

Annexure-1 to the Directors' Report

# Corporate Governance Report

## 1. Thermax's Philosophy on Corporate Governance

Thermax believes in following, in letter and spirit, high standards of corporate governance so as to have a positive impact on its stakeholders – customers, shareholders, employees, vendor partners and business associates, larger community and governments of countries where it operates. It upholds the core tenets of corporate governance for sustainable growth and financial performance.

In order to enhance and retain the trust of its stakeholders, your Company is committed to ethical business conduct, integrity and commitment to values, transparency and accountability which are essential features of effective corporate governance.

Empowered by the Board, your Company's key management officials implement policies and guidelines related to corporate governance. Our corporate governance framework is guided by our core values and is based on the below principles.

The three elements of ESG (Environment, Social, Governance) are at the heart of what Thermax stands for. It has been practised for many years, and the Company will continue to strengthen itself as it becomes greener, embodies Social Compact and upholds our standards of governance in all that it does.

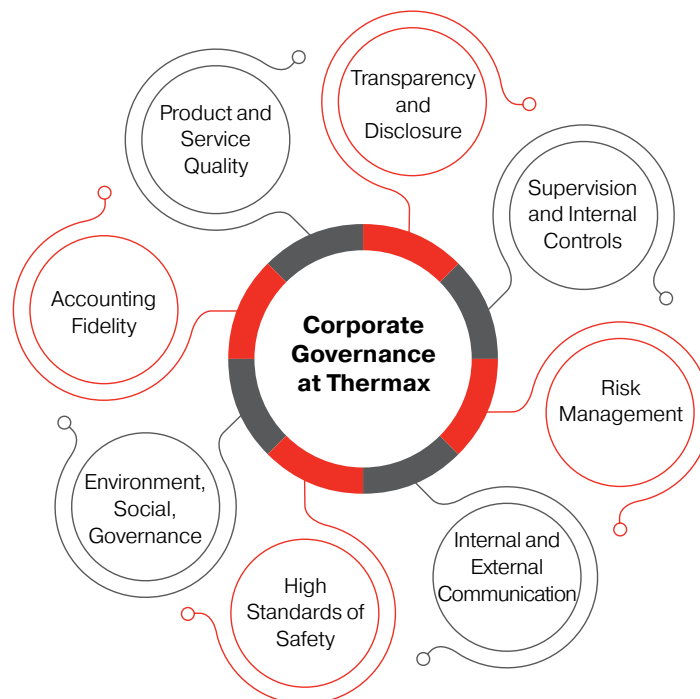
## 2. Board of Directors

### A. Composition of the Board

The Company believes that its Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. The Board of your Company comprises 9 directors – one non-executive and non-independent chairperson, one non-executive and non-independent director, one executive director and six non-executive independent directors (including one woman independent director). This is in conformity with the requirement of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board periodically evaluates the need for change in its size and composition.

None of the directors on the Board holds directorships in more than 10 public companies or serves as a Director or as Independent Director (ID) in more than seven listed entities. No executive director serves as an ID in more than three listed entities.

Directors have disclosed Committee positions held in other public companies as on March 31, 2023.



The table below gives the composition of the Board and the directorships held by each of the directors of the Company at the end of Financial Year 2022-23.

Name of the Director	Pecuniary or Business Relationship with the Company	Number of Directorships <sup>@</sup>	Committee Position <sup>#</sup>		Number of Shares held in the Company
			Chairperson	Member	
<b>NON-EXECUTIVE PROMOTER</b>					
Meher Pudumjee	None except*	2	0	1	-
Pheroze Pudumjee	None	1	1	2	6,000
<b>INDEPENDENT</b>					
Dr. Jairam Varadaraj	None	7	0	3	-
Nawshir Mirza	None	2	2	2	189
Harsh Mariwala	None	6	0	1	-
Dr. S. B. (Ravi) Pandit	None	2	0	1	-
Rajani Kesari	None	2	0	2	-
Dr. Ravi Gopinath	None	1	0	0	-
<b>EXECUTIVE</b>					
Ashish Bhandari	N.A.	4	0	1	-

<sup>@</sup> Includes only listed companies (including Thermax Limited) and unlisted public companies

<sup>#</sup> Includes only Audit Committee and Stakeholders' Relationship Committee

\*The Company has paid Rs. 71,33,229/- as rent (including electricity charges and society maintenance charges) for premises taken on lease and given security deposit of Rs. 53,00,000/- to Anu Aga (promoter and relative of Meher Pudumjee, Chairperson of the Company).

## B. Attendance and Remuneration of each Director during the Financial Year 2022-23

Name of the Director	Whether Attended Last AGM held on August 2, 2022	Total Attendance at Board Meetings	Sitting Fees*	Salary and Perquisites	Commission <sup>†</sup>	Total Remuneration
						(Amount in Rs.)
Meher Pudumjee	Yes	6	9,30,000	NA	46,00,000	55,30,000
Dr. Valentin A H von Massow <sup>#</sup>	NA	1	1,30,000	NA	33,86,000	35,16,000
Pheroze Pudumjee	Yes	6	11,20,000	NA	23,00,000	34,20,000
Dr. Jairam Varadaraj	Yes	6	11,40,000	NA	18,00,000	29,40,000
Nawshir Mirza	Yes	6	11,20,000	NA	38,00,000	49,20,000
Harsh Mariwala	Yes	6	6,90,000	NA	23,00,000	29,90,000
Dr. S B. (Ravi) Pandit	Yes	6	9,00,000	NA	18,00,000	27,00,000
Rajani Kesari	Yes	4	7,90,000	NA	18,00,000	25,90,000
Dr. Ravi Gopinath	Yes	6	7,20,000	NA	7,50,000	14,70,000
Ashish Bhandari	Yes	6	NA	5,90,88,230	3,12,00,000	9,02,88,230

NA = Not applicable

\* Sitting fees also include payments for Board-appointed committee meetings

<sup>†</sup> Amount paid at actual basis is considered for commission.

<sup>#</sup> Dr. Valentin A. H. von Massow ceased to be a Director with effect from close of business hours on July 21, 2022

The Non-Executive Directors are entitled to reimbursement of expenses incurred in the performance of duties as Directors.

Further, as per Employee Stock Option Scheme, 2021, the MD & CEO is eligible for stock options, details of which are given in the statement placed on website of the Company as per Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 at <https://www.thermaxglobal.com/wp-content/uploads/2023/06/ESOP-Disclosure-Under-Regulation-14-FY22-23.pdf>

### C. Number of Meetings of the Board held during the year and the dates of Meetings

The Board met six times during the financial year 2022-23 on the following dates:

Members	Board Meetings					
	May 20, 2022	August 2, 2022	October 6, 2022	November 11, 2022	February 7 & 8, 2023	February 8 & 9, 2023
Meher Pudumjee	P	P	P	P	P	P
Pheroz Pudumjee	P	P	P	P	P	P
Dr. Valentin A. H. von Massow	P	NA	NA	NA	NA	NA
Dr. Jairam Varadaraj	P	P	P	P	P	P
Nawshir Mirza	P	P	P	P	P	P
Harsh Mariwala	P	P	P	P	P	P
Dr. S. B. (Ravi) Pandit	P	P	P	P	P	P
Rajani Kesari	A	P	P	P	P	A
Dr. Ravi Gopinath	P	P	P	P	P	P
Ashish Bhandari	P	P	P	P	P	P

Note - Dr. Valentin A. H. von Massow ceased to be a Director with effect from close of business hours on July 21, 2022.

