



ELECTROTHERM (INDIA) LTD.

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NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Shareholders,

Notice is hereby given to the members of **ELECTROTHERM (INDIA) LIMITED** ("the Company") that the draft Resolutions as set out below shall be passed through Postal Ballot as per the provisions under section 110 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

An Explanatory Statement pursuant to sections 102 of the Companies Act, 2013, setting out all material facts pertaining to the Resolutions and explaining the reasons for the Postal Ballot is annexed hereto alongwith the Postal Ballot Form for consideration of the members.

In compliance with Clause 35B of the Listing Agreement and pursuant to the provisions of section 108 and 110 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate, for its members to enable them to cast their votes electronically instead of dispatching the postal ballot form(s). The instructions for e-voting are appended to this Postal Ballot Notice.

The Board of Directors of the Company has appointed Advocate Dipak Rachchha & Co., Ahmedabad, as Scrutinizer for conducting the postal ballot and electronic voting process in a fair and transparent manner.

The Company has availed electronic voting platform of Central Depositories Services Limited (CDSL) to provide e-voting facility to its members. Members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting. In case the member has exercised the vote in physical as well as electronic mode, the vote by electronic mode only will be considered.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and to send their assent or dissent in writing by returning the said Postal Ballot Form duly completed, in all respects, in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours i.e. 5.00 p.m. on 6th August, 2015. It should be noted that the response received from Members after 6th August, 2015 shall be treated as invalid.

The Scrutinizer will submit his report to the Chairman / Managing Director after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on the Notice Board at the Registered Office / Head Office of the Company on 10th August, 2015 at 4.00 p. m. Also, the Company may announce the result of the Postal Ballot will be posted on the Company's website viz. www.electrotherm.com besides communicating to the stock exchanges where the shares of the company are listed. The results shall also be published through advertisement and /or press release in the newspaper.

SPECIAL BUSINESS

1. INCREASE IN AND RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE COMPANY

To consider and if thought fit, to pass with or without modifications, the following resolution as a **special resolution**:

"RESOLVED THAT in accordance with the provisions of Section 13 and Section 61 of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force (collectively, the "Act"), and subject to such approvals, consents, permissions and sanctions, if any, required from any authorities, the authorised share capital of the Company be and is hereby increased from Rs. 50,00,00,000 (Rupees Fifty Crores Only) to Rs. 78,59,00,000 (Rupees Rupees Seventy Eight Crores Fifty Nine lacs Only) and altered from Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity shares of Rs. 10/- (Rupees Ten Only) each and 2,50,00,000 (Two Crore Fifty Lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 78,59,00,000 (Rupees Seventy Eight Crores Fifty Nine lacs Only) divided into 2,50,00,000 (Two crore fifty lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each, 2,50,00,000 (Two Crore Fifty lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each and 2,85,90,000 (Two Crore Eighty Five lacs Ninety thousand only) Partially Convertible Partially Redeemable Preference Shares of Rs. 10 (Rupees Ten Only) each and consequently the existing Clause V of the memorandum of association of the Company relating to share capital be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Clause V:

V: "The Authorised Share Capital of the Company is Rs. 78,59,00,000 (Rupees Seventy Eight Crores Fifty Nine lacs Only) divided into 2,50,00,000 (Two crore fifty lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each, 2,50,00,000 (Two Crore Fifty lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each and 2,85,90,000 (Two Crore Eighty Five lacs Ninety thousand only) Partially Convertible Partially Redeemable Preference Shares of Rs. 10 (Rupees Ten Only) each The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or any other special rights, privileges, conditions or restrictions."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for removal of any doubts or difficulties, the board of directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution), be and is hereby authorized to do all such acts, deeds, matters and things and settle any or all questions or matters arising with respect to the increase in authorized share capital of the Company and the amendment to the memorandum of association of the Company and make all necessary filings and intimations to the Registrar of Companies and other appropriate authorities, and to give, from time to time, such directions as may be necessary, expedient, usual or proper as the Board in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons."

2. ALTERATION OF ARTICLES OF ASSOCIATION

To consider and if thought fit, to pass with or without modifications, the following resolution as a **special resolution**:

"RESOLVED THAT the pursuant to the provision of Section 14 and other applicable provision, if any, of the Companies Act 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("**Act**") the article of association of the Company be and is hereby altered by inserting a new article as Article 16A after Article 16 of the articles of association of the Company under the heading 'Issue of Partially Convertible Partially Redeemable Preference Shares/Debentures' .

