

MINUTES OF THE 33rd ANNUAL GENERAL MEETING OF THE COMPANY HELD ON TUESDAY, JULY 22, 2014 AT 11.30 A.M. AT YASHWANTRAO CHAVAN ACADEMY OF DEVELOPMENT ADMINISTRATION, MDC (AUDITORIUM) BUILDING, RAJ BHAVAN COMPLEX, BANER ROAD, PUNE-411 007.

Present:

Mrs. Meher Pudumjee	Chairperson
Mrs. Anu Aga	Director
Dr. Raghunath Mashelkar	Director
Dr. Valentin A. H. von Massow	Director
Mr. Nawshir Mirza	Director
Mr. Tapan Mitra	Chairman of the Audit Committee
Mr. Pheroze Pudumjee	Director
Dr. Jairam Varadaraj	Director
Mr. M. S. Unnikrishnan	Managing Director & CEO

In attendance:

Mr. Amitabha Mukhopadhyay	- Group Chief Financial Officer
Mr. G. P. Kulkarni	- Vice President- Legal & Company Secretary
Mr. Anand Jog	- Representative of Ms. B.K. Khare & Co., Statutory Auditors

Mrs. Meher Pudumjee, Chairperson welcomed the members to the 33rd Annual General Meeting of the Company. She stated that there were 88 members present in person, constituting valid quorum for the meeting as required under Section 103 of the Companies Act, 2013 and called the meeting to order. She informed that the Company had received 28 proxies comprising 31,66,198 equity shares, which constituted 2.56% of the share capital. The Chairperson also informed that the Register of Members, Register of Proxies and Register of Directors' Shareholding were open for inspection during the continuance of the Meeting.

The Chairperson introduced the Board Members present on the dais. She thanked all the directors for their valued contribution and direction. She declared that the Chairman of the Audit Committee and Representative(s) of the Statutory Auditors were also present at the meeting.

The Chairperson thereafter made a presentation on the Company's business performance for the financial year 2013-14 encompassing an overview of the global and Indian economic situation, key highlights of JVs/Subsidiaries, some noteworthy projects, developments made, challenges & opportunities ahead and initiatives undertaken by the Company.

Highlights of the presentation were:

- a) The new Companies Act 2013 and certain changes in the Listing Agreement aiming at enhancing the overall governance standards of the corporate sector and are in the best interest of all stakeholders.
- b) Reasons for decrease in profit after tax as compared to revenue.
- c) Going ahead, the Company plans to continue making progress in increasing the share of service and international revenue.
- d) Special focus will be given to expand the product offerings of the company in international markets.
- e) Operational excellence and innovation being the key drivers for bringing in the desired change and to achieve success on a global scale for Thermax.
- f) Thermax Babcoak & Wilcox Energy Solutions Pvt. Ltd. (TBWES), a joint venture subsidiary has commissioned its state-of-the-art manufacturing facility equipped to manufacture Supercritical and Subcritical boilers with an annual capacity of 3000 MW and provisions for expansion up to 5000 MW. TBWES will continue to have a negative impact on the profit after tax for the Company on consolidated basis, until the investment cycle begins.

The Chairperson also shared the highlights of the financial results of the Company for the quarter ended June 30, 2014, approved by the Board, prior to the commencement of this meeting.

After the presentation, the formal agenda was taken.

With the permission of the members present, the Notice convening the meeting was taken as read. She informed that since the Auditors' Report is *unqualified*, the same is not required to be read at this meeting according to Section 145 of the Companies Act, 2013. Thereafter, the Auditors' Report was also taken as read.

The Chairperson apologised and clarified the few printing errors in the Annual Report.

The members were invited to put forth questions, if any, relating to the accounts or operations of the Company as well as to offer their comments or seek clarifications on the resolutions contained in the notice.

With respect to ratification of the remuneration to be paid to the Cost Auditors for financial year 2014-15, she clarified that, the applicability of Cost Audit Rules, is not in place. A Committee has been appointed by

the Govt. to examine the applicability of the rules. The Company would act on this resolution, once the rules are in place and based on its applicability.

Dr. Arun Kumar Bopanna, Tamal Kumar Majumdar, Mr. S.G. Marathe and Mr. Bipin Mishra were the speaker shareholders and participated in the proceedings of the meeting.

They complimented the Chairperson for her presentation and also congratulated the Board and management for the financial performance in turbulent times and economic environment prevailing in India and across the globe.

Synopsis of the information/explanation sought, observations and suggestions made by the shareholders are as follows:

- a) Reasons for reduced profit margin of Environment sector business.
- b) Details of high employee attrition rate and the Grade & Group which are affected.
- c) Enquiry on chances of recovery in business prospects of Thermax Sustainable Energy Solutions Limited (TSES).
- d) Question on not increasing the Research & Development (R&D) expenditure as a percentage of sales even though the Company is so enthusiastic about its R&D.
- e) The Company should ensure completing orders on time and demand bonus from customers.
- f) Suggestions with respect to exercising strict cost control, on-time delivery through operational excellence and ensuring delivery of Annual Report to all shareholders well within time.

