

THERMAX COOLING SOLUTIONS LIMITED 4TH FLOOR, ENERGY HOUSE, D-II BLOCK,
PLOT NO. 38 & 39, MIDC, CHINCHWAD, PUNE 411 019, INDIA. ☐ TEL.: +91 20 66126464
FAX : +91-20-66126612 ☐ Website : www.thermaxglobal.com ☐ IT PAN : AADCT2703M
Customer Care: 18002090115 (India Toll Free)

✉ cservice@thermaxglobal.com



MEETING OF THE UNSECURED CREDITORS OF

THERMAX COOLING SOLUTIONS LIMITED

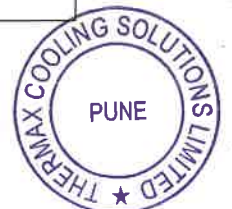
Pursuant to the Directions of Hon'ble National Company Law Tribunal, Mumbai Bench in C.A.
(CAA) / 284 (MB) / 2022

Day and Date	:	Tuesday, 14 th March 2023
Time	:	2:30 PM (IST)
Mode	:	Through Video Conferencing Or Other Audio Video Means

Remote E-Voting and E-Voting at the Time of Meeting:

Commencement of voting for remote E-voting	Saturday, 11 th March, 2023 at 9:00 AM (IST)
End of remote E-voting	Monday, 13 th March, 2023 at 5:00 PM (IST)
E-voting at the time of Meeting	2:30 PM, Tuesday, 14 th March, 2023

Sr. No.	Index
1.	Notice along with Explanatory Statement under Section 230 (3), 232 (1) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
2.	Scheme of Arrangement between Thermax Cooling Solutions Limited ('Demerged Company') and Thermax Instrumentation Limited ('Resulting Company') and their respective shareholders- Annexure 1
3.	Share Entitlement Ratio Report dated 20 th December 2022 - Annexure 2
4.	Order dated 06.01.2023, passed in Company Application bearing no. C.A. (CAA) /284 (MB) / 2022, by the Mumbai Bench of the Hon'ble National Company Law Tribunal - Annexure – 3
5.	Audited Financial Statement of both the Applicant Companies for the Financial year ended 31 st March, 2022, Unaudited Provisional Financial Statements of both the Applicant Companies for the period ended 30 th September 2022 Annexure – 4
6.	Report adopted by the Board of Directors of the Applicant Companies under Section 232(2)(c) of the Companies Act, 2013 – Annexure – 5



REGISTERED OFFICE : THERMAX HOUSE, 14 MUMBAI PUNE ROAD, WAKDEWADI, PUNE - 411 003, INDIA.
CORPORATE IDENTITY NUMBER : U29299PN2009PLC134761

"Thermax Cooling Solutions Limited" formerly known as "Thermax SPX Energy Technologies Limited"

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FORM NO. CAA. 2
[Pursuant to section 230 (3) and rules 6 and 7)]
Company Scheme Application No. C.A. (CAA) / 284(MB) / 2022

In the matter of the Companies Act, 2013;
AND

In the matter of Section 230 to 232 read with Section 66 of
the Companies Act, 2013 and other applicable provisions of
the Companies Act, 2013 and rules framed thereunder;
AND

In the matter of Scheme of Arrangement between Thermax
Cooling Solutions Limited having CIN
U29299PN2009PLC134761 ('Demerged Company') and
Thermax Instrumentation Limited having CIN
U72200MH1996PTC099050 ('Resulting Company') and
their respective shareholders ('Scheme')

Thermax Cooling Solutions Limited,
(CIN U29299PN2009PLC134761)

A company incorporated under the provisions
of the Companies Act, 1956 and having its registered
office at Thermax House, 14, Mumbai- Pune Road,
Wakdevadi, Pune - 411003, in the state of Maharashtra

.....First Applicant Company/
Demerged Company/ Company

**NOTICE TO THE UNSECURED CREDITORS OF THE APPLICANT
COMPANY UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013
(‘NOTICE’)**

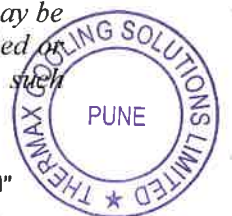
Notice is hereby given that by an Order dated 06.01.2023, the Mumbai Bench of the Hon’ble National Company Law Tribunal (“Hon’ble NCLT”) has directed that a meeting to be held of the Unsecured Creditors of the First Applicant Company be convened and held on Tuesday, 14th March, 2023 at 2.30 P.M. through Video Conferencing or Other Audio Visual Means (‘VC/OAVM’) for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement between Thermax Cooling Solutions Limited with Thermax Instrumentation Limited and their respective shareholders.