The Company has the power to issue Partially Convertible Partially Redeemable Preference Shares/Debentures including participating preference shares which are eligible to be converted fully or partially into equity shares of the Company in the manner permissible under the Act and the directors may, subject to the provisions of the Act, exercise such powers in any manner as they may think fit and provide for the conversion of such preference shares on such terms including the right to convert at premium or at discount as they may think fit and balance continued to be Non Convertible Redeemable Preference Shares."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the board of directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may in its absolute discretion, be deemed necessary and to settle any question or difficulty that may arise in this regard."

3. ISSUE OF PARTIALLY CONVERTIBLE PARTIALLY REDEEMABLE PREFERENCE SHARES ON PREFERENTIAL BASIS

To consider and if thought fit, to pass with or without modifications, the following resolution as a **special resolution**:

"RESOLVED that pursuant to the provisions of Section 23, 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 and Rules and Regulations made there under including any statutory modification or re-enactment thereof, for the time being in force (collectively, the "**Act**"), the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI (ICDR) Regulations**"), the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made there under, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the memorandum of association and articles of association of the Company, the listing agreements entered into by the Company with the stock exchanges where the shares of the Company are listed and such other terms which may be agreed by the board of directors of the Company (hereinafter referred to as "**Board**" which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot on a preferential basis 2,85,90,000 Partially Convertible Partially Redeemable Preference Shares of face value of Rs.10 (Rupees Ten only) each ("hereinafter referred to as **PCPRPS**") partially convertible into equity shares of Rs 10/- each and balance continued as Non convertible redeemable Preference shares of Rs. 10/- each to Edelweiss Asset Reconstruction Company Limited ("**EARC**") being the Financial Institution within the meaning of sub clauses (ia) and (ii) of clause (h) of section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, without offering the same to any other person as per the terms & Conditions mentioned hereunder:

Coupon Rate : The PCPRPS shall be issued at zero coupon rate.

Conversion Price : The PCPRPS shall be converted on conversion date into proportionate number of Equity Shares of face value of Rs.10/- each at a price which shall be not lower than the price arrived in accordance with the **SEBI (ICDR) Regulations, 2009** and shall be rounded off to the nearest higher integer of 5 paise as on **Relevant Date** but shall not be less than face value of equity share of Company.

- General**
- The 'Conversion Date' means the date on which the Partially Convertible Partially Redeemable Preference Shares (PCPRPS) are eligible to convert into Equity Shares of the Company, which for all purposes shall be the last date of 18 Month from the date of allotment of PCPRPS;
 - Such number of PCPRPS shall be converted into such proportionate number of Equity Shares based on the conversion price on the Conversion Date in such a manner so the post conversion equity capital of EARC shall not exceed 10% of total post conversion paid up Equity capital of the company and balance PCPRPS which will not get converted into equity shares shall be continue as Non convertible redeemable preference shares and shall carry 0% Coupon Rate and shall be redeemed/re-purchased on such date as determined by the board but not later than a period exceeding three years. The Board of Directors is authorized in the case due to Conversion Price if there is any fractions which is to be created for equity shares than in such a situation the conversion in Equity Shares upon the conversion of PCPRPS into equity shares shall be rounded off to the nearest lower integer so that no fraction is left out after conversion either in Equity Shares or Non Convertible Preference Shares.
 - The Company shall take all steps to convert the PCPRPS held by the PCPRPS holder into Equity Shares of Rs. 10/- Each and balance continued as Non convertible redeemable Preference shares of Rs. 10/- each and deliver the Equity Shares/Non-Convertible redeemable Preference Shares without any additional act or deed being required to be performed by the PCPRPS holder.
 - The PCPRPS, Equity Shares and Non-Convertible redeemable Preference Shares (upon conversion) to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association & Article of Association of the Company. The Equity Shares arising upon conversion of the PCPRPS shall rank pari passu with the existing Equity Shares of the Company in all respects, including dividend.
 - The Company shall at all times reserve and keep available out of its authorised but unissued Equity Shares, solely for the purpose of effecting the conversion, such number of Equity Shares as shall be sufficient to give effect of the conversion of all PCPRPS into equity shares.

