

**MINUTES OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY HELD ON TUESDAY, JULY 28, 2015 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. Pheroz 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 M/s. B.K. Khare & Co., Statutory Auditors
Mr. Arvind Sethi	Representative of SRBC & CO LLP, Joint Statutory Auditors
Mr. Dhananjay V Joshi	Partner, M/s. Dhananjay V Joshi & Associates, Cost Auditors
Mr. S. V. Deulkar	Partner, SVD & Associates, Secretarial Auditors

Mrs. Meher Pudumjee, Chairperson welcomed the members to the 34<sup>th</sup> Annual General Meeting of the Company. She stated that there were 130 members present in person, constituting a 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 55 proxies comprising 76,36,241 equity shares, which constituted 6.40% 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, Chairman of Nomination & Remuneration Committee and Representative(s) of the Statutory Auditors, Joint Statutory Auditors, Cost Auditors and Secretarial Auditors were present at the meeting.



The Chairperson thereafter made a presentation on the Company's business performance for the financial year 2014-15 including an overview of internal & external factors affecting the performance, some noteworthy projects and new products, key Subsidiary/JV highlights, Thermax Group International & Service Revenue Trend, New beginnings w r t greenfield manufacturing plants as also internationalisation strategy, sustainability and educational initiatives.

Highlights of the presentation were:

- Performance for Financial Year 2014-15
  - The external favourable factors were reduced oil prices, lower inflation and interest rates. The unfavourable factors in FY 2015 were low demand and low capacity utilization in core sectors. The Power Sector was unable to pick-up. The internal unfavourable factors during FY 2015 were low order carry forward, underperformance of the Water segment for which corrective measures were being taken, exit from Omnical due to mounting losses and its inability to turnaround and the woes in the Power Sector, which had an impact on TBWES.
  - Order booking of the Company reduced by 27% to Rs. 3951 crore in FY 2015 from 5394 crores in FY14. However, due to carry forward orders, total Sales of the Company increased by 10% to Rs. 4646 crores in FY15 from Rs. 4240 crores in FY14.
  - Order Balance for the Company reduced by 18%, i.e. from Rs. 5389 crores in FY14 to Rs. 4396 crores in FY15. However, Profit After Tax increased by 33%, from Rs. 253 crores in FY14 to Rs. 336 crores in FY15.
- Internationalization strategy
  - As part of the strategy, a step down subsidiary had been created in Indonesia (through the Singapore based wholly-owned subsidiary). In future, operating entities would be formed in other countries. The manufacturing unit would be operational in Indonesia by the end of FY17.
- Mergers & Acquisitions
  - The Company had acquired 33% stake in First Energy Solutions, an alternative energy solutions company.
- Key Subsidiary/JV Highlights
  - Turnaround of subsidiaries viz. Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd., China ['TZL'] and Rifox-Hans Ritcher GmbH, Germany (Rifox) was possible during the year. TZL had registered a positive PBT for the year. However, it would be a challenging year ahead considering a decline in the Chinese economy.



- Revenue of Thermax Onsite Energy Solutions Ltd., a wholly-owned subsidiary, increased more than twice although profits were subdued. It would have to face challenges in the current year due to low oil prices and delayed decision making by customers.
- Thermax Babcock & Wilcox Energy Solutions (TBWES), had received orders from its US parent company, to supply boilers for international projects. However, TBWES would continue to incur losses, as budgeted.

The Chairperson also shared the highlights of the financial results of the Company for the quarter ended June 30, 2015, 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. The Chairperson informed that since the Auditors' Report is *unqualified*, the same was not required to be read at the meeting according to Section 145 of the Companies Act, 2013. Thereafter, the Auditors' Report was also taken as read.

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.

Mr. S.G. Marathe, Mr. Hanif Shaikh and Mr. G.K. Gureja 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 for the year.

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

- a) Suggestion to ensure constant increase in EPS, avoiding liquidated damage, controlling overheads including miscellaneous expenses.
- b) Enquiry on likely performance of TBWES going forward.
- c) Reasons for referring Omnical to the Administrator.
- d) Suggestions w r t examining possibilities of buy-back of shares/stock split/declaring bonus shares.

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) TBWES has not yet received orders from the domestic power sector. Since there are very few enquiries from Public Sector Undertakings in this segment, pricing is very competitive. TBWES would take part in bidding on a case to case basis, however, it would continue to incur losses, as budgeted.
- b) Omnical was taken as a loss making company with an expectation to turn it around, which did not work. To avoid mounting losses aggravated by the slowdown in the economy, it was decided to refer it to the Administrator for liquidation.
- c) Suggestions of stock split/declaring bonus shares would be considered by the Board of Directors at an appropriate time. Buy-back of shares would not be the best option at the current price.
- d) The processes followed by the Company w r t controlling bad debts, liquidated damages, finance cost and other overheads, were briefed.

#### **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 Friday, July 24, 2015 (9.00 a.m.) to Monday, July 27, 2015 (5.00 p.m.). Mr. S.V. Deulkar, Partner of M/s. SVD & Associates, Practicing Company Secretaries, who was appointed as the Scrutinizer for conducting the e-voting process and also authorised to scrutinize the ballot papers in a fair and transparent manner, will submit his report.