The Chairperson thanked the shareholders for their observations and suggestions. The excerpts of the response given by the Chairperson and the Managing Director were as follows:

- a) Project delays and cost over-run were the main reasons for lower profit margin of the Environment Segment compared to the previous year. The Company is confident, though it may take some time for improving business performance of the Environment segment.
- b) Attrition rate is 9-10% and it is mostly in P Grade employees who have rendered service of 1-5 years. Attrition rate is less than 3% at senior management level.

- c) In view of lucrative business potential, TSES had ventured into the carbon trading business. However, the prices of carbon credits have dropped at a level below anticipation and hence, no business recovery in the near future is foreseen.
- d) The Company has a dedicated team of around 120 people in the Research Technology & Innovation Centre (RTIC) who are delivering quality output. The output is not directly related to and it can not be measured vis-a- vis the R&D expenditure incurred, especially as a percentage of sales since the costs of the company in India are significantly lower. Moreover, it is more efficient to get 'more from less'.
- e) The Company is focused in improving On-Time Performance (OTP) which is 90% now as against 40% in year 2005. As per the current market practices, customers do not pay bonus for ontime delivery. However, the Company insists for a bonus clause to the extent possible.
- f) Suggestions of cost control, on-time performance and delivery of the Annual Report were noted.

E-Voting & Poll

The Chairperson informed that as per Clause 35 B of the Listing Agreement and Section 108 of the Companies Act, 2013, the Company has provided e-voting facility to the shareholders to cast their votes electronically in respect of all resolutions mentioned in the notice. The e-voting facility was kept open for a period of three days from Wednesday, July 16, 2014 (9.00 a.m.) to Friday, July 18, 2014 (5.00 p.m.) Mr. S. V. Deulkar, Practicing Company Secretary who was appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner has submitted his report on e-voting.

The shareholders were informed about no 'show of hands' voting at the meeting as per Section 107 read with Section 108 of the Companies Act, 2013. The Chairperson announced that in order to enable the members present at the meeting in person or in proxy to cast their vote, a poll will be taken in respect of all the resolutions contained in the Notice.

Members who have casted their votes electronically (through e- voting) were requested to abstain from the poll process as the votes casted through e-voting had only to be considered.

Thereafter, she appointed Mr. S. V. Deulkar, Practicing Company Secretary and Mr. Sudhir P. Lale, a shareholder of the Company as the scrutinizers for the Poll.

Thereafter, she requested the members to cast their votes on the ballot paper provided to them. She ordered the Poll on all Resolutions as set out in item no. 1 to 11 of the Notice of the 33rd Annual General Meeting. She requested all the members and proxy holders present (and who had not e-voted) to participate in the Poll taken immediately after the closure of the meeting at the same venue i.e. Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan complex, Baner Road, Pune-411 007 which remained open till the members and proxy holders participated in the Poll had casted their votes.

The Chairperson mentioned that the results of voting on each resolution shall be determined by adding the votes of the Poll in favour or against a resolution with the electronic votes casted by the members in favour or against the respective resolution. She declared that on receipt of the Scrutinizer's Report on the Poll to be conducted, the results of voting shall be declared latest by 24th July, 2014. The results to be declared for each resolution shall indicate separately the votes on the Poll and E-voting and would be immediately intimated to the Stock Exchanges. She also stated that the results shall be uploaded on the Company's website www.thermaxindia.com with the respective reports of Scrutinizers for E-Voting and the Poll and shall be available at the Registered Office of the Company.

The Chairperson requested Mr. S. V. Deulkar, Scrutinizer appointed for the Poll, after closure of the meeting, to take over the Poll proceedings and requested him to submit his Report on Poll Process not later than 11:30 a.m. on 24th July, 2014. The Chairperson further informed that the voting results, as declared, would form part of the minutes of this meeting.

Thereafter, the Chairperson thanked the members for their participation, suggestions and announced formal closure of the 33rd Annual General Meeting of the Company.

The meeting concluded with a vote of thanks to the Chair.

Conduct of Poll

The Scrutinizers conducted the Poll, which included showing empty Polling boxes to the members, locking and sealing of empty Polling boxes in the presence of members and proxy holders. After ensuring that all members and proxy holders participating in the Poll had casted their votes, the Scrutinizers closed the Poll at around 1:00 noon. The Scrutinizer then took the custody of polling boxes.

Result of the E-Voting and Poll on the Ordinary and Special Businesses at the 33rd Annual General Meeting of the Company held on Tuesday, the 22nd day of July, 2014 - Forming part of the Minutes.

On the basis of the Scrutinizer's Report for the E-Voting and for the Poll at the Annual General Meeting, both dated July 22, 2014, the summary of which is mentioned hereunder, the Chairperson declared the results of voting on July 24, 2014 that all the Resolutions for the Ordinary and Special businesses as set out in Item No. 1 to 11 in the Notice of the 33rd Annual General Meeting of the Company have been duly passed by the requisite majority.