TAKE FURTHER NOTICE that in pursuance of the said Order, a meeting of Unsecured Creditors of the First Applicant Company will be held on Tuesday, 14th March, 2023 at 2.30 P.M, at which time you are requested to attend through video conference (VC) or other audio visual means (OAVM). At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modifications:

“RESOLVED THAT pursuant to the relevant and applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and subject to the provisions of Memorandum and Articles of Association and subject to the approval of Hon’ble NCLT and subject to such other approvals, sanctions, consents and permissions of regulatory and other authorities, as may be deemed necessary and subject to such conditions and modifications as may be prescribed or imposed by Hon’ble NCLT or by any other regulatory authorities, while granting such

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sanctions, which may be agreed by the Board of Directors of the Company, the Scheme of Arrangement of Thermax Cooling Solutions Limited and Thermax Instrumentation Limited, with an appointed date of 1st April 2023, as proposed by the Applicant Companies with their respective shareholders (Scheme) placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT *the Board be and is hereby authorized to do all such acts, deed, matters and things, as it may, deem requisite or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT or any other authority in law or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."*

The Hon'ble NCLT has appointed Mr. Ajit Sharma, and in his absence, Mr. Prashant Bhosale, to act as the chairman of the said meeting of the First Applicant Company and Shri Surendra Vyas, Practising Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner

Further, the Company has engaged NSDL to provide e-voting facility to its Unsecured Creditors. The Scrutinizer will submit his report to the Chairman after completion of the counting of the e-voting.

The Scheme, if approved in the meeting, will be subject to the subsequent approval of the tribunal.

The Board of Directors of the Applicant Company had at their meeting held on 20th December, 2023, approved the Scheme, subject to the requisite approval of the Shareholders and Creditors of the Company and sanction of the Tribunal and such other authorities as may be necessary.

TAKE FURTHER NOTICE THAT in pursuance of the said Order the meeting of the Unsecured Creditors of the Company will be held through VC/OAVM on Tuesday, 14th March, 2023 at 2.30 P.M at which time the Unsecured Creditors are requested to attend.

TAKE FURTHER NOTICE THAT since the meeting is being held pursuant to NCLT Order and MCA Circulars through VC/OAVM, physical attendance of the Unsecured Creditors has been dispensed with.


A copy of Explanatory Statement under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 and the other enclosures as indicated in the Index are enclosed.

The Notice and Explanatory Statement is also uploaded on the website of the Company (<https://www.thermaxglobal.com>) and NSDL website i.e. www.evoting.nsdl.com.

The Unsecured Creditors may refer to the notes to this Notice for further details on joining the meeting through VC/OAVM and for e-voting/voting at such meeting.



Dated this 3rd February, 2023.
Registered office: Thermax House, 14,
Mumbai- Pune Road,
Wakdewadi, Pune - 411003,
Maharashtra, India



Mr. Ajit Sharma
Chairman

Notes:

1. The Explanatory Statement with rationale for proposing the Resolution stated in the Notice above is annexed hereto.
2. As per Hon'ble NCLT Order dated 6th January, 2023 read with Section 108 of the Companies Act, 2013 and rules framed thereunder and read with general circular issued by Ministry of Corporate Affairs ('MCA'), meeting of Unsecured Creditors of Applicant Transferor Company will be held through Video Conferencing/Other Audio Visual Means ('VC/OAVM'). The detailed procedure for participation in the meeting through VC/OAVM is as per Note No. B.
3. Corporate Unsecured Creditors intending to authorise their representatives to participate and vote through e-voting on their behalf at the meeting are requested to send a certified copy of Board resolution/authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, is lodged at the registered office of the First Applicant Company or through email not later than 48 hours before the meeting to the Company at email CSservice@Thermaxglobal.com.
4. The Unsecured Creditors can join the meeting through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice.
5. As the meeting is to be convened through VC / OAVM the requirement of attaching the route map for the venue of meeting does not arise.
6. The quorum for the meeting of the Unsecured Creditors of the First Applicant Company will be 5 (Five only) in number as fixed by Hon'ble NCLT. Unsecured Creditors attending the meeting through VC / OAVM shall be counted as quorum of the Meeting.
7. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Company and E-form GNL-1 filed with Registrar of Companies, Pune will be available for inspection by the Unsecured Creditors at the Registered Office of the First Applicant Company during normal business hours (09.30 am to 5:00 pm) from Monday to Friday upto and including the date of the meeting.
8. This Notice and Explanatory Statement is being sent to Unsecured Creditors of First Applicant Company whose names are appearing in the books of accounts of the First Applicant Company as on 30th November 2022, by electronic mode to such unsecured creditors whose e-mail addresses are registered with the Company for communication purpose and through approved physical mode to such Unsecured Creditors whose email addresses are not registered with the Company. In case e-mail address of any Unsecured Creditor is not registered with the Company, such Unsecured Creditor may send his/her request by email at CSservice@Thermaxglobal.com along with his/ her name, address, mobile number, PAN, amount due from the Company. The same has also been uploaded on the website of the Company (<https://www.thermaxglobal.com>) and NSDL, i.e. www.evoting.nsdl.com



9. The Notice convening the aforesaid meeting will be published through advertisement in Business Standard Pune edition in the English language and Navshakti Pune edition in Marathi language.
10. Pursuant to Hon'ble NCLT Order read with Section 108 of the Companies Act, 2013 and rules framed thereunder and read with MCA Circulars, the Company is pleased to provide e-voting facility through NDSL to its Unsecured Creditors as on 30th November 2022 (cut-off date). It is hereby clarified the Unsecured Creditors are entitled to vote using the e-voting facility only, subject to compliance with the instructions for e-voting. The voting right may be exercised either by remote e-voting facility within prescribed period OR by e-voting during the meeting being convened through VC/OAVM.