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

Thereafter, she appointed Mr. S.V. Deulkar, Practicing Company Secretary and Mr. Mhalank Madhav Gundappa, 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 7 of the Notice of the 34<sup>th</sup> 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



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 cast 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 along with the electronic votes cast by the members in favour or against the respective resolution. She declared that on receipt of the Scrutinizer's Report on the E-voting and Poll, the results of voting shall be declared latest by July 31, 2015. The results to be declared for each resolution shall indicate separately the votes on the E- voting and Poll and would be immediately intimated to the Stock Exchanges. She also stated that the results shall be uploaded on the Company's website [www.thermaxglobal.com](http://www.thermaxglobal.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 E-voting and Poll, after closure of the meeting, to take over the Poll proceedings and requested him to submit his Report on E-voting & Poll within three (3) days from the 34<sup>th</sup> AGM (i.e. by 11:30 a.m. on July 31, 2015). 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 34<sup>th</sup> 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 an empty Polling box to the members, locking and sealing of the empty Polling box in the presence of members and proxy holders. After ensuring that all members and proxyholders participating in the Poll had cast their votes, the Scrutinizers closed the Poll at around 12:30 noon. The Scrutinizer then took custody of the polling box.

### **Result of the E-Voting and Poll on the Ordinary and Special Businesses at the 34<sup>th</sup> Annual General Meeting of the Company held on Tuesday, the 28<sup>th</sup> day of July, 2015-Forming part of the Minutes.**

On the basis of the Scrutinizer's Report for the E-Voting and for the Poll at the 34<sup>th</sup> Annual General Meeting, both dated July 29, 2015, the summary of which is mentioned hereunder:



Resolutions	E - voting		Voting by poll		Total		Result
	No. of Votes		No. of Votes		No. of Votes		
	For	Against	For	Against	For	Against	
Adoption of the Financial Statements, the Reports of the Auditor and Board of Directors for the year ended 31st March, 2015 and Consolidated Financial Statements for the year ended March 31, 2015	97676695	0	69294	0	97745989	0	Resolution passed unanimously
Declaration of Dividend for the financial year 2014-15	97676695	0	69794	0	97746489	0	Resolution passed unanimously
Re-appointment of Mr. Pheroj Pudemjee as a Director of the Company	97456943	108752	69790	0	97526733	108752	Resolution passed with requisite majority
Appointment of Statutory Auditors	97466815	209880	69790	0	97536605	209880	Resolution passed with requisite majority
Appointment of Joint Statutory Auditors	97666829	9866	69780	5	97736609	9871	Resolution passed with requisite majority
Approval of remuneration to the Cost Auditors	97666829	9866	69785	0	97736614	9866	Resolution passed with requisite majority
Alteration to the Articles of Association of the Company	97374493	256062	69785	0	97444278	256062	Resolution passed with requisite majority

The Resolutions for the ordinary and special businesses as set out in Item Nos. 1 to 7 set out in the Notice of the 34<sup>th</sup> 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 28, 2015.

**ITEM NO. 1: Ordinary Resolution for Adoption of Financial Statements for the year ended March 31, 2015**

“RESOLVED THAT -

- a) the audited financial statements of the Company for the financial year ended on March 31, 2015 together with the reports of the Auditors and Board of Directors thereon; and
- b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2015

be and are hereby received, considered and adopted.”

**ITEM NO. 2: Ordinary Resolution for Declaration of Dividend**

“RESOLVED THAT dividend of Rs. 7 /- (i.e. 350%) per equity share of face value Rs. 2/- each, be and is hereby declared for the financial year ended March 31, 2015.

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 28, 2015, 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 18, 2015.”

**ITEM NO. 3: Ordinary Resolution for Re-appointment of Mr. Pheroz Pudumjee as Director**

“RESOLVED THAT, Mr. Pheroz Pudumjee, 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 Appointment of Statutory Auditors**

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all 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. B.K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W), be and are hereby appointed as Statutory 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.”

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

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all 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. SRBC & Co LLP, Chartered Accountants (Firm Registration No. 324982E) be and are hereby appointed as Joint Statutory Auditors of the Company for a period of five years commencing from the Thirty-fourth Annual General Meeting (AGM) until the conclusion of the Thirty-ninth AGM, subject to ratification by the members every year at such terms & conditions including remuneration to be determined by the Audit Committee of the Board of Directors”.

**SPECIAL BUSINESS**

**ITEM NO. 6: 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 for the financial year ending March 31, 2016, 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.”

**ITEM NO. 7: Ordinary Resolution for Alteration to the Articles of Association of the Company**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made thereunder the enabling provisions of the Articles of Association of the Company, the draft regulations contained in the Articles of Association, be and is hereby approved and adopted in substitution, to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

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

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

**For Thermax Limited,**

A handwritten signature in blue ink, appearing to read 'G.P. Kulkarni', written over a horizontal line.

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

**Place: Pune  
Date: September 1, 2015**