The maximum time gap between any two sequential meetings was not more than 120 days.

### D. Confirmation and Certification from Practising Company Secretary

On an annual basis, the Company obtains from each director, details of the Board and Board Committee positions in other companies, and changes, if any, regarding their directorships. The Company has obtained a certificate from M/s. SVD & Associates, Practising Company Secretary, Pune, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report. Please refer page no. 94 of this Report for the certificate.

### E. Details of Directorships held in Listed Entities as on March 31, 2023

Sr. No.	Name of Director	Name of Listed Entity	Category
1.	Meher Pudumjee	Thermax Limited	Chairperson & Non-Executive Director
		Pidilite Industries Limited	Independent Director
2.	Pheroz Pudumjee	Thermax Limited	Non-Executive Director
3.	Ashish Bhandari	Thermax Limited	Managing Director & CEO
4.	Nawshir Mirza	Thermax Limited	Independent Director
5.	Dr. Jairam Varadaraj	Elgi Equipments Limited	Managing Director
		Precot Limited (erstwhile Precot Meridian Limited)	Independent Director
		Magna Electro Castings Limited	
		Thermax Limited	
6.	Harsh Mariwala	Elgi Rubber Company Limited	Non-Executive Director
		Marico Limited	Chairman & Non-Executive Director
		Kaya Limited	Chairman & Managing Director
		Zensar Technologies Limited	Independent Director
		JSW Steel Limited	
Thermax Limited			
7.	Dr. S.B. (Ravi) Pandit	KPIT Technologies Limited	Chairperson & Non-Executive Director
		Thermax Limited	Independent Director
8.	Rajani Kesari	Thermax Limited	Independent Director
9.	Dr. Ravi Gopinath	Thermax Limited	Independent Director

## **F. Disclosure of the Relationship Between Directors inter se**

None of the directors other than Meher Pudumjee and Pheroze Pudumjee are related to each other.

## **G. Disclosure of interest by Senior Management**

In terms of regulation 26(5) of the Listing Regulations, the Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

## **H. Resignation of Independent Director(s)**

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective terms(s).

## **I. Familiarisation Programme imparted to Independent Directors**

Through the familiarisation programme, the Company intends to achieve the following objectives:

- To apprise the directors about the business model, corporate strategy, nature of the industry, business plans and operations of the Company
- To familiarise them with the Company's financial performance, annual budgets, internal control processes and statutory compliances
- To apprise them about their roles and responsibilities in the Company
- To familiarise them with the Company's vision, values, ethics, and corporate governance practices

The independent directors are provided with necessary documents, business model, annual budgets, investment and exposure limits, compliance report(s) of all laws applicable to your Company, significant developments, reports and internal policies to enable them to familiarise themselves with the Company's businesses, procedures and practices.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business

segments are made at the Board retreat. The details of such familiarisation programme for independent directors are available on the Company's website and can be accessed at: <https://www.thermaxglobal.com/wp-content/uploads/2023/05/Familiarisation-Programme-of-Independent-Directors-2022-23.pdf>

## **J. Board Independence**

Our definition of 'independence' of directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations. The independent directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the Directors and on evaluation of the relationships disclosed, the Board confirms that the independent directors fulfil the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.

All Independent Directors have confirmed that they have obtained registration certificate pursuant to provisions of Section 150(3) of the Companies Act, 2013, read with Rule 6 of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2020 from the Indian Institute of Corporate Affairs.

## **K. Independent Directors' Meeting**

In compliance with regulation 25(3) of Listing Regulations, during the year under review, the independent directors met on February 10, 2023, inter alia to review the performance of the Board, the Chairperson and Non-Independent Directors of the Company. They also reviewed the quality, quantity, timelines and flow of information between the management and the Board.

## **L. Board Evaluation**

As a part of the annual Board evaluation, detailed questionnaires were circulated to all the Directors. The Nomination and Remuneration Committee (NRC) evaluated the Board's performance and that of its committees. The chairperson of each Committee shared the outcome of the evaluation process. The Board conducted an evaluation of Independent Directors, which included the performance of directors and fulfilment of criteria as specified in SEBI (LODR) (Amendment) Regulations, 2018, and their independence from the management, where the independent directors did not participate.

### M. Board Support/ Assistance

The Board is regularly provided information with respect to Strategic, Operational, Finance and Environmental, Social and Governance (ESG) related matters. With a view to leverage technology and reduce paper consumption, the Company has adopted a web-based application for circulating Board/ Committee agenda and pre-reads to its directors. The Directors of the Company receive the agenda and pre-reads in electronic form through this application, which can be accessed through browsers or other electronic devices. The application meets high standards of security and integrity that are required for storage and transmission of Board/Committee agenda and pre-reads in electronic form.

### N. Core Skills/Expertise/Competencies available with the Board

The Board ensures that the expertise, knowledge, experience and competencies needed to effectively steer the Company are represented on the Board. The approach for selection and appointment of Directors on the Board ensures that their specific skills, knowledge and experience fulfill a particular skill – set requirement of the Board. It is acknowledged that not all Directors will have every necessary skill, but the Board as a whole must have them, as also that the expertise, knowledge and experience required for the Board will change as the organisation evolves and grows. The Company's aim has always been for an all-inclusive and sustainable growth while addressing the Environmental, Social, and Governance (ESG) aspects.

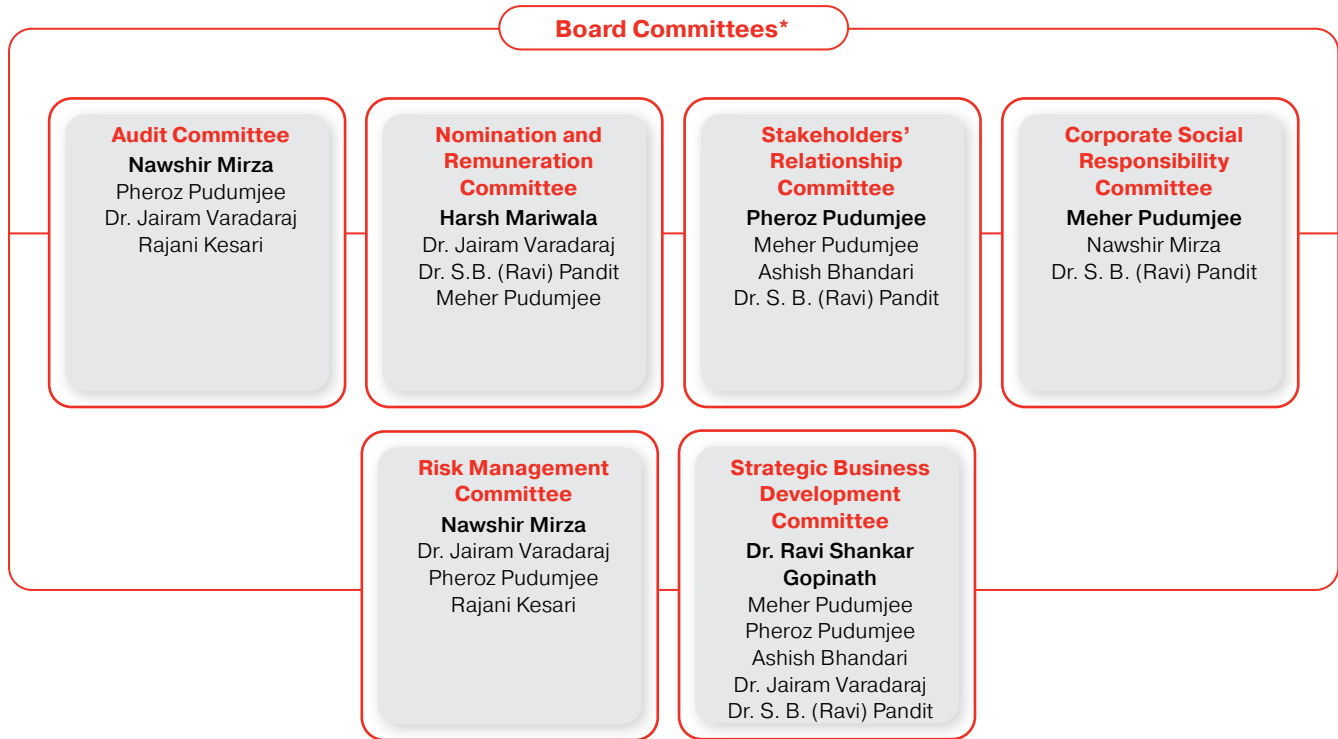
In terms of requirement of Listing Regulations, the Board has identified the following core skills/expertise/competencies of the Directors in the context of the Company's business for effective functioning as given below:

Key Board Qualifications / Skills / Expertise									
Director	Industry Knowledge	Leadership	Expertise & Experience in Finance	Strategy & Planning	Board Governance	Mergers & Acquisitions	Exposure in Policy Shaping and Industry Advocacy	Sales & Marketing	Technology
Meher Pudumjee	✓	✓	-	✓	✓	-	-	-	-
Pheroze Pudumjee	✓	✓	✓	✓	✓	-	-	✓	✓
Harsh Mariwala	-	✓	✓	✓	✓	✓	-	✓	-
Nawshir Mirza	✓	✓	✓	✓	✓	✓	✓	✓	-
Dr. S.B. (Ravi) Pandit	-	✓	✓	✓	✓	✓	-	✓	✓
Dr. Jairam Varadaraj	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rajani Kesari	✓	✓	✓	✓	✓	✓	-	-	✓
Dr. Ravi Gopinath	✓	✓	-	✓	✓	✓	✓	✓	✓
Ashish Bhandari	✓	✓	✓	✓	✓	✓	✓	✓	✓

### 3. Board Committees

In compliance with the Companies Act, 2013 and Listing Regulations, the Board has constituted 5 mandatory and one non-mandatory committee. The members of the committees are co-opted by the Board. The Board formulates the terms of reference and charter of the Committees as per the relevant statutory provisions for effective functioning of these Committees. The minutes of the meetings of all Committees are placed before the Board for noting.

The composition of the Board Committees is as under:



\*During the year under review, the Board of Directors dissolved the International Investment Committee (IIC) on May 9, 2022.

## A. Audit Committee

The Audit Committee ("the Committee") comprises of three Independent Directors and one Non-Executive Director as on March 31, 2023:

1. Nawshir Mirza - Chairman
2. Pheroz Pudumjee
3. Dr. Jairam Varadaraj
4. Rajani Kesari

The Committee met six times during the Financial Year 2022-23 and the gap between any two meetings did not exceed 120 days.

Attendance details of the Committee are as follows:

Name of the Member	Audit Committee Meetings						Held During the Tenure	Attended	% of Attendance
	Committee Meeting Dates								
	April 13, 2022	May 19, 2022	August 1, 2022	September 8, 2022	November 10, 2022	February 7, 2023			
Nawshir Mirza							6	6	100%
Pheroz Pudumjee							6	6	100%
Dr. Jairam Varadaraj				A			6	5	83%
Rajani Kesari		A					6	5	83%

The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

All Members of the Committee are financially literate and have financial management expertise.

The Committee reviews various aspects of internal controls, internal auditors' reports on a regular basis. The Committee also reviews information as per Regulation 18 of the Listing Regulations.

The internal auditor presents to the Committee, observations and recommendations arising out of internal audits and also on issues having an impact on the control system and compliance. The Chief Financial Officer, Chief Internal Auditor and the representatives of the Statutory Auditors are permanent invitees and attend all the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

The Board has approved the charter of the Audit Committee defining its role, responsibilities, powers and processes as amended pursuant to the Listing Regulations. The Board at its meeting held on February 7, 2023 amended the terms of reference of the Audit Committee. The updated Terms of Reference and Charter are available on the Company's website: <https://www.thermaxglobal.com/wp-content/uploads/2023/02/TL-Audit-Committee-Charter.pdf>

The broad terms of reference include:

- Overseeing the processes that ensure the integrity of financial statements
- Overseeing the processes for compliance with laws and regulations to ensure their effectiveness
- Approving transactions with related parties
- Enquiring into reasons for any default by the Company in honouring its obligations to its creditors and members
- Overseeing the quality of internal accounting and other controls
- Overseeing the quality of financial reporting process, including the selection of accounting policies
- Ensuring the independence of the auditor
- Recommending to the Board the appointment and remuneration of the auditors
- Scrutinising inter-corporate loans and investments
- Monitoring the end use of funds raised through public offers, if any

- Conducting the valuation of any undertaking or asset of the Company
- Structuring the internal audit function and approving the appointment of the Chief Internal Auditor
- Bringing to the notice of the Board any lacunae in the code of conduct
- Reviewing with the CEO and the CFO of the Company the underlying process followed by them in their annual certification to the Board
- Approving the appointment of the CFO
- Recommending to the Board the appointment and remuneration of the secretarial and cost auditors
- Reviewing the utilisation of loans and/or advances from/investment by the holding Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances/investments
- Reviewing compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015
- Verifying that the internal control system to prevent insider trading is adequate and working effectively
- Reviewing various risks identified as part of the risk register of the Company, which are within the scope of the Committee
- Review and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Carrying out any other role or function as mentioned in the Charter of the Audit Committee and as prescribed under the Companies Act, 2013, the SEBI (Listing Obligation and Disclosure Requirements), 2015 including any amendments thereof

In addition, the powers and role of the Audit Committee are as laid down under Section 177 of the Act and Regulation 18 and Schedule II Part C of the Listing Regulations.













## B. Nomination & Remuneration Committee

The Nomination and Remuneration Committee ("the Committee") comprises of three Independent Directors and one Non-Executive Director as on March 31, 2023:

1. Harsh Mariwala - Chairman
2. Dr. Jairam Varadaraj
3. Dr. S.B. (Ravi) Pandit
4. Meher Pudumjee

The Committee met three times during the Financial Year 2022-23

Attendance details of the Committee are as follows:

Name of the Member	Nomination & Remuneration Committee Meetings			Held During the Tenure	Attended	% of Attendance
	Committee Meeting Dates					
	May 19, 2022	November 1, 2022	February 6, 2023			
Harsh Mariwala				3	3	100%
Dr. Jairam Varadaraj				3	3	100%
Dr. Valentin A.H. von Massow*		NA	NA	1	1	100%
Dr. S.B. (Ravi) Pandit#	NA			2	2	100%
Meher Pudumjee				3	3	100%

\*Dr. Valentin A. H. von Massow ceased to be a Director and Member of the Committee from close of business hours on July 21, 2022.