Relevant Date The "Relevant Date" for the purpose of determining the pricing of any equity shares to be issued upon conversion of Partially Convertible Partially Redeemable Preference Shares (PCPRPS) shall be, thirty days prior to the Conversion date on which the holder of PCPRPS get converted into Equity Shares, which for all purposes shall be the last date of 18 Month from the date of allotment and where if the relevant falls on a weekend/holiday, the day preceding the weekend/ holiday will be reckoned to be the relevant date.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to finalize the other terms and conditions reflecting to issue of Partially Convertible Partially Redeemable Preference Shares (PCPRPS) and all matters incidental thereto as it may in its absolute discretion think, fit, in accordance with all applicable laws, rules and regulations, permission, sanction, as may be required, for the time being in force in that behalf.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to finalize the other terms and conditions reflecting to issue such proportionate number of Equity shares and Non- Convertible Preference Shares on conversion of Partially Convertible Partially Redeemable Preference Shares (PCPRPS) and all matters incidental thereto as it may in its absolute discretion think, fit, in accordance with all applicable laws, rules and regulations, permission, sanction, as may be required, for the time being in force in that behalf.

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Partially Convertible Partially Redeemable Preference Shares (PCPRPS) shall be made within 15 days from the date of passing of this resolution subject however to the applicable statutory regulatory provisions and the Guidelines by the Securities and Exchange Board of India.

RESOLVED FURTHER THAT the pricing of any equity shares to be issued upon conversion of Partially Convertible Partially Redeemable Preference Shares (PCPRPS) shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and regulations considering the "Relevant Date" under SEBI Regulations for the purpose of determining the issue price of resultant shares.

"RESOLVED FURTHER THAT the Equity Shares proposed to be allotted to Edelweiss Asset Reconstruction Company Limited upon conversion of the PCPRPS, be listed on the stock exchanges where the shares of the Company are listed and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary for the approval of allotment of PCPRPS to Edelweiss Asset Reconstruction Company Limited and listing of the Equity Shares proposed to be allotted upon conversion of the PCPRPS and for the admission of such equity shares of the Company with the depositories, i.e., NSDL & CDSL, and for the credit of such equity shares allotted upon conversion of the PCPRPS to the PCPRPS holder dematerialised securities account."

"RESOLVED FURTHER THAT for the purposes of giving effect to these resolutions, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any director or any other officer of the Company and for the purpose of giving effect to this resolution, the Board acting on its own or through a committee of directors or any other person authorised by the Board, be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in that regard and to finalise and execute all such deeds and documents including issuing share certificates, updating the statutory registers, making necessary filings with the jurisdictional Registrar of Companies and making necessary filings with the stock exchanges and Reserve Bank of India for the purpose of giving effect to the aforesaid resolution."

**By order of the Board of Directors
For Electrotherm (India) Limited**

Place : Ahmedabad
Date : 2nd July, 2015

**Jigar Shah
Company Secretary**

NOTES

1. The Explanatory Statement for the proposed special businesses, pursuant to section 102 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under is given hereunder.
2. A copy of this Postal Ballot Notice has been placed on the website of the Company www.electrotherm.com and shall remain on the website until the last date for receipt of the postal ballot forms from the Members.
3. In accordance with Rule 22(3) of the Companies (Management and Administration) Rules, 2014, after the Postal Ballot Notice is dispatched, an advertisement will be published in at least one English language and one vernacular language newspaper circulating in Ahmedabad.
4. The Postal Ballot Notice is being sent to all the Members, whose names would appear in the Register of Member/List of Beneficial Owners as received from National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) as on 30th June, 2015.
5. The Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with the Depository Participant (in respect of shares held in electronic form) and made available to the Company by the Depositories. Members who have not registered their e-mail address will receive this postal ballot Notice along with the Postal Ballot Form through post/courier.
6. The Board of Directors has appointed Mr. Shailesh Bhandari, Managing Director or Mr. Avinash Bhandari, Joint Managing Director & CEO and Mr. Jigar Shah, Company Secretary of the Company as the persons responsible for the entire Postal Ballot process.
7. The Scrutinizer will submit his report to the Managing Director of the Company, after completion of scrutiny of the postal ballots and the scrutiny of e-voting in a fair and transparent manner. The result of the postal ballot along with the Scrutinizer's report will be displayed on the Company's website www.electrotherm.com and the result will also be communicated to the stock exchanges where the shares of the company are listed and also published in newspapers. The resolutions, if approved, will be taken as having been passed effectively on the date of declaration of the result.
8. Please see the instructions for voting by postal ballot (including e-voting) which have been printed herein.
9. In case of e-voting on the website www.evotingindia.com. Voting will commence on and from 10.00 a.m. on 7th July, 2015 and end at 5.00 p.m. on 6th August, 2015.
10. The Notice is also placed on the website of the company: www.electrotherm.com and website of CDSL: www.evotingindia.com.

