

ELECTROTHERM[®]

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30th ANNUAL REPORT
2015-16

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|--------------------------------------|--|
| Mr. Mukesh Bhandari | <i>Chairman</i> |
| Mr. Shailesh Bhandari | <i>Managing Director</i> |
| Mr. Avinash Bhandari | <i>Joint Managing Director & CEO</i> |
| Mr. Ram Singh | <i>Independent Director</i> |
| Mr. Chaitanyapratap Sharma | <i>Independent Director</i> |
| Ms. Kruti Shukla | <i>Independent Director</i> |
| <i>(w.e.f. 30th September, 2015)</i> | |

KEY MANAGERIAL PERSONNEL

| | |
|----------------------|--------------------------------|
| Mr. Pawan Gaur | <i>Chief Financial Officer</i> |
| Mr. Fageshkumar Soni | <i>Company Secretary</i> |

AUDITORS

| | |
|---|--|
| Mehta Lodha & Co. | Chartered Accountants (Statutory Auditor) |
| Bharat Prajapati & Co. | Company Secretaries (Secretarial Auditor) |
| V. H. Savaliya & Associates | Cost Accountants (Cost Auditor) |
| RSM Astute Consulting (Guj.) Pvt. Ltd. | Internal Auditor |

BANKERS / FINANCIAL INSTITUTIONS

Edelweiss Asset Reconstruction Company Limited
 Invent Assets Securitisation & Reconstruction Pvt. Ltd.
 International Finance Corporation
 Corporation Bank
 Dena Bank
 Union Bank of India
 Standard Chartered Bank
 Central Bank Of India
 Indian Overseas Bank
 Vijya Bank
 Uco Bank
 Syndicate Bank

REGISTERED OFFICE

A-1, Skylark Apartment,
 Satellite Road, Satellite,
 Ahmedabad – 380 015
 CIN : L29249GJ1986PLC009126
 Email: sec@electrotherm.com
 Phone: +91-79-26768844, Fax: +91-79-26768855

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
 303, 3rd Floor, Shoppers Plaza V,
 Opp. Municipal Market, Behind Shoppers Plaza II,
 Off C. G. Road, Ahmedabad – 380 009
 Email : ahmedabad@linkintime.co.in
 Phone : +91-79-26465179

WORKS

Engineering & Projects Division

Survey No. 72, Village : Palodia,
 Taluka : Kalol, Dist : Gandhinagar – 382115, Gujarat

Special Steel and DI Pipe Division & Electric Vehicle Division

Survey No. 325, Village : Samakhiyali, N. H. No. 8A,
 Near Toll Naka, Taluka : Bhachau, Dist : Kutch, Gujarat

Wind Farm

Village : Dhank, Taluka : Upleta,
 Dist : Rajkot, Gujarat

Transmission Line Tower Division

Village : Juni Jithardi,
 Tal : Karjan, Dist. : Vadodara, Gujarat.

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30TH ANNUAL GENERAL MEETING

30th Annual General Meeting of the members of the Company will be held on Friday, September 30, 2016 at 11.00 A.M. at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.

CHAIRMAN'S MESSAGE

Dear Shareholders,

Despite the sheer drop in crude oil and commodity prices, the global scenario continues on low growth trail. The IMF projects global growth to be increased from 3.1% in 2015 to 3.2% in 2016 and increasing to 3.5% in 2017. Growth in the emerging markets in 2016 overall is projected at 4.1% and much of it coming from China, India and the ASEAN region. The path ahead for the global economy remains challenging, with greater uncertainties thrown in.

For 2016-17, GDP growth is expected at 7.5%. The data indicates 5.7% year-on-year growth in core sector industries, against growth of 2.3% last year. The growth in the manufacturing sector has been subdued, including a decline in the output of capital goods.

India has become the world's 3rd largest producer of crude steel in 2015 against its 8th position in 2003. Besides achieving the rank of the 3rd largest global crude steel producer in 2015, India has also made a mark globally in the production of sponge iron/direct reduced iron (DRI).

The growth of steel industry is closely linked to the growth of the Indian economy. With the challenging macro-economic situation in the country, steel industry is yet to improve. In recent years, the steel industry has been impacted by import oversupply, lower demand, falling spreads between finished steel prices and raw material prices and volatile currency movements.

