will now make a short presentation. Can we have the slides? Thank you.

So, a very warm welcome to all of you once again, next. So I'd like to talk to you today a little bit as I've done in the previous year, covering the impact that Thermax has had on each of our stakeholders, and then I'll end with the Q1 results. Next, next.

The first is our shareholders. So the key highlights over here:

We've had the highest ever order book in a year, up 97% to 9,410 crores. Our order booking has increased 69% to 8,812 crores. Total income increased 28% and PAT jumped 51% as compared to the last year. 75% of our orders have been green, which is non-fossil based mainly to large FGD orders and a sulphur recovery block in a refinery. We've also had our highest ever order booking in our channel business. Many of our businesses, but I think chemicals bore the brunt of it the most, suffered because of commodity price increases, disruptions in freight, all due to Covid as well as the Ukraine war. We found that there is a lot of recovery post Covid. In fact, audit booking, as you can see, is at the highest. Although inflation is a leading factor in terms of dampening, what's to come in future. So, we need to be a bit cautious. Our EPS has increased from 18.34 to 27.73 on a consolidated level, and the Board declared a dividend of nine rupees for the year. On behalf of the Board, I wanted to thank Ashish, our entire executive council, SBU heads and every single employee for their hard work. Next, reflecting on last year, as well as looking ahead.

On the positive external side, with climate change and countries having pledged their net zero emission targets, including India, by 2070, the energy sector is going through a transition. This opens up a huge number of opportunities for a company like Thermax. On the internal side, the same with our customers moving towards lower emissions and conservation of resources. We aspire to be their partners in energy transition across industries. As well as we've come out with a new energy portfolio, whether it be solar, solar wind hybrid, bio CNG, waste biomass, ethanol and a few other projects that are ongoing. We've also come up with business partnerships and small investments in startups that will help us achieve this goal. Digitalisation of offerings and operations to deliver customer-centric applications will add value to our customer processes and we'll see this a little later. Coal gasification is a pilot that we have done in our R&D to produce methanol, which was successful and which I will talk about a little later. We've also all learned to work in a hybrid mode. And some progress was made on the Social Compact (SoCo) which I spoke about last year for restoring the equity and dignity of migrant workers. On the not so positive external side, with geopolitical tensions, war in the Ukraine, commodity prices going up. You've got the war on one side, climate change on the other, countries coming out of Covid, and suddenly a demand that has outstripped supply, and so you've seen, we've seen a huge increase

in commodity prices, whether it be crude oil, nickel, copper, aluminium, they've all increased dramatically. With Covid in China and 21-22 freight has been extremely uncertain and expensive. And of course, there's an increase in inflation across the world, including India. Uncertainty due to the resurgence of Covid and now of course, people are talking about monkeypox.

Not so positive on the internal side. Despite good revenues and order book, PBT margins for the year were slightly impacted. We've all heard about this great resignation wave. Our attrition is close to 13.9% for 21-22. Since September 21 though, trends have slowed and some actions have been taken within Thermax to retain our particular talent. There are so many technologies and startups that are coming in, whether it be for hydrogen electrolyzers, fuel cells mobility, we hear it every day. Which of these technologies will succeed? We really don't know. What policies will the government bring in? What policies will the government take away? We've never really been used to, or working around policies of the government, something new for Thermax, which we will need to get used to. Safety has been highlighted adequately and therefore we have brought it to the Board for review. Next. Next, is our employees.

Over here, with regard to Covid. In these last two years, health has become a key indicator for all of us within the company. We've developed an app, we've done several vaccination camps. We've done webinars on insurance, we've done sessions on hybrid work models, also mental and physical well-being. Next.

To be able to grow and to partner with our customers. In this entire embracement of climate change, we've reimaged our performance management system. We've made it much more dynamic and meaningful, right from goal setting to performance-related conversations to authentic feedback, incentives and rewards. Our new performance evaluation is also a lot more holistic now, looking at behaviours as well, where we look at customers, lead, own, create and collaborate. And how are we using these in our day-to-day work within the company. We have also recently introduced ESOPs in the form of performance related RSUs for the Executive Council of the company. Next.

Coming to our channel and vendor partners. Next.

They're an integral part of our ecosystem. So, during the year, we've introduced Thermax Finance Services, where we decentralised finance processes and delivered better, faster, efficient business support both internally as well as externally. Faster processing of vendor bills, 50% less processing time and discounting programmes, which suppliers have found extremely helpful. 700 plus suppliers have availed of this benefit for early cash flows. They've also been multiple training sessions on supply chain sustainability, overdraft financing service launched for our channel associates to help them with their cash flows. And we formed a partner advisory council co-creating a blueprint for growth and operational excellence for the next three years. Next.