(Unsecured Creditors are requested to use User ID and Password for e-voting as sent along with the notice in case of physical copy and as mentioned in covering e-mail in case of soft copy).

Any person who is an Unsecured Creditor in books of account of First Applicant Company as on the cut-off date may cast their vote by using the login credentials, through NSDL E-voting facility. For those Unsecured Creditors who have not received login credentials may contact Company via e-mail/telephone on CService@Thermaxglobal.com.

The information and other instructions regarding remote e-voting and e-voting during the meeting are detailed in Note No. A.

11. The voting rights as well as the value of the unsecured creditors shall be in proportion to the outstanding amount due to them by the Company as on cut-off date.
12. The Scheme shall be considered approved by the Unsecured Creditors of the Applicant Company if the resolution mentioned above in the notice has been approved by the majority of persons representing three-fourths in value of the Unsecured Creditors in terms of Sections 230 to 232 of the Act.
13. Shri Surendra Vyas, Practicing Company Secretary has been appointed as the scrutinizer to scrutinize entire e-voting of the meeting, in a fair and transparent manner.
14. The scrutinizer shall submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the Unsecured Creditors through remote e-voting and e-voting at the Meeting. The scrutiniser's decision on the validity of the votes shall be final.

Note No. A: Voting Process and other instructions regarding e-voting:

In compliance with the NCLT order dated 06.01.2023, the Company is pleased to offer e-voting facility as a mode of voting, which will enable the Unsecured Creditors to cast their votes electronically. The instructions for e-voting are as under:

Section 1: Remote e-voting process

- (A) In case of Unsecured Creditors receiving e-mail from NSDL:
 - a) Open the e-mail. Your login Id and password details for casting your vote electronically and for attending the Meeting of Creditors through VC/ OAVM are attached in the .pdf file enclosed herewith. Please note that the password to open the PDF file is the Unique Id mentioned in the email.
 - b) Open PDF file. The PDF file contains your User ID and password for e-voting. Please note that this password is an initial password.



- c) Launch internet browser by typing the URL <https://www.evoting.nsdl.com>.
 - d) Click on “User-login”.
 - e) Enter User ID and password as initial password noted in step (a) above. Click “Login”.
 - f) The password change menu appears. Change the password with a new password of your choice with minimum 8 digits/characters or combination thereof. Please make a note of your new password. It is strongly recommended not to share your password with any other persons and take utmost care to keep your password confidential.
 - g) Home page of “e-voting” opens. Click on “e-voting”: Active Voting Cycles.
 - h) Select E Voting Event Number (EVEN) of Thermax Cooling Solutions Limited.
 - i) Now you are ready for “e-voting” as “Cast Vote” page opens.
 - j) Cast your vote by selecting appropriate option and click on “submit” and also “Confirm” when prompted.
 - k) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - l) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - m) Institutional Unsecured Creditors and bodies corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through E-mail at “CSservice@Thermaxglobal.com” with a copy marked to evoting.@nsdl.co.in at least 48 hours prior to the meeting.
 - n) In case of any queries, you may refer to the “Frequently Asked Questions (FAQs)” for Unsecured Creditors and e-voting user manual for Unsecured Creditors available at the “downloads” section of NSDL website at www.evoting.nsdl.com.
- (B) The remote e-voting period starts from Saturday 11th March at 9:00 a.m. and ends on Monday 13th March at 5:00 p.m.. The e-voting module will be disabled by NSDL for voting thereafter.
- (C) If you are already registered with NSDL for e-voting you can use your existing user ID and password for casting your vote.

Section 2: Process of e-voting during meeting

Note No. B: Instruction for Unsecured Creditors for attending the meeting through VC/OAVM:

- a. Unsecured Creditors will be provided with a facility to attend the meeting through VC/OAVM through the NSDL e-voting system. Creditors may access the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVSN of Company will be displayed.
- b. Unsecured Creditors are encouraged to join the meeting through Laptops/Desktops for better experience. Further, the Unsecured Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.



- c. Please note that participants connecting from mobile devices or Tablets or through Laptop connecting via Mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- d. Unsecured Creditors who would like to express their views/have questions may send their views/questions 7 days prior to meeting mentioning their name, email id, mobile number at Thermax House, 14, Mumbai- Pune Road, Wakdevadi, Pune - 411003, Maharashtra, India. and register themselves as a speaker. Only those Unsecured Creditors who have registered themselves as a speaker will be allowed to express their views/ask questions with permission of the Chairperson during the meeting.