With eroding profitability and worsening leverage ratios, the Government of India has intervened and undertook necessary corrective trade remedial measures. The objective was to provide a level playing field to the domestic steel industry. The Government enhanced customs duty and introduced the minimum import price (MIP) mechanism to curb imports at prices below marginal cost of exporting nations. The Government also introduced BIS standards for steel to control sales of inferior quality steel into India.

Despite the aforesaid challenges, India's long-term outlook for the steel sector appears bright. The Government of India is aiming to scale up the country's steel production to 300 million tonnes by 2025. It is taking relevant steps to bolster the growth of the sector. Some of the initiatives comprise setting up of the Steel Research and Technology Mission of India to spearhead research and development activities; and establishing Special Purpose Vehicles (SPVs) with four iron ore rich states to set up plants having capacity between 3 and 8 MTPA.

In the Union Budget 2016-17, the Government of India has proposed to spend ₹ 218,000 Crores on roads and railways. In addition, India's automobile industry witnessed a rebound in demand among emerging economies. Such a scenario augurs well for the domestic steel sector.

The raw material situation in the country has changed dramatically in the last two years and the economy is on the revival path. This is expected to change the profitability of the steel business going forward.

Notwithstanding dismal growth in domestic steel industry your company has managed to improve results as compare to last financial year by clocking in a sales turnover of ₹ 1866.66 crores. This has been combined result of cost management in every areas like inventory management, repair and maintenance, logistics as well as focus on efficiency improvement and achieving higher productivity. With trying to achieve excellence in operation your company has also strengthened its focus on customers.

The company has already settled substantial portion of its outstanding debt and also started paying scheduled dues since March 2015 to ARCs and Banks. In the present difficult scenario of the steel industry, our approach towards banks indicates company's seriousness towards settling of its liabilities.

On behalf of the board, thank you as the shareholders of the company for your support and motivation to the Company during the year. I would also like to thank the lenders, suppliers, customers, various national and provincial governments with whom we have been working, the employees and the associates who have stood by the company and I took forward to their continued support in the future.

Mukesh Bhandari
Chairman



NOTICE

NOTICE is hereby given that the **30th Annual General Meeting** of Members of **Electrotherm (India) Limited** will be held on Friday, September 30, 2016 at 11.00 a.m. at Ahmedabad Management Association (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015 to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt audited standalone and consolidated financial statements of the Company for the financial year ended on 31st March, 2016 together with report of Board of Directors and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Avinash Bhandari (DIN : 00058986), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Mehta Lodha & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 106250W), be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Next Annual General Meeting of the Company at such remuneration and reimbursement of out of pocket expenses for the purpose of audit as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. **To appoint Ms. Kruti Shukla (DIN 07298899) as an Independent Director:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Kruti Shukla (DIN 07298899), who was appointed as an Additional Director of the Company, categorized as Independent Director / Woman Director, by the Board of Directors with effect from 30th September, 2015 in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing Ms. Kruti Shukla for the office of Director, be and is hereby appointed as an Independent Director (Woman Director) of the Company to hold office for 5 (five) consecutive years with effect from 30th September, 2015 to 29th September, 2020."

5. **To ratify the remuneration of the Cost Auditors for the financial year ending on 31st March, 2017:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration decided by the Board of Directors on recommendation of the Audit Committee of ₹ 2,00,000 (Rupees Two Lacs Only) to M/s V. H. Savaliya & Associates, Cost Accountants (Membership No.13867) for conducting the audit of cost records of the Company for the financial year ending on 31st March, 2017."

6. **Service of Documents through a particular mode as may be sought by the Members:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the member for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the members.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. **To re-appoint Mr. Mukesh Bhandari (DIN:00014511) as a Managing Director designated as a Chairman:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 19, 200 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Article of

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Association of the Company and recommendation by the Nomination and Remuneration Committee and subject to approval of the Banks / Financial Institutions / Board for Industrial and Financial Reconstruction (BIFR) / National Company Law Tribunal (NCLT) / Central Government and such other approval that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Mukesh Bhandari (DIN: 00014511) as a Managing Director designated as a Chairman of the Company, for a further period of 3 (three) years with effect from February 1, 2017 and concluding on January 31, 2020 as hereunder:

A) REMUNERATION:

Monthly Salary of ₹ 2,00,000/- (Rupees Two Lacs Only)

B) PERQUISITES:

- i) In addition to the salary as above, Mr. Mukesh Bhandari will be entitled to Personal Accident Insurance and Group Life Insurance, Club fees subject to a maximum of two clubs, medical reimbursement and company provided car and driver.
- ii) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- iv) Encashment of leave at the end of the tenure.