So next is our customer's environment and new businesses. So moving forward, Thermax of the future is a clean air, clean energy and a clean water company delivering on our philosophy of conserving resources, preserving the future. Next.

So, these are some pictures of our vapour absorption chiller, or rather heat pumps that we supplied to a customer in Germany. It was part of the waste to energy project that received the German renewables award. The project will convert 320,000 tonnes of waste through controlled incineration to energy. These heat pumps take energy in the form of hot gases and they provide district heating. The project saves more than 100,000 tonnes of CO₂ and provides almost 10% of Hamburg's district heating needs.

With all the geopolitical uncertainty in Europe at the moment, this project is not only helping the environment but it is also helping Germany with its energy security. Next.

Again, with geopolitical tensions and prices of fuel fluctuating, many of our customers want the freedom of choice. They want to be able to reduce costs and yet have flexibility and high efficiency. And therefore, our 100% subsidiary, TBWES launched a new product called Flexi Source. A product that can efficiently burn multi waste fuels, whether it's agricultural waste, like rice straw, mustard stalk or non recyclable solid waste in the paper industry, or MSW, which is municipal solid waste, cow dung and so on. And the product is doing extremely well. Next.

This is a picture of one of our TOESL sites, which is our green steam, supplied on a BOO, Build Own Operate basis. They were lauded by one of our MNC customers for their excellent execution. These boilers have achieved a CO₂ reduction of over 16,000 tonnes annually, replacing natural gas with waste biomass as the fuel. Next.

Moving on to some of our new businesses, products and services. To partner our customers again in their journey of energy transition, we started a group captive solar, solar wind and storage offerings through our 100% subsidiary, called FEPL, First Energy Private Limited, which designs custom made solutions to suit different industries, applications and energy management goals. And this would be a group captive which would mean 24% equity by the customer and 76% by FEPL to supply reliable green power to our customers. Next.

A digital Thermax is what we envisage. So, we envisage Thermax to move to a digital solution, and we've called it Thermax Edge, which is our customer portal. Customers now can track their products that they own real time. They can purchase their spares and services at the click of a button. It's a first of a kind in industry and which we've launched very recently. We've got about 3,000 plus customer users on-boarded onto the platform. We also further expanded our digital capabilities by acquiring 15% in a startup, which helped us deliver on Thermax Edge. Edge Live will enable improved plant performance, enhanced uptime and knowledge management. The solution can connect the smallest of assets as well as the biggest power plants. What gives it an edge is that it leverages the company's long-standing 50 years of experience in the space of energy and the environment to guide customers optimally to use their assets while conserving resources. Next.

This is the coal gasification project I was talking about. India has the fourth highest coal reserves in the world. The only thing is that our coal has got a lot of ash. Coal gasification is a very promising way of achieving India's energy security and reducing foreign exchange outflow.

The syngas or the flue gas that is produced from coal gasification can be utilised indigenously to produce ethanol, methanol and various downstream chemicals. And you can see the little picture of clear methanol that has been produced from coal in the picture. So, we worked for over a decade with IIT Delhi on developing gasification technique appropriate for our high ash Indian coal. And this gasifier has been conceptualised, designed and installed in Pune. It's carbon capture ready once the technology becomes available. And we're now geared to demonstrate this technology at a commercial scale. Next.

During the year, we developed and supplied our first electric steam boiler with zero emissions in close collaboration with our European subsidiary, Danstoker, and our heating business in India. The boiler has been sent to Bhutan to a beverage customer, and was commissioned remotely by our team in India. And of course, the key driver for this is also a low power tariff, which Bhutan enjoys, thanks to hydropower and therefore an 18 month payback for the customer. Next.

Next is our community. Next one.

So, Akanksha Foundation, as you all know, is the NGO that we partnered for many years now with regard to schools. Luckily, schools are back to normal now. And we conducted a third party assessment with the help of Deloitte, who did a process review and an impact study on two of the schools and the alumni project supported by Thermax Foundation. Some of their findings include one is that our culture fared much better than other municipal schools. But of course, we don't want municipal schools to be our benchmark; we want to now benchmark ourselves with NGO run schools as well as private schools in future. Second, tablets were provided to all the kids above standard three, and attendance went from 35% at the start of Covid to 70%. Akanksha used a technique called SEE, which is socio, emotional, ethical approach to deal with stress, especially during Covid, which was very useful. Phone calls were made to every household during Covid to check on health and mental well-being, every single week. Regular parental engagements for wellness and bridging the education gap. Akanksha has always included parents in the entire school regime. Some of the differences between the schools were highlighted making benchmarking possible. Thermax Foundation also supports 1,200 alumni. And they supported them along with Akanksha as well as iTeach, an NGO that supports TFI children with career guidance, mentoring, coaching, academic guidance, supporting admissions to junior colleges, part time job opportunities, many, many little bits of help that are given to these kids. Two of our children were selected this year again. So I think we are now at about 16 kids that have gone to UWC, which is United World College, with a full scholarship until they complete their entire undergraduate education in the States. And this year, 10% of our children have taken on vocational courses, whether it be lab technicians, office management, child and health care services, and so on. Next.