**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO.C.A.(CAA) / 284(MB) / 2022
In the matter of the Companies Act, 2013**

And

In the matter of Sections 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder

And

In the matter of Scheme of Arrangement between Thermax Cooling Solutions Limited and Thermax Instrumentation Limited and their respective Shareholders.

Thermax Cooling Solutions Limited

(CIN: U29299PN2009PLC134761)

A company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Thermax House, 14, Mumbai- Pune Road, Wakdewadi , Pune - 411003 in the state of Maharashtra

**..... (First Applicant Company/
Demerged Company/ Company)**

EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013

In this statement hereinafter, Thermax Cooling Solutions Limited is referred as 'First Applicant Company' or 'Demerged Company' or 'Company' and Thermax Instrumentation Limited referred to as 'Second Applicant Company' or 'Resulting Company'. The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) of the Companies Act, 2013 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as members.

1. Pursuant to an Order dated 06.01.2023 passed by the Hon'ble National Company Law Tribunal ('Hon'ble NCLT'), Mumbai Bench in the Company Scheme Application No. C.A.(CAA) / 284(MB) / 2022, a meeting of the Unsecured creditors of the First Applicant Company is being convened on 14th March 2023 at 2:30 P.M. through Video Conferencing/ Other Audio Visual Means (VC/OAVM) for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Arrangement between Thermax Cooling Solutions Limited and Thermax Instrumentation Limited and their respective shareholders.
2. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the 'Act') read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 (the 'Rules').
3. The draft Scheme of Arrangement was placed before the Board of Directors of First Applicant Company at their meeting held on 20th December 2022. The Board of Directors of First Applicant Company has come to the conclusion that the Scheme is in the best interest of the Company, its members, creditors and employees. Accordingly, the Board vide a resolution passed on



December 2022, approved the Scheme of Arrangement between Thermax Cooling Solutions Limited and Thermax Instrumentation Limited and their respective Shareholders.

4. A copy of the Scheme as approved by the Board of Directors of the Company is enclosed herewith.

5. BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME

A. Thermax Cooling Solutions Limited (hereinafter referred to as ‘the First Applicant Company’ or ‘Demerged Company’ or ‘Company’)

- i. Thermax Cooling Solutions Limited bearing CIN U29299PN2009PLC134761 is a public limited company incorporated under the provisions of the Companies Act, 1956 on 6th October 2009 having its Registered Office situated at Thermax House, 14, Mumbai- Pune Road, Wakdewadi, Pune - 411003, Maharashtra, India. Permanent Account Number is AADCT2703M. The First Applicant Company is engaged in the business of providing various wet and dry cooling solutions for removal of heat from different processes in manufacturing industries.
- ii. The e-mail ID for the First Applicant Company is CService@Thermaxglobal.com.
- iii. During the last five years, the Company has not changed its registered office. However, the Company has altered its name to Thermax Cooling Solutions Limited from Thermax SPX Energy Technologies Limited with effect from 17th October, 2019 by obtaining necessary approval from its Shareholders. Further, the Company has changed its main object clause by obtaining approval from its Shareholders on 4th February, 2020.
- iv. The authorised, issued, subscribed and paid-up share capital of the First Applicant Company as on 31st March 2022 is as under:

Particulars	Amount in (Rs)
Authorised Capital 50,000,000 Equity Shares of INR 10/- each	500,000,000
TOTAL	500,000,000
Issued, Subscribed and Paid-up Share Capital 2,00,00,000 Equity Shares of INR 10/- each	200,000,000
TOTAL	200,000,000

Subsequent to 31st March 2022, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Demerged Company.



- v. The shares of the First Applicant Company are not listed on any stock exchange.
- vi. The objects of the First Applicant Company are set out in its Memorandum of Association the Company. The main objects of the First Applicant Company are as under:

“1. To carry on the business of designing, engineering, procuring, manufacturing, repairing, servicing, importing, exporting, marketing, selling, constructing, installing, distributing, erecting, commissioning, retrofitting, revamping maintaining, upgrading, undertaking inspection, dealing in any kind and description of equipment, component and spares by whatsoever name including without limitation dry electro static precipitators, regenerative air gas and gas gas heaters, pulse jet bag filters, vortex induced mixers and static gas mixers, Air Cooled Condensers for all types of power plants and its co-generation activities, including but not restricted to thermal, nuclear, solar, geothermal, fossil fuel, biomass, municipal waste, wind, hydel, tidal or any other energy of whatsoever description; all types of cooling systems including but not restricted to evaporative condensers, closed loop cooling towers, adiabatic coolers, dry coolers, air cooled heat exchangers, fin fan coolers, etc. for wide industrial & commercial refrigeration applications but not restricted to Process cooling / Industrial applications like steel, tyre, auto, chemical & pharma, fertilizers, induction furnaces, refinery, petrochemicals, poly films, commercial applications like data center cooling, HVAC, etc. and to deal in any kind of solutions including supply of equipment, spare parts, plant and machinery, appliance, apparatus for replacement, rehabilitation and /or retrofit of power plants, cooling systems, refrigeration systems, allied auxiliary systems and to carry on all other businesses and activities necessary for realization of the said activities

2. To carry on the business of manufacturers, fabricators, constructors, installers, commissioners, civil works and dealers of all types of steel ferrous & non ferrous metals, sheet metal parts, non metallic parts, pressure vessels, components, castings, machinery, electrical & instrumentation, control panels and in particular to undertake fabrication on contract or otherwise of sheet metal parts, non metallic parts, pressure vessels, components, castings and machinery.”