#Further, Dr. S.B. (Ravi) Pandit was appointed as a Member of the Committee effective August 2, 2022.

The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Chairman of the Committee was present at the 41<sup>st</sup> Annual General Meeting held on August 2, 2022. The Committee oversees key processes through which the Company recruits new members to its Board and the processes through which the Company recruits, motivates and retains outstanding senior management as well as the Company's overall approach to human resources management.

The broad terms of reference of the Committee are:

- Evaluate the performance, including the extension of contracts of Executive Directors (EDs). The NRC would set the performance measures of EDs and evaluate their performance annually
- Recommend the remuneration for the EDs based on evaluation
- Evaluate the performance of senior management (one level below the EDs), including their employment extensions
- Recommend the remuneration of the senior management based on the evaluation
- Evaluate the need for EDs and recommend their appointment
- Identify all critical positions in the Company among the EDs and senior management and review progress of succession plans
- Recommend to the Board, the policy relating to the remuneration of directors and key management personnel
- Lay down criteria for selecting new Non-Executive Directors (NEDs) based on the requirements of the organisation
- Carry out evaluation of the performance of NEDs and define the system for linking it to their remuneration
- Review the succession plan for those NED positions that are likely to be vacant during the year
- Recommend to the Board, the appointment and removal of directors
- Review and approve the annual compensation of the organisation, including a benchmarking with other companies
- Ensure periodic meetings of the senior management with the directors
- Initiate and review employee engagement surveys
- Review and approve the code of conduct for the Company
- Review and approve the disclosures of the Committee in the Annual Report
- Formulate policies and framework related to human resources, including diversity and Environment Social Governance (ESG)
- Responsible for all human resources – white and blue collar
- Review various risks identified as part of the risk register of Company, which are within the scope of the Committee
- Administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes under the plans and applicable laws



Details of Remuneration:

- Revision in payment of sitting fees to Non-Executive Directors

Based on the recommendations of the Nomination and Remuneration Commission, the Board of Directors approved revision in payment of sitting fees to non-executive directors with effect from May 2022 as under:

Type of Meeting	Sitting fees per Meeting Attended (Rs.)
Board Meeting (including Board Retreat)	1,00,000
Audit Committee	50,000
Risk Management Committee	30,000
Nomination & Remuneration Committee	30,000
Corporate Social Responsibility	30,000
Strategic Business Development Committee	30,000
Stakeholders Relationship Committee	10,000

- **Non-Executive Directors**

In recognition of the contribution by the NEDs, especially in adherence to the corporate governance policies and practices, the Board had adopted guidelines to remunerate the directors by way of commission.

The Committee of the Board has framed a policy on selection and appointment of directors and their remuneration. Based on the recommendation of the NRC, the Board has approved the policy, which forms the basis for the remuneration of directors for the Financial Year 2022-23. The policy broadly consists of:

- Criteria for selection and appointment of directors and their remuneration
- Method of performance evaluation

As per the policy, the non-executive directors, apart from receiving sitting fees for attending Board/Committee meetings, will be entitled to receive a commission on the net profits of the Company. The Policy on Selection and Appointment of Directors and their Remuneration as approved by the Board is available on the Company's website at: <https://www.thermaxglobal.com/wp-content/uploads/2020/03/Policy-on-Selection-and-Appointment-of-Directors-and-their-Remuneration.pdf>

The Committee may recommend payment of commission on a uniform basis or may recommend higher commission to directors who are the chairman of the Board or other committees, taking into consideration the higher responsibilities taken by them.

Furthermore, as per the policy, the Committee, while determining the quantum of commission, may consider membership of the directors on the committees and their attendance at various meetings.

Based on the above and the recommendation of the Committee, the Board has approved the payment of remuneration to the directors.

- **Managing Director & CEO**

The Company's Board at present comprises one Executive Director, Ashish Bhandari, who was appointed as the Managing Director & CEO effective September 1, 2020, for a period of five years. His remuneration is governed by the original agreement dated February 4, 2020 and amended during the financial year 2022-23 with the Company, which has been approved by the Board of Directors and the shareholders at 41<sup>st</sup> AGM held on August 2, 2022. The remuneration broadly comprises fixed and variable components, i.e. salary, allowances, perquisites and other benefits. The variable component comprises a performance bonus. As per the terms of Agreement, notice period is of three months and there is no compensation for loss of office. The Committee has recommended a remuneration policy for appointment of directors and their remuneration which has been approved by the Board. As per the policy, while determining remuneration payable to the Managing Director & CEO, the following factors are considered:

- The clarity of the relationship between remuneration and performance
- Balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals
- Responsibilities required to be shouldered by the Managing Director & CEO as per industry benchmarks and current trends
- Performance of the Company vis-à-vis the annual budget and individual performance vis-à-vis the KRAs / KPIs

### C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ("the Committee") comprises one independent director and two non-executive directors and an executive director as members as on March 31, 2023:

1. Pheroz Pudumjee - Chairman
2. Meher Pudumjee
3. Ashish Bhandari
4. Dr. S.B. (Ravi) Pandit

The Committee met four times during the Financial Year 2022-23.

Attendance details of the Committee are as follows:

Name of the Member	Stakeholders' Relationship Committee Meetings				Held During the Tenure	Attended	% of Attendance
	Committee Meeting Dates						
	May 5, 2022	July 29, 2022	October 31, 2022	January 30, 2023			
Pheroz Pudumjee					4	4	100%
Meher Pudumjee					4	4	100%
Ashish Bhandari					4	4	100%
Dr. S.B. (Ravi) Pandit					4	4	100%

The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The Chairman of the Committee was present at the 41<sup>st</sup> Annual General Meeting held on August 2, 2022.

The broad terms of reference of the Committee are:

- To approve and register transfer and/or transmission of shares
- To approve dematerialisation and rematerialisation of the Company's shares
- To affix or authorise affixing of the common seal of the Company on the share certificates
- To look into the shareholders/investors/debenture holders/security holders grievances and redress them
- To review measures taken for effective exercise of voting rights by shareholders
- To review adherence to the service standards adopted by the listed entity with respect to various services being rendered by the Registrar & Share Transfer Agent

- To review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers

The Committee reviews the performance of KFin Technologies Limited, the Company's Registrar and Transfer Agent (RTA) and also recommends measures for overall improvement for better investor services. The Committee specifically looks into complaints of shareholders and investors pertaining to transfer/transmission of shares, non-receipt of share certificates, non-receipt of dividend, etc.

#### Procedure of Share Transfer/Transmission and Transposition

The Board has empowered the Stakeholder Relationship Committee to, inter alia, approve share transfers, transmission, transposition, dividend payments and all other investor-related activities.

Further, the Stakeholder Relationship Committee has delegated powers to the director(s) / officials of the Company to deal with the Investor Service Requests received by the Company or its RTA.