Sr. No.	Resolution	e-voting		Voting by poll		Result
		Votes casted in favour	Votes casted against	Votes casted in favour	Votes casted against	
1.	Adoption of Statement of Profit and Loss, Balance Sheet, reports of Auditors and Board of Directors for the year ended March 31, 2014.	32327931	NIL	65217197	NIL	Resolution passed with requisite majority
2.	Declaration of Dividend for the financial year 2013-14.	32329407	NIL	65217696	1	Resolution passed with requisite majority
3.	Re-appointment of Mrs. A. R. Aga as a Director of the Company.	32256345	73062	65217697	NIL	Resolution passed with requisite majority
4.	Not filling the vacancy of Mr. Tapan Mitra, Director retiring by rotation and not seeking re-appointment.	32323038	6369	65199662	18035	Resolution passed with requisite majority
5.	Appointment of Auditors.	32279820	14887	65217197	NIL	Resolution passed with requisite majority
6.	Payment of Commission to Non-executive Directors.	32324515	4892	65217171	26	Resolution passed with requisite majority

7.	Appointment of Dr. Jairam Varadaraj as an Independent Director.	32226137	68470	65217172	25	Resolution passed with requisite majority
8.	Appointment of Dr. Valentin A. H. Von Massow as an Independent Director.	32329407	NIL	65217197	NIL	Resolution passed with requisite majority
9.	Appointment of Dr. Raghunath A. Mashelkar as an Independent Director.	23837821	849158 6	65217697	NIL	Resolution passed with requisite majority
10.	Appointment of Mr. Nawshir Mirza as an Independent Director.	32316097	13310	65217197	NIL	Resolution passed with requisite majority
11.	Approval of remuneration to Cost Auditors.	32329407	NIL	65217197	NIL	Resolution passed with requisite majority

The Resolutions for the ordinary and special businesses as set out in Item Nos. 1 to 11 set out in the Notice of the 33rd Annual General Meeting, duly approved by the members with requisite majority, are recorded hereunder as part of the proceedings of the said Annual General Meeting of the Members held on July 22, 2014.

ITEM NO. 1: Ordinary Resolution for Adoption of Accounts for the year ended March 31, 2014

“RESOLVED THAT audited Statement of Profit & Loss for the financial year ended on March 31, 2014 and the Balance Sheet as at that date, together with the reports of the Auditors and Board of Directors thereon, be and are hereby approved and adopted.”

ITEM NO. 2: Ordinary Resolution for Declaration of Dividend

“RESOLVED THAT dividend of Rs. 6 /- (i.e. 300%) per equity share of face value Rs. 2/- each, be and is hereby declared for the financial year ended March 31, 2014.

RESOLVED FURTHER THAT the dividend be distributed on the paid-up equity share capital to those shareholders whose names appear in the Register of Members of the Company as on July 22, 2014, or to their mandates and in respect of dematerialised shares, the dividend be paid based on the beneficial ownership as per the details furnished by the

depositories for this purpose at the end of business hours on July 12, 2014.”

ITEM NO. 3: Ordinary Resolution for Re-appointment of Mrs. A. R. Aga as Director

“RESOLVED THAT, Mrs. A. R. Aga, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.”

ITEM NO. 4: Ordinary Resolution for Not filling the vacancy of Mr. Tapan Mitra, Director retiring by rotation and not seeking re- appointment

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

ITEM NO. 5: Ordinary Resolution for Appointment of Statutory Auditors

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

SPECIAL BUSINESS

ITEM NO. 6: Special Resolution for Payment of commission upto 1% of net profits to Non-executive Directors

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, (‘the Act’) read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and provisions of the Listing Agreement executed with the Stock Exchanges, the Company hereby accords its consent to the payment of remuneration to Non-executive Directors of the Company or any of them [other than the Managing Director/Whole-time Director(s)] by way of commission, as the Board may decide from time to time, commencing with the financial year 2013-14, not exceeding in the aggregate of 1% of the net profits of the Company calculated in accordance with the provisions of the Act.

- 8 -



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

ITEM NO. 7: Ordinary Resolution for Appointment of Dr. Jairam Varadaraj as an Independent Director

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

ITEM NO. 8: Ordinary Resolution for Appointment of Dr. Valentin von Massow as an Independent Director

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Valentin A.H. von Massow (DIN- 00239314), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from July 22, 2014 upto July 21, 2019."

ITEM NO. 9: Ordinary Resolution for Appointment of Dr. Raghunath A. Mashelkar as an Independent Director

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Raghunath A. Mashelkar (DIN- 00074119), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is

eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from July 22, 2014 upto July 21, 2019.”

ITEM NO. 10: Ordinary Resolution for Appointment of Mr. Nawshir Mirza as an Independent Director

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

ITEM NO. 11: Ordinary Resolution for Approval of remuneration to Cost Auditors

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, if applicable, for the financial year ending March 31, 2015, be paid the remuneration of Rs. 7,50,000 (Rupees seven lakh fifty thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses.

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

All the above resolutions were passed with requisite majority through e-voting and Poll process.

For Thermax Limited



**G.P. Kulkarni
Vice President - Legal
& Company Secretary**

**Place: Pune
Date: August 20, 2014**