B. Thermax Instrumentation Limited (hereinafter referred to as “Second Applicant Company” or “Resulting Company”)

- i. Thermax Instrumentation Limited, bearing CIN U72200MH1996PTC099050 was originally incorporated under the Companies Act, 1956, in the State of Maharashtra on 23rd April 1996. The Registered Office of the Second Applicant Company is situated at Thermax House, 14, Mumbai- Pune Road, Wakdewadi, Pune - 411003, Maharashtra, India. Permanent Account Number is AACCT1032C. The Second Applicant Company presently not engaged in any business activity. However, it was incorporated to carry to be engaged in the business of rendering erection, commissioning, civil works and operation and maintenance services for turnkey contracts for power plants.



- ii. During the last five years, the Company has not changed its object clause, name and registered office.
- iii. The e-mail id for the Second Applicant Company is CService@Thermaxglobal.com.
- iv. The authorised, issued, subscribed and paid-up share capital of Second Applicant Company as on 31st March, 2022 is as under:

Particulars	Amount (in Rs.)
Authorised Capital 90,00,000 Equity Shares of INR 10/- each	90,000,000
TOTAL	90,000,000
Issued, Subscribed and Paid up Share Capital 90,00,000 Equity Shares of INR 10/- each	90,000,000
TOTAL	90,000,000

Subsequent to 31st March 2022, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Resulting Company.

- v. The shares of the Second Applicant Company are not listed on any stock exchange.
- vi. The objects of the Second Applicant Company are set out in its Memorandum of Association the Company. The main objects of the Second Applicant Company are as under:

“ 1. To carry on the business of Designers, Manufacturers, Distributors, Sellers, Installers, Commissioners and providers of Services of and relating to electronic and electrical equipment, machinery, appliances, components, systems and apparatus of every description including industrial and process control instrumentation; and to manufacture, write, author, create, develop and maintain software related thereto.”

6. RELATIONSHIP SUBSISTING BETWEEN THE APPLICANT COMPANIES

As on the date of approval of the Scheme by the Board of Directors, the Demerged Company and Resulting Company are fellow subsidiaries of Thermax Limited.

7. BACKGROUND OF THE SCHEME

- 7.1. The First Applicant Company was incorporated on 06th October 2009 to carry on the business of providing various wet and dry cooling solutions for removal of heat from different processes in manufacturing industries.



- 7.2. The Second Applicant Company was incorporated on 23rd April 1996 which is currently not engaged in any business activity. However, it was incorporated to carry to be engaged in the business of rendering erection, commissioning, civil works and operation and maintenance services for turnkey contracts for power plants.
- 7.3. With effect from the Appointed Date, all the properties and assets (whether movable or immovable, tangible or intangible) of Demerged Company in relation to its Cooling Solutions Undertaking (“Demerged Undertaking”), whatsoever nature such as licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives if any or other licenses issued by any Government Authorities or statutory body, and all other rights, title, interest, contracts, consent, approvals or powers of every kind nature and descriptions whatsoever shall under the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the Competent Authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date be transferred and / or deemed to be transferred to and vested in Second Applicant Company so as to become the properties and assets of Second Applicant Company.

8. Rationale of the Scheme

The objects/ rationale of the proposed Scheme is as under:

- 8.1. Both the Demerged Company and the Resulting Company are wholly owned subsidiaries of the same shareholder i.e. Thermax Limited. The business activities carried out by the Demerged Company as a part of its Cooling Business and by Resulting Company are complimentary in nature and provide vertical integration for completion of power projects.
- 8.2. The Board of Directors of the Demerged Company and the Resulting Company are of the opinion that the Demerger of Cooling Business under this Scheme would result in benefit to members, creditors and employees of each of the Demerged Company and the Resulting Company, will not be detrimental to the public and would result in expansion of Cooling Business attached with the increase in the value for its members in long run. The demerger, transfer and vesting of the Cooling Business of the Demerged Company on a going concern basis to the Resulting Company will result in the following benefits for the group as whole:
- 8.2.1. Vertical integration of operations for Resulting Company resulting in enhanced co-ordination and flexibility in operations.
 - 8.2.2. Enhanced management focus on business of Resulting Company post the proposed Demerger due to complementary business being consolidated under the same entity resulting in scalability and operative effectiveness
 - 8.2.3. Elimination of duplication of administrative and compliance functions resulting in cost saving.