**Summary of complaints for FY 2022-23**

Nature	Opening Balance	Received	Resolved	Closing Balance
Non-receipt of dividend	Nil	2	2	Nil
Non-receipt of share certificate after transfer/consolidation/transmission exchange/split/merger	Nil	0	0	Nil
Letters from statutory authorities	Nil	0	0	Nil
<b>Total</b>	<b>Nil</b>	<b>2</b>	<b>2</b>	<b>Nil</b>

**Shares Transferred to IEPF**

In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF rules), dividends not encashed/claimed within seven years from the date of declaration are to be transferred along with relevant shares, to the Investor Education and Protection Fund (IEPF) authority.

Members can claim such transferred dividend/shares from the IEPF authority.

In accordance with the IEPF rules and its amendments, the Company has sent notices to all the shareholders whose shares were due to be transferred to IEPF authority. Simultaneously, an advertisement was published in the newspapers.

In terms of the provisions of IEPF Rules a total of 4,758 shares of 20 shareholders of the Company were transferred on September 29, 2022 to the IEPF.

**Compliance Officer / Contact Details**

Janhavi Khele  
Company Secretary and Compliance Officer  
Thermax Limited  
Thermax House,  
14 Mumbai-Pune Road Wakdewadi, Pune 411003  
Email: Cservice@thermaxglobal.com  
Phone No: (020) 66051200

**D. Corporate Social Responsibility (CSR) Committee**

The CSR Committee ("the Committee") comprises of two independent directors and a non-executive director as members as on March 31, 2023:

1. Meher Pudumjee - Chairperson
2. Nawshir Mirza
3. Dr. S.B. (Ravi) Pandit

The Committee met twice during the Financial Year 2022-23 on April 6, 2022, and October 4, 2022, where all the members were present at the meeting. Also, during the year the Committee Members made a visit to few of the CSR sites of the Company.

The Chairman of the Committee was present at the 41<sup>st</sup> Annual General Meeting held on 2<sup>nd</sup> August, 2022.

The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013.

The broad terms of reference of this Committee are:

- Formulate and recommend a CSR policy to the Board
- Recommend the amount of expenditure to be incurred on different CSR activities
- Institute a transparent monitoring mechanism for the implementation of CSR projects or programmes or activities undertaken by the Company
- Review the CSR policy of the Company every two or three years

**E. Risk Management Committee**

The Risk Management Committee ("the Committee") comprises of three independent directors and a non-executive director as on March 31, 2023:

1. Nawshir Mirza - Chairman
2. Pheroz Pudumjee
3. Dr. Jairam Varadaraj
4. Rajani Kesari

The Committee met four times during the Financial Year 2022-23. The gap between two meetings did not exceed 180 days.

Attendance details of the Committee are as follows:

Name of the Member	Risk Management Committee Meeting				Held During the Tenure	Attended	% of Attendance
	Committee Meeting Dates						
	April 13, 2022	September 8, 2022	October 4, 2022	March 31, 2023			
Nawshir Mirza					4	4	100%
Pheroze Pudumjee	A			A	4	2	50%
Dr. Jairam Varadaraj		A		A	4	2	50%
Rajani Kesari					4	4	100%

The constitution of the Committee meets the requirements of Regulation 21 of the Listing Regulations.

The Chairman of the Committee was present at the 41<sup>st</sup> Annual General Meeting held on August 2, 2022.

The purpose of the risk management committee is to assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks. The risk management committee has the overall responsibility of monitoring and approving the risk policies and associated practices of the Company.

The terms of reference of the Risk Management Committee are as below:

- To assess the risks facing the business and the mitigation measures taken thereof
- To identify developments in the environment or in internal operating processes that could materially affect the profile of risks
- To assist the Board in identifying existential risks and reviewing the mitigation and elimination plans for those
- To assess and examine the status of cyber security of the Company

- To report annually to the Board on its working
- Recommend to the Board policy for hedging commodity risk

## F. Strategic Business Development Committee

The primary objective of the Strategic Business Development Committee ("the Committee") of the Board is to review and guide the strategic initiatives of the Company.

The Board of Directors of the Company vide its circular resolution dated May 9, 2022 reconstituted the Committee. The Committee comprises of three independent directors, two non-executive directors and an executive director as on March 31, 2023:

1. Dr. Ravi Gopinath- Chairman
2. Pheroze Pudumjee
3. Meher Pudumjee
4. Dr. Jairam Varadaraj
5. Ashish Bhandari
6. Dr. S.B. (Ravi) Pandit

Attendance details of the Committee are as follows:

Name of the Member	Strategic Business Development Committee Meetings				Held During the Tenure	Attended	% of Attendance
	Committee Meeting Dates						
	May 18, 2022	August 1, 2022	November 10, 2022	January 30, 2023			
Dr. Ravi Gopinath					4	4	100%
Pheroze Pudumjee					4	4	100%
Meher Pudumjee					4	4	100%
Dr. Jairam Varadaraj					4	4	100%
Ashish Bhandari					4	4	100%
Dr. S.B. (Ravi) Pandit					4	4	100%

The broad terms of reference of the Committee are:

- Review and recommend corporate strategy, including corporate brand and M&A
- Selectively review and direct SBU, subsidiary and JV level strategies as well as selective SBU plans and business initiatives
- Initiate and impart guidance on best practices across the Board e.g. manufacturing, new markets, branding, etc.
- Review the key strategic performance indicators and milestones established by the Company
- Review various risks identified as part of risk register of Company, which are within the scope of the Committee

## 4. Annual General Meeting

### A. The details of the last three Annual General Meetings (AGMs) of the Company are as follows:

Financial Year	Date	Time	Venue
2019-20 (39 <sup>th</sup> AGM)	August 12, 2020	4:00 p.m.	Corporate Office of the Company through Video
2020-21 (40 <sup>th</sup> AGM)	August 6, 2021	4:00 p.m.	Conferencing / Other Audio Visual Means
2021-22 (41 <sup>st</sup> AGM)	August 2, 2022	4:00 p.m.	

### B. Postal Ballot

During the financial year 2021-22, the Company had sought the approval of the shareholders by way of a special resolution through notice of postal ballot dated November 10, 2021, for:

1. Grant of stock options to the employees of the Company under 'Thermax Limited Employee Stock Option Plan 2021'
2. Grant of stock options to the employees of group company(ies) of the Company, including subsidiary or its associate company(ies) under 'Thermax Limited Employee Stock Option Plan 2021'

The results were announced on January 14, 2022. Mr. S.V. Deulkar (FCS: 1321 CP: 965), or failing him Mr. Sridhar Mudaliar (FCS: 6156 CP: 2664), Partners of M/s. SVD & Associates, Company Secretaries, Pune were appointed as the Scrutinizer for conducting the Postal ballot and e-voting process held by voting through electronic means (remote e-voting) in a fair and transparent manner.