II POWERS

The appointee shall function under the supervision, control and guidance of the Board of Directors of the Company and shall exercise substantial powers of management to the extent and in the manner delegated by the Board of Directors of the Company.

III SITTING FEES

The appointee shall not receive any sitting fees for attending any meeting of the Board or Committees thereof.

IV RETIREMENT BY ROTATION

The appointee shall not be liable to retire by rotation at annual general meeting of the Company.

C) MINIMUM SALARY

In the event of any absence or inadequacy of profits in any financial year of the Company during his tenure, the remuneration payable to Mr. Mukesh Bhandari shall be in conformity with the conditions specified in Section II and Section III of Part II of the Schedule V of the Companies Act, 2013 or any modifications thereof to the extent and in the manner as may be mutually agreed by the Company and the appointee.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds things and matters as may be necessary proper or expedient to give effect to this resolution."

8. To re-appoint Mr. Shailesh Bhandari (DIN: 00058866) as a Managing Director:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 200 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Article of Association of the Company and recommendation by the Nomination and Remuneration Committee and subject to approval of the Banks / Financial Institutions / Board for Industrial and Financial Reconstruction (BIFR) / National Company Law Tribunal (NCLT) / Central Government and such other approval that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Shailesh Bhandari (DIN: 00058866) as a Managing Director of the Company, for a further period of 3 (three) years with effect from 1st February, 2017 and concluding on 31st January, 2020 as hereunder:

A) REMUNERATION:

Monthly Salary of ₹ 2,00,000/- (Rupees Two Lacs Only)

B) PERQUISITES:

- i) In addition to the salary as above, Mr. Shailesh Bhandari will be entitled to Personal Accident Insurance and Group Life Insurance, Club fees subject to a maximum of two clubs, medical reimbursement and company provided car and driver.
- ii) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- iv) Encashment of leave at the end of the tenure.

II POWERS

The appointee shall function under the supervision, control and guidance of the Board of Directors of the Company and shall exercise substantial powers of management to the extent and in the manner delegated by the Board of Directors of the Company.

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III SITTING FEES

The appointee shall not receive any sitting fees for attending any meeting of the Board or Committees thereof.

IV RETIREMENT BY ROTATION

The appointee shall be liable to retire by rotation at annual general meeting of the Company.

C) MINIMUM SALARY

In the event of any absence or inadequacy of profits in any financial year of the Company during his tenure, the remuneration payable to Mr. Shailesh Bhandari shall be in conformity with the conditions specified in Section II and Section III of Part II of the Schedule V of the Companies Act, 2013 or any modifications thereof to the extent and in the manner as may be mutually agreed by the Company and the appointee.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds things and matters as may be necessary proper or expedient to give effect to this resolution."

9. To re-appoint Mr. Avinash Bhandari (DIN: 00058986) as a Joint Managing Director & CEO:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 200 & 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Article of Association of the Company and recommendation by the Nomination and Remuneration Committee and subject to approval of the Banks / Financial Institutions / Board for Industrial and Financial Reconstruction (BIFR) / National Company Law Tribunal (NCLT) / Central Government and such other approval that may be necessary, consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Avinash Bhandari (DIN: 00058986) as a Joint Managing Director & CEO of the Company, for a further period of 3 (three) years with effect from February 1, 2017 and concluding on January 31, 2020 as hereunder:

A) REMUNERATION:

Monthly Salary of ₹ 2,00,000/- (Rupees Two Lacs Only)

B) PERQUISITES:

- In addition to the salary as above, Mr. Avinash Bhandari will be entitled to Personal Accident Insurance and Group Life Insurance, Club fees subject to a maximum of two clubs, medical reimbursement and company provided car and driver.
- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- Encashment of leave at the end of the tenure.

II POWERS

The appointee shall function under the supervision, control and guidance of the Board of Directors of the Company and shall exercise substantial powers of management to the extent and in the manner delegated by the Board of Directors of the Company.