These are the CSR activities near our factories, where we've partnered with Manavlok for stream widening project for two of our villages at Solapur. This was also done the year before. And because it was successful, it was replicated in two more villages. We've also partnered with another NGO called Lok Bharti, for various skill development programmes. This is for welding, for attendant operator chemical plants, data entry operators. And what we've found is that 80% of these youngsters get placed, but unfortunately, and that was a great percentage, but unfortunately, we found that within three or four months, these kids leave. And so we asked ourselves, why is this happening? And we came to the conclusion that we probably need to test for their competence in terms of their strengths, as well as their liking for what they're doing. If both these are met, then hopefully, they will be able to stick on to their jobs. So, we are now introducing competence mapping and identifying their strengths and trying to place them in areas that are in conjunction with their strengths. Let's hope this works out. Next.

With regard to the Social Compact or SoCo, we have started something called the worker facilitation centre. This is in partnership with Bajaj Auto. We started this in the Pimpri Chinchwad area in PCMC. And today, more than three lakh of informal workers can have access to this worker facilitation centre. Basically, it will be a go-to place for informal workers in the area to seek information about labor practices, about government entitled entitlements, what are they entitled to, what are they not and various counseling methods. We're also happy that we've launched the second worker facilitation Centre at Savli, in collaboration with the Savli Industries Association, just recently. I think this is the end of my presentation and I'll move on to the Q1 results. Next.

So, in Q1, this is at a consolidated level, the order book has gone up 36% from 1,696 crores to 2,310 crores. Our order backlog is now at 9,554 crores, up 56%. The total income has gone up 59% as compared to June '21 from 1,07,978 crores to 1,675 crores. Profit before tax has increased 45% from 56.3 crores to 81.4 crores, and profit after tax has increased 39% from 42.4 crores to 58.9 crores. So,

with this, I would end my presentation. Now, coming to the procedural compliance of the meeting. Since there are no audit qualifications offered by the statutory or secretarial auditors, I will take both reports as read.

The company has provided E-voting facilities to all shareholders to cast their votes electronically with respect to all businesses mentioned in the notice. Therefore, there is no need to propose and second the resolutions set out in the notice of the meeting as the same are already put up for voting. The Board has appointed Mr. Sridhar Mudaliar, partner of SVD and Associates, Company Secretaries Pune, as the scrutiniser for conducting the E-voting process in a fair and transparent manner, who will submit his report. Members who have not voted earlier through remote E-voting, can cast their vote during the course of the meeting through E-voting. There is a small vote tab on the bottom left of your screen. You can vote anytime during the AGM while listening to the proceedings, or during the instapoll session for all the resolutions contained in the notice. The results of the E-voting will be declared on receipt of the scrutiniser's report within two working days of the AGM. It shall be placed on the company's website and will also be disclosed to the stock exchanges. I invite the members to offer comments and seek clarifications on the resolutions contained in the AGM notice, one to eight. In the interest of time and because we have provided E-voting facilities, I will not read them out. Once the Q&A session starts, the moderator will announce the name of the shareholder who has registered as speaker shareholders, one by one. The speaker shareholder will thereafter be unmuted by the host to enable him or her to speak. To start speaking, shareholders are requested to click the video on button. If the shareholder is not able to join through video for any reason, the shareholder can participate through audio. While speaking, we request the speakers to use earphones so that they are clearly audible. In case, there is a connectivity problem, we would ask the next speaker to join. Once the connectivity improves, the speaker shareholder will be called again to speak. We would request shareholders to kindly limit their questions or comments to one minute or less so that everyone gets an opportunity to speak. During the AGM, if a shareholder faces any technical issues, the helpline number mentioned in the notice may be contacted. We will listen to all the questions before we answer as many as we can. Thank you. Can we start with the first?

Moderator: Thank you ma'am. I would now request our first speaker shareholder Mr. Arun Kumar Bopania to kindly unmute, share the webcam and proceed with the question.

Mr. Arun: Camera, yeah. Hello.

Chairperson: Hello.

Mr. Arun: Good afternoon.

Chairperson: Good afternoon, Arun. Good afternoon.

