

Form No. MR-3

Annexure 5(a) to the Directors Report

## Secretarial Audit Report

For the Financial Year Ended March 31, 2023

Pursuant to section 204(1) of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To,  
The Members,  
**Thermax Limited,**  
D-13, MIDC, Ind. Area,  
R D Aga Road, Chinchwad,  
Pune - 411019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2023** according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent

of Foreign Direct Investment and Overseas Direct Investment;

- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 (**Not applicable to the Company during the audit period**);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable to the Company during the audit period**);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client; (**Not applicable to the Company during the audit period**);
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the audit period**); and
  - h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**Not applicable to the Company during the audit period**);

vi) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

We have also examined compliance with the applicable clauses and regulations of the following:

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

#### We further report that,

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated within a shorter period of less than seven days, all the Directors including Independent Directors have consented to the shorter period of circulation of the same.

All decisions at Board Meetings and Committee Meetings are carried out with the requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period:

1. First Energy Private Limited (FEPL) a Wholly Owned Subsidiary (WOS) of the Company has acquired

Jalansar Wind Energy Private Limited (JWEPL) and Kanakal Wind Energy Private Limited (KWEPL) vide Share Purchase Agreement (SPA) dated June 22, 2022, pursuant to which they have become step-down subsidiaries of the Company.

2. The Company has agreed to make an investment in Covacsis Technologies Private Limited ("Covacsis") by subscribing to 43,192 (Forty Three Thousand One Hundred and Ninety Two) Cumulative Convertible Preference Shares (CCPS). Post investment, the Company will hold 16.667% of the share capital of Covacsis.
3. A special resolution was passed in the Annual General Meeting of the Company held on August 02, 2022, to make amendments including but not limited to correction, revision, consolidation with any other trust and to alter, modify, edit and make amendments to the trust deeds of all the Employee Welfare Trusts.
4. The Company has executed Shareholders' Agreement with EverEnviro Resource Management Private Limited (EverEnviro) on July 27, 2022, to form a joint venture with an investment of 65% in the share capital by forming a subsidiary, with the name of Thermax Bioenergy Solutions Private Limited which was incorporated on August 12, 2022.
5. The Board of Directors of WOS of the Company i.e. Thermax Cooling Solutions Limited (TCSL/Demerged Company) and Thermax Instrumentation Limited (TIL/Resulting Company) have approved a scheme of arrangement pursuant to Sections 230 to 232 read with section 66 of the Companies Act, 2013 on December 20, 2022.

For **SVD & Associates**  
Company Secretaries

**Sridhar Mudaliar**  
Partner  
FCS No: 6156  
CP No: 2664

**Place:** Pune  
**Date:** May 17, 2023  
**Peer Review Number:** P2013MH075200  
**UDIN:** F006156E000307259

**Note:** This report is to be read with the letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

#### ANNEXURE-A

To,  
The Members,  
**Thermax Limited**  
D-13, MIDC Ind. Area  
R D Aga Road, Chinchwad,  
Pune - 411 019

Our Secretarial Audit Report of even date is to be read along with this letter.

#### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and ensure that the systems are adequate and operate effectively.

#### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management are adequate and appropriate for us to provide a basis for our opinion.
4. We have relied on the documents and evidences provided by the Company either physically or in electronic mode.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and the happening of events, etc.

#### Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**  
Company Secretaries

**Sridhar Mudaliar**  
Partner  
FCS No: 6156  
C P No: 2664

**Place:** Pune  
**Date:** May 17, 2023

**Peer Review Number:** P2013MH075200  
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