9. Salient features of the Scheme

- 9.1. The Scheme envisages demerger of the Cooling Solutions Undertaking ('Demerged Undertaking') of Thermax Cooling Solutions Limited to Thermax Instrumentation Limited pursuant to section 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.
- 9.2. The Scheme shall be effective from Appointed Date i.e. 01 April, 2023
- 9.3. The Scheme would come into effect from the date on which certified copies of the orders passed by the Hon'ble Tribunal is filed with the Registrar of Companies, Pune.
- 9.4. Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Demerged Company shall stand reduced from INR 20,00,00,000 (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) equity shares with face value of INR 10 (Rupees Ten Only) per equity share to INR 10,00,00,000 (Rupees Ten Crores Only) divided into 2,00,00,000 (Two Crores Only) equity shares with face value of INR 5 (Rupees Five Only) per equity share without any payment or consideration to the shareholders of the Demerged Company for effecting such reduction in face value and paid-up value per equity share, without any further act or deed.
- 9.5. Pursuant to reduction of share capital, the face value of equity shares of the Demerged Company shall stand reduced to INR 5 (Rupees Five Only) per equity share and consequently, the authorised share capital of the Demerged Company shall stand reorganised from INR 50,00,00,000 (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crore Only) equity shares having face value of INR 10 each (Rupees Ten) to 10,00,00,000 (Ten Crores) equity shares having face value of INR 5 (Rupees Five) each.
- 9.6. With effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking of the Demerged Company, shall pursuant to the provisions of section 232 read with section 230 and other applicable provisions, if any, of the Act, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income-tax Act, 1961, so as to become the undertaking of the Resulting Company.
- 9.7. Upon the effectiveness of the Scheme, in consideration of the Demerger, the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall, without any further act or deed, issue and allot preference shares in the Resulting Company to each equity shareholder of the Demerged Company whose name is recorded in the register of members of the Demerged Company on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, in the following ratio (the "Share Entitlement Ratio"):



“85 (Eighty-Five) 10% Redeemable Preference Shares of the Resulting Company of INR 100 each credited as fully paid up for every 1000 (Thousand) equity shares held in the Demerged Company of INR 10 each fully paid up.*

**On Part B of the Scheme (reorganization of share capital and reduction of paid-up share capital of the Demerged Company) becoming effective as provided in the Scheme, INR 10 to be read as INR 5.”*

- 9.8. The Resulting Company may increase/modify its authorized share capital, if necessary, to facilitate allotment of its 10% Redeemable Preference Shares to the shareholders of the Demerged Company. It is clarified that no approval under section 55 and 62 of the Act or any other applicable provisions of the Act shall be required to be passed by the Resulting Company separately in a general meeting for issue of 10% Redeemable Preference Shares to the members of the Demerged Company under this Scheme and on the shareholders of the Resulting Company approving this Scheme, it shall be deemed that they have given their consent to the issue of 10% Redeemable Preference Shares of the Resulting Company to the members of the Demerged Company in the Share Entitlement Ratio.
- 9.9. Upon the Scheme coming into effect, all staff, workmen and employees of the Demerged Undertaking in service as at the Appointed Date shall be deemed to have become staff, workmen and employees of the Resulting Company with effect from the Appointed Date, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them in the Demerged Company as at the Appointed Date.
- 9.10. All proceedings of whatsoever nature (legal, taxation and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether civil or criminal by or against the Demerged Company in relation to the Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Demerger of the Demerged Undertaking into the Resulting Company and by anything contained in the Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made
- 9.11. The Scheme is conditional upon and subject to the approvals and / or sanctions laid down in Clause 22 of the Scheme.

Please note that the features set out above being only the salient features of the Scheme of Arrangement; the Stakeholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.



10. Board Meeting and Valuation Report

- 10.1. The Proposed Scheme of Arrangement was approved by the Board of Directors of the Demerged Company and Resulting Company at the meeting held on 20 December 2022.
- 10.2. The Company has obtained Share Entitlement Ratio Report dated 20th December, 2022 issued by the Registered Valuer – Securities or Financial Assets for recommendation the share entitlement ratio pursuant to this Scheme of Arrangement to the Board of Directors of the Companies. The share entitlement ratio has been arrived at on the basis of the methodologies explained in the said Share Entitlement Ratio Report and various qualitative factors relevant to each business. The recommendation of the share entitlement ratio has been adopted by the Boards of the Companies under the Scheme.

11. APPROVALS

The Company is in the process to notify Central Government (through Regional Director –Western region), Registrar of Companies, Pune, jurisdictional Income-tax department and jurisdictional Goods and Services Tax department to seek their observations, if any to the Scheme of Arrangement (as directed by the Hon'ble Tribunal).