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of items nos. 1, 2 and 3 of the notice setting out all the material facts and reasons thereto is annexed hereto.

Item No. 1 and 2

The authorized share capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity shares of Rs. 10/- (Rupees Ten Only) each and 2,50,00,000 (Two Crore Fifty Lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each. The resolution set out at Item No. 1 seeks to alter the capital clause of the memorandum of association of the Company by increasing the authorised share capital from Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity shares of Rs. 10/- (Rupees Ten Only) each and 2,50,00,000 (Two Crore Fifty Lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 78,59,00,000 (Rupees Seventy Eight Crores Fifty Nine lacs Only) divided into 2,50,00,000 (Two crore fifty lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each, 2,50,00,000 (Two Crore Fifty lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each and 2,85,90,000 (Two Crore Eighty Five lacs Ninety thousand only) Partially Convertible Partially Redeemable Preference Share of Rs. 10 (Rupees Ten Only) each.

Resolution set out at Item No. 3 is relating to issue of PCPRPS on preferential basis, therefore, it is necessary to amend the capital clause of the memorandum of association of the Company. Pursuant to Sections 13 and 61 of the Companies Act, 2013, the Company is required to obtain approval of its shareholders by means of a special resolution to carry out amendments to the memorandum of association of the Company and special resolution to carry out amendments to the articles of association of the Company.

The Board of Directors accordingly recommend the resolutions in Item No.1 for your approval by way of a special resolution and Item No. 2 for your approval by way of a special resolution by voting through postal ballot.

None of the Directors and/or Key Managerial Personnel of the Company and/ or their relatives is deemed to be, in any way concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any, in the Company.

A copy of the memorandum of association of the Company together with the proposed amendments is available for inspection at registered office of the Company between 11:00 a.m. and 5:30 p.m. on all working days up to the date of the closure of Postal Ballot.

Item No. 3

The disclosures prescribed under Regulation 73 of the SEBI (ICDR) Regulations, 2009 as amended & Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 in respect of Resolution 3 are as follows:

(a) Object of the preferential issue

The company is in financial stress. The lender of Company namely Bank of India, Canara Bank, Bank of Baroda, State Bank of India and State bank of Travancore ("assignors") has assigned all the rights, title and interests in financial assistances granted by them to the Company in favour of Edelweiss Asset Reconstruction Company Limited ('EARC') being the Financial Institution within the meaning of sub clauses (ia) and (ii) of clause (h) of section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Accordingly, EARC has become secured lender and all the rights, title and interests of assignors have vested in EARC in respect of the above financial assistances. The Company and EARC are agreeable for settlement subject to the terms & conditions vide document dated 10th March, 2015 wherein restructured amount payable is Rs. 875 crore in cash and Securities of FV of Rs. 28.59 crore of the company as agreed by Secured Lender towards restructuring of EARC dues.

Therefore, to comply the same the Board of Directors of the company in its meeting held on 2nd July, 2015 has decided to issue and allot a total number of 2,85,90,000 Partially Convertible Partially Redeemable Preference Shares of Face value of Rs. 10/- each convertible into proportionate number of equity shares in accordance with the settlement terms and conditions.

(b) Types and number of securities offered

To create, offer, issue and allot on a preferential basis 2,85,90,000 Partially Convertible Partially Redeemable Preference Shares of face value of Rs.10 (Rupees Ten only) each ("hereinafter referred to as PCPRPS") partially convertible into equity shares of Rs 10/- each and balance continued as Non convertible redeemable Preference shares of Rs. 10/- each to Edelweiss Asset Reconstruction Company Limited ("EARC"). The brief terms of issue of PCPRPS are herein under:

Coupon Rate : The PCPRPS shall be issued at zero coupon rate.