Mr. Arun: Good afternoon everybody. Nawshir Mirza, we haven't met for very long. Good afternoon Nawshir. Corona pandemic was never perceived.

Mr. Nawshir: Good afternoon Arun.

Mr. Arun: Sorry.

Mr. Nawshir: Good afternoon to you too. Thank you.

Mr. Arun: Thank you Nawshir. Lovely seeing you after so many years. Corona pandemic was never perceived, but safety measures Thermax rightly achieved. Corona will be a thing of the past, Thermax will recover fast. Of course that is shown in the Q1 results too. Fortunes will turn. It'll be time to earn. Thermax started small. Today it is standing tall. Compliments for the share price and the market cap and the Q1 results. You did address the risk. Your actions were very brisk. On projects, team work hard. Hard work is Thermax's trump card. My questions, more than a minute. Meher, you have to excuse me. I took lot of pains to make this speech. I hope you appreciate that. Doing charities at heart, Thermax does with pure heart.

Can you elaborate last year's work? Do you expect a global recession? How do you face runaway inflation? What new skills did you obtain from which we can gain? Revenues from products launched in the last two years? What are the innovations? Will there be any disruptions by new players and new business models? What differentiates Thermax products from competition? Volume wise, price wise, opportunity and availability? Will climate solutions be the future of global economy? ESG metrics, what are the actions? We must take them in our stride. Thermax surely does with pride. Customers embrace our new business with cheer, on sustainability and technology we are very clear. Customer experience we are committed to improve, by learning and getting better with every move. Lastly, Thermax is a great example of ownership, management and business. The roles are clearly followed during the course. The decentralisation is a great force. I would like to express my respect for Anu Aga, not limited to one aspect by adding a word or two. **unclear** our past chairman too. She stepped aside for charity time, while she was still in prime. She is very graceful and very useful, I'm proud of her. Pheroz, my dear friend, you do support us from the ground. You do encourage us without any sound. I'm very proud of you Pheroz. The Thermax family is steadfast. The needy on the horizon, see their cost. With relationships strong, we will walk many miles long. For the future course, we will remain strong. In conclusion, Thermax management is always sweet. Anyone would like to meet. I wish Thermax all the best. And, Nawshir. I hope to see you soon, Nawshir. Thank you very much. And good luck to Thermax Family.

Chairperson: Thank you very much.

Mr. Arun: Meher, thank you very much.

Chairperson: Thank you Arun and thank you for putting together such a phenomenal poem.

Mr. Arun: Thank you so much.

Chairperson: **overlapping of voices** rhyme. Thank you. **overlapping of voices** Yeah, go ahead.

Moderator: Thank you sir. I would now request Mr. Yusuf Yunus Rangwala, to kindly unmute, share the webcam and proceed with the question. Mr. Yusuf Yunus, I request you to kindly unmute and

proceed with the question. We are not receiving any feedback from Mr Yusuf. So, I'll request our next speaker shareholder, Mr. Ramesh Shankar Gula to kindly unmute and proceed with the question.

Mr. Ramesh: Hello.

Chairperson: Hi, good afternoon.

Mr. Ramesh: Meher ji, very good evening.

Chairperson: Good evening.

Mr. Ramesh: Ma'am, I'm seeing you ma'am?

Chairperson: Sorry?

Mr. Ramesh: मैं दिख रहा है आपको ?

Chairperson: हाँ , दिख रहे है thank you.

Mr. Ramesh: Ma'am, you are so nice person and sweet person ma'am. मैंने इतने कंपनी के जो chairpersons को देखा आप जैसा जो शेयरहोल्डर से बात करता है ना with sweet language मैं किधर भी नहीं सुना ma'am. You are, I think, first and last.

Chairperson: Thank you.

Mr. Ramesh: Ma'am मैंने last year भी ऐसे ही बात करें **unclear** यह **unclear** के लिए I must congratulate. After that **unclear** company sales. Any other **unclear**

Chairperson: Sorry, Ramesh. I can't hear you very clearly. Could you repeat your question? It's echoing a lot.

Mr. Ramesh: Echo is coming? Hello.

Chairperson: Yeah, go ahead.

Mr. Ramesh: At present, okay?

Chairperson: Let's try. Speak up.