Description of the Resolutions		Grant of stock options to the employees of the Company under 'Thermax Limited Employee Stock Option Plan 2021'	Grant of stock options to the employees of group company(ies) of the Company, including subsidiary or its associate company(ies) under 'Thermax Limited Employee Stock Option Plan 2021'
Votes in favour of the resolution	Number of members voted	154	151
	Number of valid votes cast (shares)	9,57,91,545	9,57,91,470
	Percentage of total number of valid votes cast	93.45%	93.45%
Votes against the resolution	Number of members voted	87	90
	Number of valid votes cast (Shares)	67,17,501	67,17,576
	Percentage of total number of valid votes cast	6.55%	6.55%
Invalid votes	Total number of members whose votes were declared invalid	13	13
	Total number of invalid votes cast (shares)	29,184	29,184
	Percentage of total number of invalid votes cast	0.00%	0.00%

### Procedure for postal ballot:

The Company carries out Postal Ballot as per the provisions of Section 110 of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, and other applicable rules read with relevant Circulars issued by the Ministry of Corporate Affairs and Circulars issued by the SEBI and applicable provisions of Listing Regulations.

No special resolution is proposed to be conducted through postal ballot as on the date of this report.

### C. Special Resolution(s) Passed

The details of special resolution/s passed during the last three Annual General Meetings are as under:

Date of Annual General Meeting	Details of Special Resolution
August 8, 2019	No special resolution was passed
August 12, 2020	Re-appointment of Harsh Mariwala (DIN: 00210342) as an Independent Director
August 2, 2022	a. Appointment of Dr. Ravi Shankar Gopinath (DIN: 00803847) as an Independent Director b. Re-appointment of Dr. Shashishekhar Balkrishna Pandit (DIN: 00075861) as an Independent Director c. To make amendments to the trust deeds of all the Employee welfare trusts

## 5. Means of Communication

- The Company publishes the quarterly and yearly financial results in prominent English and regional language newspapers. The same are also displayed on its website.
- The Company's corporate website: <https://www.thermaxglobal.com/about-us/> provides comprehensive information regarding the Company's business portfolio, including CSR activities. The quarterly and yearly financial results are available in downloadable format for investors' convenience on the Company's website. The Annual Report of the Company is

also available on the website in a user-friendly and downloadable form at <https://www.thermaxglobal.com/annual-reports/>

- Transcripts and audio/video recordings of analyst meets are available on the Company's website: <https://www.thermaxglobal.com/analyst-conference-calls/>
- The official news releases are published in one english newspaper (usually Financial Express) and in one vernacular newspaper (usually Loksatta in Marathi) as per the relevant statutory requirements. Press releases are submitted to the Stock Exchanges and hosted on the Company's website: <https://www.thermaxglobal.com/stock-exchange-notifications/>
- Presentations made to the institutional investors / analysts after the declaration of the financial results are submitted to the Stock Exchanges where Company's securities are listed, and the same are also available on the Company's <https://www.thermaxglobal.com/investor-presentations/>

## 6. Shareholder Information

### A. 42<sup>nd</sup> Annual General Meeting for FY 2022-23

Date and time	Tuesday, August 1, 2023 at 4:00 p.m.
Venue	through Video Conferencing

### B. Financial Year of the Company

The Financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March.

### C. Financial Calendar

The financial results for FY 2022-23 were announced on:

Financial Results	As Indicated	Actual Date
Quarter ended June 2022	August 2, 2022	August 2, 2022
Quarter ended September 2022	November 10-12, 2022	November 11, 2022
Quarter ended December 2022	February 8, 2023	February 7, 2023
Year ended March 2023	May 17, 2023	May 17, 2023

**For FY 2023-24, the indicative announcement dates are:**

Results for the quarter ended June 2023	August 1, 2023
Results for the quarter ended September 2023	November 3, 2023
Results for the quarter ended December 2023	February 8 - 10, 2024
Results for the year ended March 2024	May 10, 2024
Record date for payment of dividend subject to approval of shareholders	July 21, 2023
Dividend payment date	August 7, 2023
Dividend Announcement	The Board has recommended a dividend of Rs. 10/- (500%) per share on the equity shares of the face value of Rs. 2, for the year ended March 31, 2023, subject to approval of Members at the ensuing 42 <sup>nd</sup> Annual General Meeting.

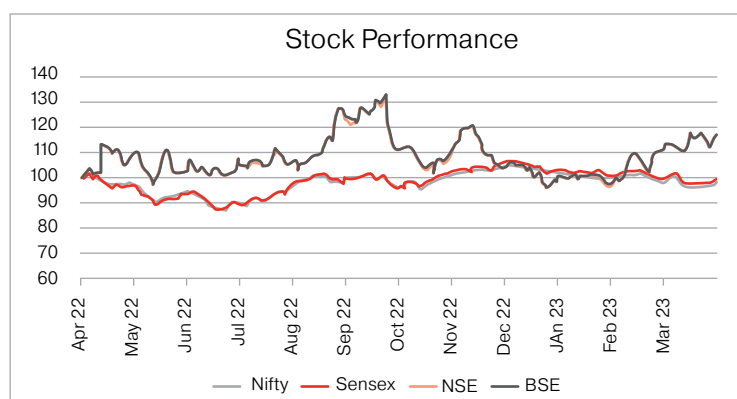
Listing on Stock Exchanges	Stock Code
National Stock Exchange of India Ltd. (NSE)	THERMAX
BSE Ltd. (BSE)	500411
International Security Identification No. for Equity Shares (ISIN) in NSDL and CDSL	INE152A01029
<b>Corporate Identity No. (CIN)</b>	L29299PN1980PLC022787

The Company has paid listing fees to BSE and NSE and custodial fees to Central Depositories Services (India) Limited and National Securities Depository Limited for Financial Year 2023-24 on the basis of number of beneficial accounts maintained by them, as on March 31, 2023.

**D. Stock Data**

(Amount in Rs. per share)

Month	MKT QUOTE – NSE		MKT QUOTE – BSE	
	High	Low	High	Low
April 2022	2,347.00	1,925.00	2,347.00	1,924.10
May 2022	2,232.00	1,875.20	2,289.70	1,875.65
June 2022	2,149.75	1,931.45	2,141.60	1,935.60
July 2022	2,235.00	2,011.00	2,235.90	2,010.80
August 2022	2,537.50	1,985.00	2,535.95	1,986.30
September 2022	2,679.00	2,135.00	2,678.50	2,134.20
October 2022	2,224.70	1,953.75	2,245.00	1,953.40
November 2022	2,409.80	2,009.30	2,406.00	2,017.40
December 2022	2,120.00	1,830.65	2,132.95	1,830.35
January 2023	2,022.00	1,872.00	1,998.00	1,870.90
February 2023	2,190.10	1,901.15	2,199.95	1,901.30
March 2023	2,326.95	2,110.05	2,359.70	2,104.20

**Company Stock Performance**

Note: The Company's share price and indices have been indexed to 100 as on the first working day of the Financial Year 2022-23 i.e. from April 1, 2022.

## E. Registrar and Share Transfer Agent

KFin Technologies Limited  
(erstwhile known as KFin Technologies Private Limited)

Selenium Tower B,  
Plot No. 31 & 32, Gachibowli,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad - 500 032.

Tel: 040-67162222 / 79611000

WhatsApp Number: (91) 9100094099

Fax: 040-23001153

Toll free: 1800 309 4001

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

## F. Share Transfer System

The SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialise their shares. Shareholders holding shares in dematerialised mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish their email address, bank account details and mobile number with the Company's RTA, at einward.ris@kfintech.com. Updating all the relevant information will enable shareholders to receive dividends and communications on time.

Further, the SEBI has now made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities.