Conversion Price : The PCPRPS shall be converted on conversion date into proportionate number of Equity Shares of face value of Rs.10/- each at a price which shall be not lower than the price arrived in accordance with the **SEBI (ICDR) Regulations, 2009** and shall be rounded off to the nearest higher integer of 5 paisa as on **Relevant Date** but shall not be less than face value of equity share of Company.

General

- (a) The 'Conversion Date' means the date on which the Partially Convertible Partially Redeemable Preference Shares (PCPRPS) are eligible to convert into Equity Shares of the Company, which for all purposes shall be the last date of 18 Month from the date of allotment of PCPRPS;
- (b) Such number of PCPRPS shall be converted into such proportionate number of Equity Shares based on the conversion price on the Conversion Date in such a manner so the post conversion equity capital of EARC shall not exceed 10% of total post conversion paid up Equity capital of the company and balance PCPRPS which will not get converted into equity shares shall be continue as Non convertible redeemable preference shares and shall carry 0% Coupon Rate and shall be redeemed/re-purchased on such date as determined by the board but not later than a period exceeding three years. The Board of Directors is authorized in the case due to Conversion Price if there is any fractions which is to be created for equity shares than in such a situation the conversion in Equity Shares upon the conversion of PCPRPS into equity shares shall be rounded off to the nearest lower integer so that no fraction is left out after conversion either in Equity Shares or Non Convertible Preference Shares.

- (c) The Company shall take all steps to convert the PCPRPS held by the PCPRPS holder into Equity Shares of Rs. 10/- Each and balance continued as Non convertible redeemable Preference shares of Rs. 10/- each and deliver the Equity Shares/Non-Convertible redeemable Preference Shares without any additional act or deed being required to be performed by the PCPRPS holder.
- (d) The PCPRPS, Equity Shares and Non-Convertible redeemable Preference Shares (upon conversion) to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association & Article of Association of the Company. The Equity Shares arising upon conversion of the PCPRPS shall rank pari passu with the existing Equity Shares of the Company in all respects, including dividend.
- (e) The Company shall at all times reserve and keep available out of its authorised but unissued Equity Shares, solely for the purpose of effecting the conversion, such number of Equity Shares as shall be sufficient to give effect of the conversion of all PCPRPS into equity shares.

Relevant Date : The "Relevant Date" for the purpose of determining the pricing of any equity shares to be issued upon conversion of Partially Convertible Partially Redeemable Preference Shares (PCPRPS) shall be, thirty days prior to the Conversion date on which the holder of PCPRPS get converted into Equity Shares, which for all purposes shall be the last date of 18 Month from the date of allotment and where if the relevant falls on a weekend/holiday, the day preceding the weekend/ holiday will be reckoned to be the relevant date.

(c) **Proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer**

None of the promoters, directors or key management personnel of the Company intends to subscribe to the proposed preferential offer.

(d) **Shareholding pattern before and after the proposed issue and conversion of PCPRPS**

Category	Pre-Issue Equity Holdings		Preferential Allotment of equity shares	Post-Issue Equity Holdings *	
	No. of Shares	% of Share Holding		No. of Shares	% of Share Holding
1) Promoter Holdings					
a. Indian Promoters	3255575	28.37	-	3255575	25.53
b. Foreign Promoters	512500	4.47	-	512500	4.02
Sub-total	3768075	32.83	-	3768075	29.55
2) Non-Promoters Holding					
a. Resident Indians (Individuals)	1773256	15.45	-	1773256	13.91
b. Bodies Corporate	2219776	19.34	-	2219776	17.41
c. NRI/FI/FII/NRR/OCB/FPI	3354228	29.23	1275152	4629380	36.30
d. Others (Clearing Members)	361039	3.15	-	361039	2.83
Sub-Total	7708299	67.17	1275152	6983451	70.45
Total	11476374	100.00	1275152	12751526	100.00

*1. Subject to Conversion Price.

2. This may change in case there is change in existing capital of the Company prior to Conversion.

(e) **No Change in Control**

The existing promoters of the company will continue to be in control of the company and there will not be any changes in the management/ control of the company as a result of the proposed preferential allotment.