Mr. Ramesh: आपको यह financial जो report के बारे में बहुत अच्छा मिला very **unclear** is very good यह कंपनी में मैं शेयरहोल्डर बनके बहुत खुशी है ma'am. Under your **disruption** is very good ma'am. यह आने वाला साल में कैसा रहेगा ? Please, give us a road map. यह foreign exchange currencies जो यह साल से coming year में आने का उम्मीद है क्या ? ज्यादा होने का ? earnings, foreign exchange earnings. At present, how many employees in my company , any new employment is given to employees, new employees? Please, I want to share this from you. Ma'am यह

कोरोना की वजह से अभी third का vaccination चल रहा है पर वो भी कितने लोगो को दिया , हमें शुरू करना है या नहीं है जो employees को benefit क्या क्या मिल रहा और उसके बारे में भी बोल दीजिये। अभी यह साल में employees का जो unclear हुआ कितना % है ? वो भी बोल दीजिये। ma'am यह कंपनी के बारे में इतना बोल के भी पूरा नहीं है It's very good company and our Chairperson is the good. Ma'am finally, I'm asking last year hard copy and this year यह AGM का hard copy चाहिए ma'am। वो देख के तो और अच्छा बात कर सकते है , आपको पूछताछ कर सकते है But not received ma'am. Please वो भेज दिया तो बहुत खुशी रहता ma'am lastly asking bonus ma'am and unclear dividend. हमारे को जो मिला यह year में वो results भी बहुत अच्छा है that's why आपको बोनस announce करें तो बहुत अच्छा रहता , सभी को खुशी रहता that too management and shareholders खुशी रहते

Chairperson: Thank you. Thank you very much. Thank you.

Mr. Ramesh: Ma'am lastly मेरा request ma'am यह very

Chairperson: Sorry?

Moderator: Mr. Ramesh. We have lost the connectivity. That's why I would now request our next speaker, Mr. Rahul Kumar Paliwal, to kindly unmute, share the webcam and proceed with the question.

Mr. Rahul: Hope, I am audible?

Chairperson: Yes.

Moderator: You are audible, sir.

Mr. Rahul: Okay, sure. So, a couple of few questions. So, do we see, you know, after a decade of consolidation, this is the same kind of green shoots which Thermax has seen in the golden decade of 2000 to 2010? If so, which are going to be the verticals which can be the growth engine for coming times? That's question number one.

And question number two. In this last period of consolidation of five, six year last decade, what kind of capabilities Thermax has developed in terms of IP patents, process improvement, the new focus area, especially in cleaner space, in order to stand differently from the peers to create the moat?

I am sure, I have gone through the annual report, the water management has been one of the key focus areas where we launched the products. So, what are the other verticals we are looking at and focussing? Where you know, that can drive the growth engine for coming times considering the public sector and private sector. Capex may kick in, or already in place. What kind of opportunity we are seeing? So, at the same time, what are the key learnings and mistakes we did in the last five, six years? That will be a really good reflection of the past times. So that you know we can ensure we will not move in the same direction in coming days. Like for example, legacy, higher gestation period projects. Right. That is the key concern raised in the annual report as well. And, my last question is about, I'm sure, there is a lot of focus on exports, India being seen as a manufacturing hub. What kind of opportunity we are looking in exports and how we are going to prepare in terms of product, new verticals, cleaner space, the mega themes of coming decade which can create immense value, which

Thermax shareholders seen in the last 2000 to 2010 decade. And congratulations to the management. Amazing corporate governance as always and very shareholder friendly. All the best to you.

Chairperson: Thank you very much.

Moderator: Thank you, Mr. Rahul. I request our next speaker Mr. Vinay Vishnu Mindhe. We request you to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Vinay: Hello.

Moderator: Yes, Mr. Vinay.

Disruption

Mr. Vinay: Disruption hear. Disruption

Chairperson: Mr. Vinay, we can't hear you. You're Disruption

Mr. Vinay: Disruption Ashish Bhandari

Chairperson: Go ahead, go ahead.

Mr. Vinay: Disruption today's AGM Disruption company executives Disruption

Moderator: Mr. Vinay, we are not getting clear audio from.

Mr. Vinay: Disruption

Moderator: Mr. Vinay, we request you to kindly check your audio connection. We'll come back to you Mr. Vinay. I request our next speaker, CE Mascarenhas. We request you to kindly unmute your audio, switch on your webcam and proceed with your question.

Mrs. Mascarenhas: Am I audible?

Moderator: Yes, madam. You are audible, kindly proceed. Thank you.

Mrs. Mascarenhas: I'm speaking from Bombay. I'm Mrs. CE Mascarenhas. Respected Chairperson, other Board members and my fellow shareholders. I'm Mrs. CE Mascarenhas. First of all, I thank the company secretary who is recently and for sending me an E annual report. Of course, I would have been very happy if I'd had a physical copy. Because of age, I find very difficult to read online. Anyway, I thank the KFin Tech platform to give me this audio to speak. Coming to the annual report, as usual, madam is a great performer. Madam's team, entire team is a great performer, and we can see it from the market, which is giving such a big thumbs up. Even in spite of lot of hassles, we have a very high order book position. I would like to know how many orders are received in this quarter? Do we face geopolitical issues like supply chain logistics, supply chain problems, logistic bottlenecks and other

problems which is affecting our margin? What is our average margins we get in our orders? And, are we able to sort of execute the orders within our time limit? Because with all these disturbances, it affects a lot of work.

