

Disclosures pursuant to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021

SEBI vide its notification dated August 13, 2021 had issued the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 ('SEBI Regulations').

Thermax Limited Employee Stock Option Plan 2021 (ESOP 2021/ Scheme): On January 13, 2022 pursuant to approval by the shareholders through the postal ballot, the Board and the Nomination and Remuneration Committee has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the ESOP 2021. The maximum number of shares under this plan shall not exceed 29,06,250 equity shares.

The disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 for 2015 Plan:

Sr. No.	Particulars	Details
1.	The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations.	The Scheme is in compliance with the regulations. Further, there is no material change in the said Scheme.
2.	Further, the following details, inter alia, shall be disclosed on the company's website and a web-link thereto shall be provided in the report of Board of Directors.	
A.	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.	Please refer Note No. 40 of the Notes to Accounts to Annual Report for FY 2022-23.
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as prescribed from time to time.	Please refer Note No. 29 of the Notes to Accounts to Annual Report for FY 2022-23.

C.	<u>Details related to ESOS</u>	
1)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including	Thermax Limited Employee Stock Option Plan 2021 (ESOP 2021/Scheme)
a)	Date of shareholders' approval	January 13, 2022
b)	Total number of options approved under ESOS	29,06,250
c)	Vesting requirements	Options shall vest not earlier than one year and not later than five years from the Grant Date.
d)	Exercise price or pricing formula	The Exercise Price shall be Rs 15.25 per equity share.
e)	Maximum term of options granted	Exercise period to commence from the Vesting Date and will expire on completion of such period not exceeding 5 years from the Vesting Date.
f)	Source of shares (primary, secondary or combination)	The source of shares is Primary.
g)	Variation in terms of options	There was no variation in terms of Options.
2)	Method used to account for ESOS - Intrinsic or fair value	Fair Value
3)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable. As per IND AS requirement, the company has to use fair value method.
4)	Option movement during the year (For each ESOS):	
a.	Number of options outstanding at the beginning of the period	Nil
b.	Number of options granted during the year	22,633
c.	Number of options forfeited / lapsed during the year	1,024

d.	Number of options vested during the year	Nil
e.	Number of options exercised during the year	Nil
f.	Number of shares arising as a result of exercise of options	Nil
g.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
h.	Loan repaid by the Trust during the year from exercise price received	Not Applicable
i.	Number of options outstanding at the end of the year	21,609
j.	Number of options exercisable at the end of the year	Nil
5)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise prices- Rs. 15.25
6)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to- a. Senior Managerial Personnel b. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Refer to Annexure I,
	c. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
7)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	

a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Please refer Note No. 40 of the Notes to Accounts to Annual Report for FY 2022-23.
b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	
c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	
d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	NA
8)	Disclosures in respect of grants made in three years prior to IPO under each ESOS	
i.	Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made	NA
D.	<u>Details related to ESPS</u>	NA
E.	<u>Details related to SAR</u>	NA
F.	<u>Details related to GEBS / RBS</u>	NA
G.	<u>Details related to Trust</u>	
	(i) General information on all schemes	

Sr. No	Particulars	Details
1.	Name of the Trust	Thermax Employees ESOP and Welfare Trust
2.	Details of the Trustee(s)	Mr. Jasmeet Bhatia Mr. Avinash Amble Mr. Naresh Torane
3.	Amount of loan disbursed by company / any company in the group, during the year	Nil
4.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Nil
5.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6.	Any other contribution made to the Trust during the year	Nil
(ii) Brief details of transactions in shares by the Trust		
Sr. No	Particulars	Details
a)	Number of shares held at the beginning of the year;	29,06,250
b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	Nil
c)	Number of shares transferred to the employees / sold along with the purpose thereof	Nil
d)	Number of shares held at the end of the year	29,06,250
(iii) In case of secondary acquisition of shares by the Trust		

	Number of shares	
	Held at the beginning of the year	Not Applicable
	Acquired during the year	
	Sold during the year	
	Transferred to the employees during the year	
	Held at the end of the year	

Annexure 1

Grants made during Financial Year 2022-23 to senior managerial personnel under ESOP 2021 plan:

Name of Senior Managerial Personnel	Designation	Options Granted	Exercise Price
Ashish Bhandari *	MD & CEO	9738	15.25
Pravin Karve	President - TBWES and TIL	2918	15.25
Hemant Mohgaonkar	EVP-New Energy	2037	15.25
B C Mahesh	EVP & Head Industrial Product Business	2762	15.25
Shekhar Kashalikar	EVP- BU Head P & ES	1323	15.25
Rajendran Arunachalam	EVP & Group CFO	1143	15.25
Jasmeet Bhatia	EVP & CHRO	855	15.25
Prosenjit Sengupta #	-	1024	15.25
Mahesh Murthy	EVP & Chief Technology Officer	833	15.25

*employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year

lapsed during the year on account of resignation by the employee.