(f) **Proposed time within which the allotment will be completed:**

The proposed allotment of PCPRPS will be completed, in accordance with Regulation 74 of SEBI (ICDR) Regulations, within 15 (fifteen) days period from the later of: (i) date of passing of the shareholders' special resolution; or (ii) receipt of the permission or approval from any regulatory authority or the Central Government, if any, including receipt of the 'in principle approval' from all the stock exchanges (pursuant to clause 24(a) of listing agreement) where the shares of the Company are listed.

Subject to the terms of the PCPRPS, the proportionate number of Equity Shares of face value of Rs. 10 (Rupees Ten) each to be allotted to Edelweiss Asset Reconstruction Company Limited ("EARC") resulting from conversion of the proposed PCPRPS will be completed on Conversion Date and the allotment is to be made in dematerialized form.

(g) **Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:**

Edelweiss Asset Reconstruction Company Limited is an Financial Institution within the meaning of sub clauses (ia) and (ii) of clause (h) of section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. It is managed and controlled by its Managing Director Mr. Siby Antony.

The proposed allotment of 2,85,90,000 Partially Convertible Partially Redeemable Preference Shares of Face value of Rs. 10/- each convertible into such proportionate number of equity shares to be issued pursuant to the Special Resolution at Item No. 1 of the Notice and the percentage of the expanded capital to be held by them after the proposed allotment of the said equity shares to them are as under:

Name of Allottee	Category	Pre-issue equity holdings		Post Issue Holding*	
		No. of shares	% of share holding	No. of Shares	% of share holding
Edelweiss Asset Reconstruction Company Limited	Non-Promoter	Nil	-	1275152	10.00%

* 1. Subject to Conversion Price.

2. This may change in case there is change in existing capital of the Company prior to Conversion.

The consent of the Members is sought for the issue of Partially Convertible Partially Redeemable Preference Shares convertible into proportionate number of equity shares, in terms of Section 62 of the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed.

(h) **Pricing of the Issue (PCPRPS) & Equity shares and Non- Convertible Redeemable Preference Shares on conversion of PCPRPS.**

- (i) The issue price of PCPRPS to be allotted on preferential basis to the PCPRPS Holder shall be made at a price of Rs.10/- per share
- (ii) The issue price of the proportionate number of Equity Shares of face value of Rs.10/- each to be allotted on Conversion of PCPRPS shall not be lower than the price arrived in accordance with the **SEBI (ICDR) Regulations, 2009** and shall be rounded off to the nearest higher integer of 5 paise as on **Relevant Date** but shall not be less than face value of equity share of Company.

and

The Balance Non-convertible Redeemable Preference Shares shall have the face value of Rs. 10/- each.

(i) **Number of Persons to whom allotment on preferential basis have been made during the year, in terms of number of securities as well as price.**

During the year, the company has not issued any shares on preferential basis or Private Placement basis other than mentioned above.

(j) **Auditor's Certificate**

A copy of the certificate of the Company's statutory auditors certifying that the issue is being made in accordance with the requirements of the SEBI (ICDR) Regulations and is available for inspection at registered office of the Company between 11:00 a.m. and 5:30 p.m. on all working days up to the date of the closure of Postal Ballot.

(k) **Relevant Date:**

The "Relevant Date" for the purpose of determining the pricing of any equity shares to be issued upon conversion of Partially Convertible Partially Redeemable Preference Shares (PCPRPS) shall be, thirty days prior to the Conversion date on which the holder of PCPRPS get converted into Equity Shares, which for all purposes shall be the last date of 18 Month from the date of allotment and where if the relevant falls on a weekend/holiday, the day preceding the weekend/ holiday will be reckoned to be the relevant date.

The board of directors of the Company recommends passing of the resolutions as set out at Item No.2 and Item No. 3 in the notice relating to issue of PCPRPS, Equity Shares and Non-Convertible redeemable Preference Shares (upon conversion) as special resolutions.

Accordingly, the special resolutions proposed at Item No. 2 and Item No. 3 will, if passed, enable the Company to issue and allot PCPRPS, Equity Shares and Non-Convertible redeemable Preference Shares (upon conversion) on a preferential basis to Edelweiss Asset Reconstruction Company Limited in the manner and to the extent as stated in the resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/ or their relatives is deemed to be, in any way concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any, in the Company.

**By order of the Board of Directors
For Electrotherm (India) Limited**

Place : Ahmedabad
Date : 2nd July, 2015

**Jigar Shah
Company Secretary**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on from 10.00 a.m. on 7th July, 2015 and end at 5.00 p.m. on 6th August, 2015. During this period shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date 30th June, 2015, 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 Form 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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).