Anyway, you have explained a lot on everything. Of course, the staff. What is our attrition level? Because many of them are well trained staff. So, what is our attrition level and whether all our staff has received that booster dose? I really support this company because I'm so happy. Every time it beats its own record. So, I don't want to say more because there are some companies - I tell them you go on beating your own record year after year in all aspects. But balance sheet, say dividend, say market cap, you beat your own records. That's enough. That is a sustainable growth, I can say. No? With this, I don't want to say more because I am also tired. I am attending so many webinars, and I'm also getting all disturbed, you know. So, with this I thank you very much. I have supported all the resolutions. I wish my company to grow leaps and bounds and break all its earlier records. With this, I thank you madam. I pray that you and your whole team is blessed with good health, so that you can reward everyone the best. Thank you. And may God bless. Thank you for giving me this opportunity to speak.

Chairperson: Thank you Mrs. Mascarenhas. Thank you. Good health to you too.

Moderator: Thank you Mrs. Mascarenhas. I request our next speaker Mr. Anupam Sharma. We request you to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Anupam: Good afternoon.

Chairperson: Good afternoon.

Mr. Anupam: Ma'am, thank you, congratulation for good result and **NA** for the past year and first quarter of this year. But मैडम मैं पिछले चार साल से जो **Disruption** जिनको मैं आपसे यह address कराने की **Disruption** क्योंकि मैंने अपने जो २७ साल कंपनी के साथ **Disruption** मुझे कुछ result ऐसा नहीं मिला **Disruption** जिसको कुछ लोगो ने

Chairperson: Yeah, go ahead.

Mr. Aunpam: Hello.

Chairperson: Go ahead, go ahead. We can hear you.

Mr. Aunpam: Hello.

Moderator: Sir, you are audible. Kindly proceed. Sir, you are audible; kindly proceed with your question please. Thank you

Chairperson: Mr. Sharma आप please बोलिये

Moderator: Mr. Sharma, we request you to kindly proceed with your question. No response received. We will move on to our next speaker. I request Mr. Kirti Shah to kindly unmute your audio, switch on your webcam and proceed with your question. So, no response received. We will give another chance to all the speakers who have missed in the first round. I request Mr. Yusuf Yunus Rangwala to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Yusuf: Yes, sir. Good evening, madam. Can you hear me, madam? Madam, पहले तोम्हारा Parsi Pateti. Wish you a very Happy Parsi Pateti. मैडम मैं जो अपना केदार सर जो अपने को छोड़ कर चले गए मैडम उनकी service लाजवाब थी अल्लाह उनको अच्छी जन्नत नसीब करें उनके लिए हम दुआ करते है जो कंपनी सेक्रेटरी अपने चले गए और नए कंपनी सेक्रेटरी join हुए उनकी hard working और आपके यहाँ से भी phone आया मैडम we are very happy तो be with this कम्पनी और यह पदम् जी group की कंपनी है मैडम बहुत अच्छी आपके guidance में अच्छी growth हो रही है and we are the world famous. अपना all over India में अपना नाम है मैडम , अगर हो सके तो पुणे में मुझे visit कराईये मैडम मेरा humble request है October, November में how we are celebrating our 75th year? मैडम मेरा humble request है , यह जो 75th year है उसको आप सेलिब्रेशन कैसा कर रहे है ? अगर हो सके possible हो सके तो हमें भी बुलाइये आपका 75th year even we would like to join in the 75th year , madam. अगर what आपका कुछ celebration होगा 75th year , तो हमें भी सर Indian citizen होने के हिसाब से we are a proud Indian. I would like to **unclear** madam. And this is 75th year, we are celebrating. My best wishes for the 75th year. And we are given an excellent dividend madam. और आपने dividend अच्छा दिया और अपने Company Secretary साहब को जितने तारीफ करूं। मैडम मुझे annual report चाहिए मेरा humble request है I am requesting for the annual report. Nothing more to add. My good wishes are there. I thanking you madam for giving me one. Madam mera mobile का network चला गया था उसके लिए माफ़ी चाहता हूँ मैडम I am very sorry madam. Thank you very much. May God bless you and one more time I am wishing you a very happy festival, all the festivals from my side madam. My name is Yusuf Rangwala, speaking from Mumbai. Thank you madam. Thank you very much madam. Jai hind madam बहुत बहुत धन्यवाद

Chairperson: Thank you very much Yusuf bhai. Thank you. Thank you.