## G. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities

Pursuant to the SEBI Circular dated March 16, 2023, it has been made mandatory for all holders

of physical shares to furnish / update the PAN, nomination, contact details, bank account details and specimen signature with the Company's RTA i.e. M/s KFin Technologies Limited.

The SEBI, vide the aforesaid circular, also specified the formats for physical shareholders for raising the requests, with regard to registration or changes / updation of PAN, KYC, nomination and for banker's attestation in the event of a major mismatch in the signature of the shareholder. All the formats are available on the Company's website i.e. <https://www.thermaxglobal.com/download-forms/>.

The shareholders are requested to please note that:

- a. Any service request will be entertained by the Company's RTA only upon registration / updation of PAN, KYC, and nomination details.
- b. The folios in which PAN / KYC / nomination details are not available/updated, will be frozen by the Company's RTA w.e.f. 01.10.2023
- c. The folios in which PAN is not linked to Aadhaar as on 30.06.2023 or any other date as may be specified by the Central Board of Direct Taxes, will also be frozen by the Company's RTA.
- d. After 31.12.2025, the frozen folios shall be referred by RTA / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

Accordingly, the Company has sent reminders to those shareholders whose KYC details were not available.

Hence, all the physical shareholders are requested to update PAN, KYC details, and nomination with the Company's RTA. Shareholders holding shares in dematerialised mode are requested to provide these details to their depository participants.



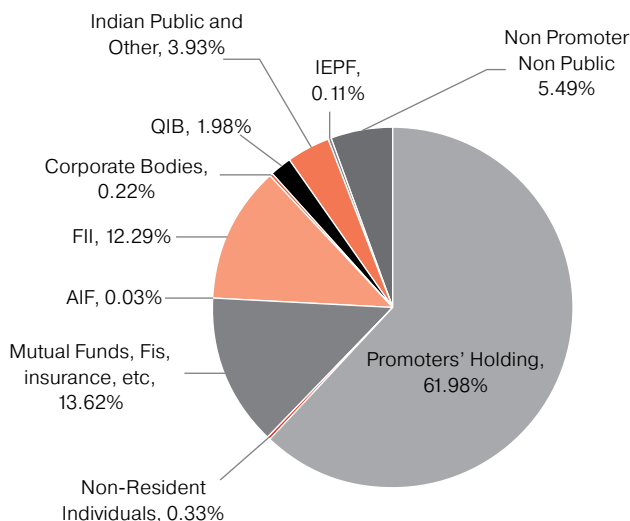
## H. Distribution of Shareholding and Shareholding Pattern

### Distribution of Shareholding as on March 31, 2023

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 5000	36,629	99.21	37,41,478	3.14
2	5001 - 10000	72	0.20	5,18,468	0.44
3	10001 - 20000	43	0.12	6,26,429	0.53
4	20001 - 30000	26	0.07	6,33,224	0.53
5	30001 - 40000	17	0.05	6,18,369	0.52
6	40001 - 50000	20	0.05	9,37,837	0.79
7	50001 - 100000	53	0.14	39,86,886	3.35
8	100001 & Above	61	0.17	10,80,93,609	90.72
<b>TOTAL</b>		<b>36,921</b>	<b>100.00</b>	<b>11,91,56,300</b>	<b>100.00</b>

### Category of Equity Shareholders as on March 31, 2023

Category	No. of Shares held	% of Share holding
<b>(A) Promoters' Holding</b>		
1. Individuals	6,000	-
2. Corporate bodies	7,38,49,305	61.98
<b>(A) Total Shareholding of Promoters</b>	<b>7,38,55,305</b>	<b>61.98</b>
<b>(B) Non-Promoters' Holding</b>		
1 Mutual funds, banks, financial institutions, insurance companies, etc	1,62,31,539	13.62
2 Foreign Institutional Investors (FII)	1,46,49,368	12.29
3 Corporate bodies	2,65,062	0.22
4 Non-resident individuals	3,94,774	0.33
5 Indian public and others	46,87,790	3.93
6 IEPF	1,35,496	0.11
7 Qualified Institutional Buyer (QIB)	23,59,860	1.98
8 Alternative Investment Fund (AIF)	35,666	0.03
<b>(B) Total Public Shareholding</b>	<b>3,87,59,555</b>	<b>32.53</b>
<b>(C) Non-Promoter Non-Public</b>	<b>65,41,440</b>	<b>5.49</b>
<b>Total (A)+(B)+(C)</b>	<b>11,91,56,300</b>	<b>100.00</b>



## I. Details of Dematerialisations

The Company's equity shares are under compulsory demat trading for all categories of investors. As on March 31, 2023 a total of 11,89,93,540 shares are in dematerialised form representing 99.86% of the total equity share capital.

## J. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

The Company has not issued GDRs/ADRs/warrants or any convertible instruments.

## K. Foreign Exchange Risk and Hedging Activities

To mitigate the risk, the Company has a well-defined policy of hedging, which is founded on the principle of prudence.

## L. Plant Locations of the Company

### Domestic

Pune	Solapur
<ul style="list-style-type: none"> <li>D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune - 411 019, Maharashtra.</li> <li>98-99, Bhosari MIDC Industrial Area, Bhosari, Pune - 411 026, Maharashtra.</li> <li>D-1 Block, MIDC Industrial Area, Chinchwad, Pune - 411 019, Maharashtra.</li> </ul>	<ul style="list-style-type: none"> <li>Plot No. T-1 MIDC, Chincholi, Taluka Mohol, Dist. Solapur - 413 255, Maharashtra.</li> </ul>
	Shirwal
	<ul style="list-style-type: none"> <li>Plot No. A-2 &amp; A-3, Khandala Industrial area, Phase 1, MIDC, Village Kesurdi, Tal-Khandala, Dist. Satara - 412802, Maharashtra.</li> </ul>
Paudh	Savli
<ul style="list-style-type: none"> <li>At Paudh, Post Mazgaon, Taluka Khalapur, Dist. Raigad - 410 206, Maharashtra.</li> </ul>	<ul style="list-style-type: none"> <li>Plot No. 21/1-2-3, GIDC Manjusar, Taluka-Savli, Dist. Vadodara - 391 775, Gujarat.</li> </ul>
Mundra SEZ	Jhagadia
<ul style="list-style-type: none"> <li>Survey No. 169, Village Dhruh, Taluka Mundra, Mundra - 370421, Dist. Kutch, Gujarat.</li> </ul>	<ul style="list-style-type: none"> <li>Plot No. 903/1, GIDC, Jhagadia Industrial Estate, Jhagadia - 393 110, Dist. Bharuch, Gujarat.</li> </ul>
Dahej	Sri City
<ul style="list-style-type: none"> <li>Plot No. Z/96/C, Dahej SEZ, Phase-II, Taluka Vagra Dist. Bharuch - 392 130, Gujarat.</li> </ul>	<ul style="list-style-type: none"> <li>2700, Peepul Boulevard Sricity DTZ Andhra Pradesh - 517 646.</li> </ul>

### International

<b>Danstoker A/S</b> Industrivej Nord 13 DK-7400 Herning, Denmark	<b>PT Thermax International Indonesia</b> Jl. Eropal Kav P2 KIEC, Cilegon-Banten, Indonesia
<b>Danstoker Poland SP.ZO.O.</b> ul. Kolejowa, nr 20, lok. miejsc. Ostrowiec Swietokrzyski, kod 27-400, Poczta Ostrowiec Swietokrzyski, Kraj Polska	<b>RIFOX - Hans Richter GmbH Spezialarmaturen,</b> Bertha-von-Suttner-Str. 9, 28207 Bremen, Germany

## M. Address for Correspondence

Investors should address their correspondence to the Company's Registrar and Transfer Agent, KFin Technologies Limited (erstwhile KFin Technologies Private Limited), whose address has been provided at (E) above.