12. Extent of Shareholding of Directors and Key Managerial Personnel

- 12.1. The Directors and Key Managerial Personnel (KMP) and their respective relatives, of the Resulting Companies and the Demerged Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in their respective companies (if any), or to the extent the said directors/KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the directors, managing director or the manager or KMP of the Resulting Company or the Demerged Company has any material interest in the Scheme.
- 12.2. None of the directors, the “Key Managerial Personnel” (as defined under the Act and rules formed thereunder) of the Transferee Company and their respective “Relatives” (as defined under the Act and rules formed thereunder) have any material interests, financial or otherwise in the Scheme, except to the extent of their shareholding in the companies forming part of the Scheme, and / or to the extent the said Directors are common Directors in the said companies, and / or to the extent said Director(s) and / or KMPs are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the said companies..
- 12.3. The details of the Directors and KMPs of the Resulting Company as on the date of this notice are as follows:



Sr. No.	DIN	Name	Designation	Date of Appointment
1	0002301	Ajay Joshi	Director	31/03/2015
2	1677195	Ravinder Advani	Director	13/07/2007
3	2296952	Ashok Keshav Joshi	Director	31/03/2015
4	8446343	Rajendran Arunachalam	Director	26/07/2019
5	9675574	Kirtiraj Rajendra Jilkar	Director	28/07/2022
6	AAJPL0314M	Sudhir Padmakar Lale	Company Secretary	19/01/2006
7	AAYPB6715F	Kalyanaraman Ramachandra Bharathi	Manager	28/07/2022

12.4. Extent of shareholding of Directors and KMPs of Resulting Company and their respective holding in the Resulting Company and the Demerged Company as on the date of this notice are as follows:

Sr. No.	Name of the Director or KMPs	Designation	Demerged Company (Equity Shares)	Resulting Company (Equity Shares)
1	Sudhir Padmakar Lale	Company Secretary and KMP	1 (Jointly with Thermax Limited)	Nil

12.5. The details of the Directors and KMP of the Demerged Company as on the date of this notice are as follows:

Sr. No.	DIN	Name	Designation	Date of Appointment
1	09160928	Sunil Raina	Director	03/05/2021
2	09675574	Kirtiraj Rajendra Jilkar	Director	28/07/2022
3	09748806	Sandeep Prabhakar Deshpande	Director	03/11/2022
4	AALPS9930 Q	Ravi Ramchandra Shewade	Manager	03/05/2021
5	ADLPS5926 R	Ajit Meghraj Sharma	Chief Financial Officer	27/07/2021
6	CZRPP7908 N	Karan Ajit Parakh	Company Secretary	02/02/2023



12.6. None of the Directors or KMPs of the Demerged Company hold shares in the Demerged Company or the Resulting Company.

12.7. Names and addresses of the directors and promoters of the Resulting Company are as under

Sr. No	Names of Director/ Promoter	Director/Promoter	Address
1	Thermax Limited	Promoter	Thermax House 14, Mumbai- Pune Road, Wakdewadi Pune 411003 MH India
2	Ajay Joshi	Director	A-3/204, Oxford Village, Wanowrie, Pune 411040,
3	Ravinder Advani	Director	257, Sindh Co-Operative Housing Society, Aundh, Pune, 411007
4	Ashok Keshav Joshi	Director	1004, Maximus, Lodha Paradise Complex Near Majiwade Flyover, Thane 400601
5	Rajendran Arunachalam	Director	D/5, Kubera Gulshan, 164/1 D.P. Road Aundh Pune 411007
6	Kirtiraj Rajendra Jilkar	Director	469-A, JILKAR BAUG, HARE KRISHNA MANDIR ROAD, NEAR PUNE CENTRAL MALL, MODEL COLONY, SHIVAJINAGAR PUNE Maharashtra India 411016

12.8. Names and addresses of the directors and promoters of the Demerged Company are as under

Sr. No	Names of Director/ Promoter	Director/Promoter	Address
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1	Thermax Limited	Promoter	Thermax House 14, Mumbai- Pune Road, Wakdewadi Pune 411003 MH India
2	Sunil Raina	Director	Flat No C-6, Malati Madhav Apartments, Bhandarkar Road, Pune- 411004
3	Kirtiraj Rajendra Jilkar	Director	469-A, JILKAR BAUG, HARE KRISHNA MANDIR ROAD, NEAR PUNE CENTRAL MALL, MODEL COLONY, SHIVAJINAGAR PUNE Maharashtra India 411016
4	Sandeep Prabhakar Deshpande	Director	D-803, Meenakshi Puram, Jadhav Nagar, Near Sinhgad Institute, Wadgaon Bk Pune City Maharashtra India 411041

12.9. The Board of Directors of the Resulting Company approved the Scheme on 20th December 2022. Details of directors of the Resulting Company who voted in favour / against / did not participate in the meeting of the Board of Directors the Resulting Company are given below:

Sr. No	Names of Director	In favour / against / did not participate
1	Ajay Joshi	In favour
2	Ravinder Advani	Absent
3	Ashok Keshav Joshi	In favour
4	Rajendran Arunachalam	In favour
5	Kirtiraj Rajendra Jilkar	In favour