Moderator: Thank you, Mr. Yusuf. I request our next speaker Mr. Vinay Vishnu Biday to kindly unmute your audio, switch on your webcam and proceed with your question. Mr. Vinay, we request you to kindly unmute your audio, switch on your webcam and proceed with your question. No response received. I request Mr. Anupam Sharma, to kindly unmute your audio, switch on your webcam and proceed with your question. Mr. Sharma, we request you to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Anupam: Yeah, yes. Yes, ma'am, sorry. मेरा question यह था maam की AGM से ऊपर भी कोई forum है जिसमें मुझे अपना last four year से pending issue है , वो अभी तक still pending पड़े हुए है जोकि मैं last ४ years से थर्मैक्स कंपनी , थर्मैक्स मैनेजमेंट और आप लोगो से request कर रहा हूँ जो अभी तक resolve नहीं हुए है मेरे। second one is मैंने २७ years जो लगाए इस कंपनी के साथ , मैंने next generation जो आप लोगो ख्वाब भी है की next generation इसमें involve हो मैंने उसे तैयार किया कुछ लोगो की वजह से विक्रांत सधले जैसे **unclear** लोगो की वजह से कुछ लोग जो non thermaxian लोग है उन लोगो को sudden over night बहार कर दिया जाता है इस case में क्या policy है की as a

dealer थर्मैक्स का ही आदमी ex employee ही dealer बन सकता है की outside का भी बन सकता है ?ठीक है न। second मेरी queries है जिनको आज तक as management कोई भी सुनने को तैयार नहीं है। even मैंने आपसे भी बहुत बार request किया है आप को भी काफी बार mail drop किये है पर आज तक इस पर कोई भी revert , still वो open है मेरा यह एक question है ठीक है न कोई भी मेरा आज तक resolve नहीं हुआ है मैं thanks कहना चाहूंगा chemical division को जिसने मेरे points को सुना और उनको समय पर resolve किया ठीक है न यह मेरा आपसे request है की ma'am please जो मेरे कंपनी को overnight लोगो ने बंद करा दिया २७ साल लगाए है मैंने next generation को तैयार किया की next generation as per your requirement जैसा आपने कांफ्रेंस में बोले भी था की हम next generation को involve करना चाहते है उसका सपना मिंटो में चूर कर दिया मेरा please मेरा आपसे कहना यह है की थोड़ा सा इसको थोड़ा सा उसपे ले और मेरे case को जल्दी से जल्दी resolve करने की कोशिश करे यह मेरी सिर्फ आपसे request है ma'am.

Chairperson: Thank you. Thank you, Mr. Sharma.

Moderator: Thank you, Mr. Sharma. So with this, I would like to confirm that we have given the opportunity to all the shareholders who have registered themselves as a speaker for this event, madam. Thank you. Back to you, Chairperson.

Chairperson: Thank you. Thank you. I want to first of all, thank all the shareholder speakers, for their very pertinent questions. Made a note of a lot of them, but I'll try and answer a few at least. Starting with Arun. Arun, you spoke about charity. I think I've spoken a lot during my AGM speech, but of course, we're mainly into education and skill development. And this is what we will continue to be in, at least for the near future.

Do you expect a global recession? Well, there is a recession that we are expecting. Inflation is very high. There's a war in the Ukraine, we've seen the way commodity prices have increased, we've seen the way energy, food prices have increased. There's a huge supply as huge demand in the market that has suddenly come in and a very restrained supply. And therefore, we find inflation has gone up hugely. And therefore, even though India's growing extremely fast, and even though the RBI has mentioned that we will grow at just 7.2% as against what was mentioned earlier. And we're still one of the fastest growing economies in the world. We can't be kept away from a global recession. The whole world is interconnected. And so even though we see a lot of orders, at the moment, a lot of enquiries are in the pipeline. Maybe in the next quarter, two quarters, we could be hit by a recession in India as well. So it's an uncertain outlook at the moment. And we need to be prepared for it. You've asked about some skills that the company has obtained in the last few years. Well, I mentioned again, in terms of I think the company has done a lot of work on the whole energy transition. And they've put in a lot of effort in terms of coal gasification, which I spoke about in my PPT. We've just started a new business, as I mentioned, in FEPL, which is the First Energy business, which is going to be an opex business with regard to solar, wind, and storage. So, this is something that we have just started and there's a good traction that is developing.