III SITTING FEES

The appointee shall not receive any sitting fees for attending any meeting of the Board or Committees thereof.

IV RETIREMENT BY ROTATION

The appointee shall be liable to retire by rotation at annual general meeting of the Company.

C) MINIMUM SALARY

In the event of any absence or inadequacy of profits in any financial year of the Company during his tenure, the remuneration payable to Mr. Avinash Bhandari shall be in conformity with the conditions specified in Section II and Section III of Part II of the Schedule V of the Companies Act, 2013 or any modifications thereof to the extent and in the manner as may be mutually agreed by the Company and the appointee.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds things and matters as may be necessary proper or expedient to give effect to this resolution."

**By Order of the Board
For Electrotherm (India) Limited**

**Fageshkumar Soni
Company Secretary**

Place : Palodia

Date : 11th August, 2016

Registered Office:

A-1, Skylark Apartment,
Satellite Road, Satellite,
Ahmedabad – 380 015

CIN : L29249GJ1986PLC009126

E-mail Id : sec@electrotherm.com

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM.

A PERSON CAN ACT AS PROXY FOR NOT EXCEEDING 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER.

2. A body corporate intending to send their authorized representative(s) to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of resolution of the Board of Directors or other governing body authorizing such representative(s) to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to special business in respect of Item No. 4 to 9 of the Notice to be transacted at the AGM is annexed hereto.
4. Information pursuant to Regulation 36(3) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 with respect to Directors seeking appointment / re-appointment at the Annual General Meeting is attached hereto.
5. Relevant documents referred to in the accompanying Notice and the statement pursuant to section 102(1) of the Companies Act, 2013 are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and National Holidays during business hours up to the date of the Annual General Meeting.
6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. Those members who have not encashed their dividend warrants pertaining to the following years are requested to approach the Company for the payment thereof as the same will stand transferred to the Investor Education and Protection Fund (IEPF), pursuant to section 205C of the Companies Act, 1956 and / or section 125 of the Companies Act, 2013, when notified by the Central Government and rules proposed to be prescribed by the Central Government, on respective due dates mentioned hereunder. Kindly note, that after such date, the members will lose their right to claim such dividend, unless the provisions of section 125 of the Companies Act, 2013 and rules are notified by the Central Government.

| Financial Year | Rate (Amt. per Share) | Date of Declaration | Due for Transfer on |
|----------------|-----------------------|---------------------|---------------------|
| 2008 - 2009 | 25% (₹ 2.50) | 15/09/2009 | 21/10/2016 |
| 2009 - 2010 | 25% (₹ 2.50) | 24/09/2010 | 30/10/2017 |

In August, 2015, the Company has transferred the money lying to unpaid / unclaimed dividend account for the year 2007-2008 to Investor Education and Protection Fund established by the Central Government.

8. In terms of Investor Education & Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, Company has uploaded the data regarding unpaid/unclaimed dividend for the last seven years on the website of the Company www.electrotherm.com as well as that of Ministry of Corporate Affairs www.mca.gov.in.
9. Electronic copy of the Notice convening the 30th AGM of the Company, Annual Report along with attendance slip and Proxy Form are being sent to the members who have registered their email ids with the company/Depository Participant(s), RTA. For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode. Also the copy of full Annual Report 2015-2016 is available on the Company's website viz. www.electrotherm.com
10. In line with the measures of Green Initiative taken by SEBI, Companies Act, 2013 also provided for sending notice of the meeting and other shareholder correspondences through electronic mode, members holding shares in physical mode are requested to register their e-mail ID's with the Company or RTA and Members holding shares in Demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs).
11. Members / Proxies should bring the Attendance Slip sent herewith duly filled & signed in for attending the Meeting and members who hold shares in electronic form are requested to bring their Client ID and DP ID numbers for identification.
12. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her queries to the Company at least 7 (seven) days prior to the meeting so that the required information can be made available at the Meeting.
13. In compliance with the provisions of Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the members are provided with the facility to cast their vote by electronic means through the remote e-voting platform provided by CDSL and the business may be transacted through such voting. The process for remote e-voting is annexed hereto.