Shareholders holding shares in dematerialised form should address their queries, such as change in bank account details, address, nomination etc., to their respective Depository Participants (DPs).

Queries relating to the Annual Report may be addressed to:

The Company Secretary,  
 Thermax Limited,  
 Thermax House, 14, Mumbai-Pune Road, Wakdevadi, Pune - 411 003.  
 Email: [cservice@thermaxglobal.com](mailto:cservice@thermaxglobal.com)

## N. Credit Rating

Your Company has been rated 'AA+/ Stable (Reaffirmed) for Long Term Rating and A1+ (Reaffirmed) for Short Term Rating' by Credit Rating Information Services of India Limited (CRISIL) for its banking facilities.

## 7. Other Disclosures

### A) Related Party Transactions

Related party transactions during the year have been disclosed as a part of financial statements as required under Ind-AS 24 issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions. The Related Party Transactions Policy, as updated in pursuance of the SEBI (LODR) (Amendment) Act, 2018, has been uploaded on the website of

the Company: <https://www.thermaxglobal.com/wp-content/uploads/2023/03/RPT-Policy.pdf>

## B) D&O Insurance for Directors

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for all its directors and officers for such quantum and for such risks as determined by the Board.

## C) Details of any Non-Compliance w.r.t. Capital Markets during the Year

During the previous three years, there were no instances of non-compliance by the Company or penalties, strictures imposed on the Company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets.

## D) Whistleblower Policy/Vigil Mechanism

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's code of conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the whistleblower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The Company has assigned e-mail IDs - [tlgovernance@gmail.com](mailto:tlgovernance@gmail.com) (Chairperson or Managing Director) or [nhm@nawshirmirza.com](mailto:nhm@nawshirmirza.com) (Chairman of the Audit Committee) for reporting or sending a written complaint. The Whistle Blower Policy is available on the website of the Company. The confidentiality of such reporting is maintained and the whistleblower is protected from any discriminatory action.

## E) Board Diversity Policy

The policy sets out the approach to diversity on the Board of the Company. The policy is available on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2021/04/Board-Diversity-Policy.pdf>

## F) Insider Trading Policy

The policy provides the framework to deal with securities of the Company. The Insider Trading

Policy is amended in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended thereto). The policy is available on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2022/11/CoC-for-Insider-Trading.pdf>

## G) Dividend Distribution Policy (DDP)

The Company adopted the DDP effective February 8, 2017. There has been no change in the policy during the year, and the same is disclosed on the Company's website: <https://www.thermaxglobal.com/wp-content/uploads/2020/03/DIVIDEND-DISTRIBUTION-POLICY.pdf>

## H) Code of Conduct

The Board of your Company has laid down a Code of Conduct for Board of Directors and Senior Management of Thermax Limited ("Code of Conduct"). The Code is disclosed on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2022/04/Code-of-Conduct-for-BOD-and-Sr.-Management-1.pdf>

- All the Board Members and Senior Management Personnel have affirmed compliance with these Code.
- The declaration by the MD & CEO as required under Regulation 34(3) read with Schedule V (D) of the Listing Regulations regarding adherence to the Code of Conduct has been obtained for FY 2022-23 and forms part of this Report.

I) Policy for determining material subsidiaries is disclosed on the website of the Company: [https://www.thermaxglobal.com/wp-content/uploads/2020/03/Policy\\_on\\_Material\\_Subsiaries.pdf](https://www.thermaxglobal.com/wp-content/uploads/2020/03/Policy_on_Material_Subsiaries.pdf)

J) The Company has adopted the Policy of Determination of Materiality for Disclosures, and the same is disclosed on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2023/05/Policy-for-Material-events.pdf>

- K)** The Company has adopted a Policy on Archival and Preservation of Documents, and the same is disclosed on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2020/03/Thermax-Record-Retention-Policy.pdf>
- L)** The Company has complied with the Corporate Governance requirements as per the Listing Regulations.
- M)** The Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).
- N)** There was no recommendation that has been proposed by the committees, which has not been approved by the Board.
- O)** Details of Remuneration Paid to the Statutory Auditors:

The details of total fees for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditors are as follows:

(Amount in Rs.)

<b>Payment to Statutory Auditors and its Network Firms</b>	<b>March 31, 2023</b>
<b>As Auditor</b>	
Audit and limited review fee	3,84,33,000
<b>In Other Capacity</b>	
Other services	1,100,000
Reimbursement of expenses	8,87,424
<b>Total</b>	<b>4,04,20,424</b>

**P) Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	NA

**Q) Disclosure of 'Loans and Advances in the nature of Loans to Firms/ Companies in which Directors are interested by Name and Amount'**

The details of loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount are given in the financial statement in note no. 34 on page no. 320.

**R) Details of material subsidiaries**

In terms of the requirement of Regulation 24(1) of the Listing Regulations, Thermax Babcock & Wilcox Energy Solutions Limited (TBWES), is an unlisted material subsidiary of the Company. Rajani Kesari and Nawshir Mirza, Independent Directors of the Company, are appointed as Non-Executive Director(s) on the Board of TBWES.

The details of TBWES are as under:

1. Date of incorporation: June 26, 2010
2. Place of incorporation: Mumbai
3. Name of Statutory Auditors: SRBC & Co. LLP
4. Date of Appointment of Statutory Auditors: August 8, 2019 (1<sup>st</sup> term)
5. Date of Re-Appointment of Statutory Auditors: July 28, 2020 (2<sup>nd</sup> term for 5 years)

**S) Annual Report**

The Annual Report containing, inter alia, the audited Financial Statement, Consolidated Financial Statement, Board's Report, Auditor's Report and other important information is sent to Members and others entitled thereto. The Annual Reports are also available on the Company's website: <https://www.thermaxglobal.com/annual-reports/>

**T) Website**

The Company's website [www.thermaxglobal.com](http://www.thermaxglobal.com) has a separate dedicated section 'Investors' where latest information required under Regulation 46 and other applicable provisions of the Listing Regulations is available. Other than the quarterly and annual results, comprehensive information about the Company, its business and operations, press releases, shareholding pattern, corporate benefits, contact details, forms, etc. are also hosted on the website.

## 8. Non-Mandatory Requirements

The Company has adopted the following discretionary practices as specified under Regulation 27(1) of Listing Regulations:

### A. Chairperson's Office

The Chairperson's office is maintained at the Company's expense, which is equipped with all required facilities. The Chairperson is also allowed reimbursement of expenses incurred towards the performance of her duties.

### B. Separate Post of Chairperson and CEO

The Company has separate positions of non-executive chairperson and managing director and CEO.

### C. Reporting of Internal Auditor

The Chief Internal Auditor of the Company reports directly to the Audit Committee.