We've come out with new products, as you've seen in terms of our boilers, whether it's a multifuel boiler or whether it's an electric boiler. So, I think there's a lot of work that's happening on the digital front. Thermax has done a huge amount of work in the last couple of years. And again, we're seeing it with regard to our customer portal, our dealer management system. So, we're seeing a lot of changes for the better. And for which I really, really want to, at this forum, thank Ashish and the entire team. Because it is Ashish and his team who are really spearheading all this. We get all the kudos, but all the

hard work is done by them. So thank you very much, Ashish and your entire team. Will there be disruptions by new players? Yes, of course, there are many new players coming in. We constantly see, I think the biggest disruption is with startups. New companies that are coming into the new energy business, new business models moving from capex to opex, where customers don't want to buy an entire product, but they want to buy the service. And so we're slowly evolving and seeing how best to do this. We've done this very efficiently through our Build Own Operate green steam business, Stoessel and water as well and now we're seeing it through FEPL. Some of the questions that were asked in terms of going forward. I think energy transition, this whole climate change, every country giving some sort of indication on their net zero, India, having given a recent one by 2070, we will be net zero. I think it's pushing a lot of people, a lot of our customers in terms of moving from fossil fuels to whether it's biomass or whether it's renewable energy. And this is where the whole energy transition piece comes in where Thermax partners our customers to try and see how we can help them with their energy transition. And we're also seeing that many of our customers are facing a lot of pressure from their customers overseas. And so they need to move in terms of more renewable energy products and greener products. And so Thermax is partnering them in order to do this.

In terms of our booster vaccine. Yes, we have provided it to all our employees, those who wanted to take it, but it has been provided to every employee at each of our offices. I think three of you have asked for a hard copy of our annual report, which I would request Janhavi to please send it. Then yeah, the order booking, Mrs. Mascarenhas asked in this quarter. 2,310 crores this quarter. Maybe Ashish, would you like to talk about some of the learnings in the last couple of years that we've had in terms of the business, as well as I think Mr. Rahul Paliwal also asked about exports. And how do you see exports going forward? I think you're on mute. Can he be unmuted?

Moderator: Mr. Ashish. You're on mute, we request you to kindly unmute.

Chairperson: Ashish, Can you unmute?

Mr. Ashish: Thank you. So first, I'll take the first question that you asked which is about earnings. And then I'll talk about exports. In terms of our learnings over the last couple of years. The first one would be the importance of products and services, especially in this changing world. One very steady pace of business that we can bid is on focussing on our services business. And the realisation that we had during the Covid times, especially about so much of our installed base. Our customers that want service, our customers that want to connect on matters of productivity, efficiency, spares, all of that. That Thermax had, in some ways, lost touch with those customers. So, this massive effort over this last one year to be able to connect with our customers again, to be able to provide them better services. And use that as a way to just listen to them and be a more customer responsive company. I think that in the Covid times has been a big, big learning. The second, I would say, is the entire importance of digital, and the ability for digital to transform so much of what we have within the company. And so for a company which laid everything out of our offices, the Covid time period meant that our entire workforce was working from home. And yet after a difficult period of two months, we were able to manage, do so much of our operations in that fashion that it had opened our eyes in terms of what else is possible. So, now we are going through a big effort to relocate our entire company from a digital lens to see how can we relocate our processes across the Board, and take what we have learned during the Covid times to make it a complete practice going forward as well and use that to transform our business.

The third portion I will talk about is the world around us is changing. And all these geopolitical, the carbon change, footprint change is calling for a change in our business model itself. And so, so much of what we're doing in terms of partnerships, reaching out to doing JVs, doing minority investments, starting new businesses, all of that is learning that we need to be a lot more responsive to our environment. So that's the third bit of learning and our change that we're learning about that I would like to refer to.

In terms of exports, I think there were three quarters in between where it seemed like the India recovery had happened but our exports were not picking up to the extent that we like. Now we are seeing good momentum on exports as well. Our international plants are also now seeing a better order book and Thermax from our domestic production as well, is doing well. The only portion of exports which is not doing as well as we would like is, winning large international projects, like one download **unclear** recently those kinds of projects, our ability to win those. Because not too many of them are happening right now. That is the one area where we would like to **NA**.

Chairperson: Thanks, Ashish. Thank you. And last, I would say is, Mr. Yunus mentioned that we wanted to celebrate our 75th. We only just celebrated our 50th. So, we've got a little while to go before we celebrate our 75th. But I look forward to that. Yeah, with that, I will end answering the questions. As there is no other business to be transacted, the meeting is declared as concluded. I would like to thank all our shareholders, directors and auditors for joining the meeting. I now authorise Miss Janhavi Khele, Company Secretary to conduct the voting procedure. The E-voting facility will remain open for the next 15 minutes to enable those members who have not cast their votes and would like to do so. Once again, thank you. Stay safe, your families and yourself and look forward to seeing you next year. Thank you.