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14. The Voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the company as on cut-off date i.e. Friday, September 23, 2016.
15. Mr. Jignesh A. Maniar, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
16. The facility for voting through ballot or polling paper shall also be made available at the Annual general Meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to eligible to exercise their right at the meeting through ballot or poll paper.
17. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
18. Any person, who acquires shares of the company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.
19. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and make, not later than three days of the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the chairman of the Annual General Meeting, who shall countersign the same.
20. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.electrotherm.com. The Company shall simultaneously forward the result to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where the equity shares of the company are listed.

PROCESS AND MANNER FOR VOTING BY ELECTRONIC MEANS (E-VOTING):

The instructions for members for voting electronically are as under:

- i) The voting period begins on Tuesday, September 27, 2016 at 9:00 a.m. and ends on Thursday, September 29, 2016 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat and Physical Form |
|---|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other

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company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant ELECTROTHERM (INDIA) LIMITED on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of any grievances connected with facility for voting by electronic means, please contact:

Mr. Mehboob Lakhani

Assistant Manager
CDSL, 16th Floor, P J Towers,
Dalal Street, Fort, Mumbai – 400 001
Email : helpdesk.evoting@cdslindia.com
Tel : 18002005533

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

ITEM NO. 4:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is required to appoint a woman Director and also an Independent Director.

Ms. Kruti Shukla was appointed as an Additional & Independent Director (Woman Director) on the Board of the Company on 30th September 2015. It is proposed to appoint her as an Independent Director (Woman Director) under Section 149, 150 & 152 of the Act and Listing Regulations to hold office for a term of 5 (five) consecutive years from 30th September, 2015 to 29th September, 2020, whose period of office shall not be liable to determination by retirement of directors by rotation.

The Company has received notice pursuant to the provisions of Section 160 of the Act from a member signifying his intention to propose the candidature of Ms. Kruti Shukla as an Independent Director (Woman Director) of the Company.

The Company has received declaration from Ms. Kruti Shukla confirming that she is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration from her that she meets the criteria of independence as

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prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Information as required under Regulation 36(3) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 regarding appointment of Ms. Kruti Shukla is attached hereto.

In the opinion of the Board, Ms. Kruti Shukla fulfils the conditions for appointing her as an Independent Director (Woman Director) as specified in the Act, the Rules made thereunder and the Listing Regulations. She is an independent of the management. Considering her experience, it would be beneficial to appoint her on the Board of the Company.

The resolution as set out in Item No. 4 of this Notice is accordingly recommended for your approval.

Except Ms. Kruti Shukla, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

ITEM NO. 5:

The Board of Directors at their Meeting held on August 11, 2016, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. V. H. Savaliya & Associates, Cost Accountants (Membership No.13867), Ahmedabad, to conduct the audit of the cost accounting records of the Company for the financial year ending on March 31, 2017 at a remuneration of ₹ 2,00,000/- (Rupees Two Lacs Only).

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for approving the Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2017.

The resolution as set out in Item no. 5 of this Notice is accordingly recommended for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 6:

As per the provisions of section 20 of the Companies, 2013, the documents may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his address or by such electronic or other modes as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its annual general meeting.

Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charge for delivery of a document in a particular mode, as mentioned in this resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Board of Directors accordingly recommend the resolution for your approval by way of an Ordinary Resolution as set out in Item no. 6 of the this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 7, 8 & 9:

The Shareholders of the Company at the 28th Annual General Meeting held on 30th September, 2014 approved the appointment of Mr. Mukesh Bhandari, Managing Director designated as Chairman, Mr. Shailesh Bhandari, Managing Director and Mr. Avinash Bhandari as a Joint Managing Director and CEO of the Company for a period of three years from 1st February, 2014 to 31st January, 2017. The remuneration payable was subject to such terms and conditions and approval of Central Government / other approvals as may be required. However, no remuneration is being paid to any of them.

Nomination and Remuneration Committee and the Board of Directors have approved and recommended the re-appointment and remuneration to Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari, as per the provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

The Networth of the Company has been fully eroded and the reference under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 has been registered with the BIFR. Further, the Company has in the past made default in repayment of its debts or interest payable thereon for a continuous period of thirty days. As such, the payment of remuneration to Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari would be subject to the approval from Banks / Financial Institutions / Board of Industrial Financial Reconstruction / National Company Law Tribunal / Central Government and such other approval that may be necessary in terms of the provisions of Schedule V of the Companies Act, 2013.

The Board recommends the Resolution for approval of the shareholders.