- (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 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 <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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) 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 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.
- (xix) 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.

CONTACT DETAILS

Name	Jigar Shah
Designation	Company Secretary
Company	Electrotherm (India) Limited
Registered Office	A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380015
CIN	L29249GJ1986PLC009126
Email	sec@electrotherm.com
Registrar and Transfer Agent	Link Intime India Pvt. Limited, 303, 3rd Floor, Shopper Plaza V, Opp. Municipal Market, Behind Shoppers Plaza-II, Off C. G. Road, Ahmedabad-380009. Phone & Fax No. (079) 26465179 Email : ahmedabad@linkintime.co.in
e-Voting Agency	Central Depository Services (India) Limited Email: helpdesk.evoting@cdslindia.com
Scrutinizer	Advocate Dipak Rachchha & Co. Email : drachchha@rediffmail.com



ELECTROTHERM (INDIA) LTD.

Registered Office : A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad 380015

CIN : L29249GJ1986PLC009126 Email: sec@electrotherm.com

Phone: +91-79-26768844, Fax: +91-79-26768855

POSTAL BALLOT FORM

(To be returned to Company)

Serial No. :

1. Name & Registered Address of the Sole / First named Shareholder	
2. Name(s) of the Joint Shareholder(s), if any	
3. Registered Folio No. DP ID No. / Client ID No. * (*Applicable to Investors holding shares in Dematerialized form)	
4. Nos. Shares held	

I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot for the business stated in the Notice dated 2nd July, 2015 of the company by sending my/our assent or dissent to the said Resolution by placing the tick mark (✓) at the appropriate box below:

Item No.	Description	No. of Shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
1.	Increase in and reclassification of the authorised share capital of the company			
2.	Alteration of Articles of Association			
3.	Issue of Partially Convertible Partially Redeemable Preference Shares on Preferential Basis			

Place :

Date :

(Signatory of Share holder)

Electronic Voting Particulars

EVEN (Electric Voting Event Number)	User ID	Password

Note : For e-voting, Please refer the instructions under "E-Voting Facility" in the Notice attached herewith.

Last date for receipt of Postal Ballot by the Scrutinizer: 6th August, 2015.

(Please see overleaf for instructions)

INSTRUCTIONS

1. A Member desirous of exercising his / her vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer viz. Advocate Dipak Rachchha & Co. at **ELECTROTHERM (INDIA) LIMITED**, A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad -380 015 in the enclosed postage pre-paid self-addressed envelope.
2. Envelopes containing postal ballots, if deposited in person or if sent by courier at the expense of the shareholder will also be accepted.
3. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
4. This form should be completed and signed by the Member (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this form should be completed and signed by the first named Member and in his absence, by the next named Member.
5. In case of shares held by companies, trusts, societies etc. the duly completed postal ballot form should be accompanied by a certified true copy of Board Resolution/ Power of attorney (POA).
6. Unsigned, incomplete, incorrectly ticked, defaced or mutilated Postal Ballot Forms shall be rejected.
7. The Consent must be accorded by recording the assent in the Column 'FOR' and dissent in the column "AGAINST" by placing a tick (✓) in the appropriate column. Postal Ballot Form bearing tick mark in both the columns will render the Postal Ballot Form invalid.
8. A Member needs not use all his/her votes nor needs to cast all his/her votes in the same way. The right of voting by Postal Ballot shall not be exercised by a proxy.
9. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on or before 6th August, 2015. All Postal Ballot Forms received after the aforesaid time and date will be strictly treated as if reply/ Postal Ballot Form from such Member have not been received.
10. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders on 30th June, 2015, the cut-off date.
11. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
12. A Member may request for a duplicate postal ballot form, if, so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at Sr. No.9 above.
13. Members are requested to fill the Postal Ballot Form in indelible ink (and avoid filling it by using erasable writing medium/s like pencil).
14. There will be one Postal Ballot Form for every Folio, irrespective of the number of joint holders.
15. The Scrutinizer's decision on the validity of the Postal Ballot Form will be final.
16. The date of declaration of the result of postal ballot i.e. 10th August, 2015 at 4.00 p.m. shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.
17. The results of the Postal Ballot will be declared in the manner as specified in the Notice.

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