12.10. The Board of Directors of the Demerged Company approved the Scheme on 20 December 2022. Details of directors of the Demerged Company who voted in favour / against / did not participate in the meeting of the Board of Directors the Resulting Company are given below



Sr. No	Names of Director	In favour / against / did not participate
1	Sunil Raina	In favour
2	Kirtiraj Rajendra Jilkar	In favour
3	Sandeep Prabhakar Deshpande	In favour

13. GENERAL

- 13.1. The Demerged Company and the Resulting Company have made a joint company scheme application before the Hon'ble National Company Law Tribunal, Mumbai Bench for the sanction of the Scheme under Section 230 to 232 read with section 66 and any corresponding provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- 13.2. The amount due from the Demerged Company to its secured creditors as on 30th November, 2022 is Rs. NIL.
- 13.3. The amount due from the Demerged Company to its unsecured creditors as on 30th November 2022 is Rs. 3,45,93,808/-.
- 13.4. The amount due from the Resulting Company to its secured creditors as on 30th November, 2022 is Rs. NIL.
- 13.5. The amount due from the Resulting Company to its unsecured creditors as on 30th November 2022 is Rs. 23,82,87,833/-.
- 13.6. The rights and interests of creditors of either of Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Demerged Company will be able to meet its liabilities as they arise in the ordinary course of business.
- 13.7. Except to the extent of the shares held by the Directors and KMP stated under paragraph 12 above, none of the directors, KMP of the Demerged Company or their respective relatives is in any way connected or interested in the aforesaid scheme.
- 13.8. The latest unaudited financial statements as on 30th September 2022 of the Demerged Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the demerger will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.



- 13.9. There is no winding up proceedings pending against the Demerged Company as of date.
- 13.10. No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Demerged Company.
- 13.11. Both the Companies are required to seek approvals/ sanctions/ no objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and will obtain the same at the relevant time.
- 13.12. The Demerged Company does not have any depositors, debenture holders, deposit trustee and debenture trustee. The Scheme will not have any impact on the employees of the Resulting Company as they would continue to be in employment of the Resulting Company without any change in their terms of employment on account of the Scheme. However, upon the Scheme coming into effect, all staff, workmen and employees of the Demerged Undertaking in service as at the Appointed Date shall be deemed to have become staff, workmen and employees of the Resulting Company with effect from the Appointed Date, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them in the Demerged Company as at the Appointed Date. Further, no change in the Board of Directors of the Demerged Company is envisaged on account of the Scheme.
- 13.13. This statement may be treated as an Explanatory Statement under Section 230(3) read with Section 102 of the Companies Act, 2013.
- 13.14. Inspection of the following documents will be open for the Unsecured creditors of Demerged Company at the Registered Office of the Companies on any working day (Monday to Friday) prior to the date of the meeting between 11.00 a.m. to 1.00 p.m.
- i. Copy of the Order dated 06.01.2023 of the Hon'ble Tribunal passed in Company Scheme Application directing the dispensing of the meetings of the Equity Shareholders and Secured Creditors of Resulting Company and Demerged Company;
 - ii. Copy of the Company Scheme Application No. C.A.(CAA) / 284(MB) / 2022
 - iii. Memorandum of Association and Articles of Association of Resulting Company and Demerged Company;
 - iv. Audited Financial Statements of Demerged Company for last three financial years ended March 31, 2022, March 31, 2021 and March 31, 2020.
 - v. Copy each of Resolutions dated 20th December 2022 passed by the Board of Directors of First and Second Applicant Companies approving the Scheme.



- vi. Copy of Form No. GNL-1 filed by the First Applicant Company with the concerned Registrar of Companies along with challan evidencing filing of the Scheme with the concerned Registrar of Companies.
- vii. Register of Director's Shareholdings of Resulting Company and Demerged Company;
- viii. The Company is in the process to notify Central Government (through Regional Director –Western region), Registrar of Companies, Pune, jurisdictional Income-tax department and jurisdictional Goods and Services Tax department to seek their observations, if any to the Scheme of Arrangement (as directed by the Hon'ble Tribunal).Accounting treatment certificate by Statutory Auditor of Resulting Company and Demerged Company; and
- ix. Copy of Scheme of Arrangement

This statement may be treated as an Explanatory Statement pursuant to Section 230(3), 232(1) and 102 of the Companies Act, 2013 read with Rule 6 of The Companies (Compromises, Arrangements And Amalgamations) Rules, 2016. A copy of this Scheme and the Explanatory Statement may be obtained free of charge on any working day (Monday to Friday) prior to the date of the meeting, from the Registered Office at Thermax House, 14, Mumbai- Pune Road, Wakdewadi, Pune - 411003, Maharashtra, India.

Dated this 3rd February 2023.

Place: Pune

Registered Office:

Thermax House, 14, Mumbai- Pune Road,
Wakdewadi, Pune - 411003, Maharashtra, India.



Mr. Ajit Sharma
Chairman

