# ELECTROTHERM (INDIA) LIMITED

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

## NOTICE PURSUANT TO SECTION 192A (2) OF THE COMPANIES ACT, 1956

Dear Shareholders,

Notice is hereby given to the members of ELECTROTHERM (INDIA) LIMITED that the draft Resolution as set out below shall be passed through Postal Ballot as per the provisions under Section 192A of the Companies Act, 1956, read with Rule 5(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

An Explanatory Statement pursuant to Sections 173(2) and 192A(2) of the Companies Act, 1956, setting out all material facts pertaining to the Resolution and explaining the reasons for the Postal Ballot is annexed hereto alongwith the Postal Ballot Form for consideration of the Members.

The Board of Directors of your Company has appointed Mr. Bipin S. Acharya, Practising Company Secretary, Ahmedabad, as Scrutinizer in accordance with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for conducting the Postal Ballot process in a fair and transparent manner.

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 on Saturday, 5th November, 2011. It should be noted that the response received from Members after 5th November, 2011 shall be treated as if no response is received in terms of Rule 6(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. The Scrutinizer will submit his report to the Chairman 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 Tuesday, 8th November, 2011 at 11.00 A.M. Also, the Company may announce the result of the Postal Ballot through advertisement and /or press release or on its website.

1. **To consider and if deemed fit, to pass with or without modification(s) through postal ballot, the following Resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 293(1)(a), Section 192A read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and subject to permissions, approvals, consents and sanctions as may be necessary from the concerned / statutory authorities and subject to such other terms and conditions as may be imposed by them, consent of the company be and is hereby accorded to the Board of Directors of the Company ("the Board" which expression shall also include a committee of directors constituted and authorized for purposes mentioned hereof) to sell, lease, transfer and/or otherwise dispose off its "Ductile Iron Pipes Division" comprising of manufacturing, marketing, sale and distribution of Ductile Iron Pipes ("DIP Division") along with the manufacturing unit situated at Kutch, Gujarat and other premises located elsewhere forming part of the DIP Division and all of the movable and immoveable assets and liabilities, land, building, machinery, accessories, office equipments, employees, ongoing / existing customers, dealers, suppliers and including verbal agreements and formal contracts, all rights thereunder and all other assets and properties tangible or intangible including business knowhow, business goodwill, receivables not stated herein but related (either entirely or partially alongwith any other divisions of the Company) to DIP Division including all licenses, permits, consents and approvals whatsoever, as a whole and as a "going concern" whether on a slump sale basis or otherwise, to its subsidiary company, group and/or associate company or to any other entity as may be approved by the Board, at such consideration and on such terms and conditions as may be decided by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, for giving effect to this resolution and matters incidental thereto including finalizing the terms and conditions, methods and modes in respect thereof, determining the effective date, discussing, negotiating, finalizing and executing necessary documents including schemes, agreements, deeds of assignment / conveyance and/or any amendment thereto and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, including to seek registration of any such documents, deeds as may be necessary, filing intimations, applying for and/or behalf of the Company and seeking approvals/consents of necessary parties, including without limitation regulatory authorities for giving effect to this resolution and that the Board shall also have the power and authority to delegate all or any of its powers conferred herein as it may deem fit to give effect to this Resolution."

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

**Shailesh Bhandari**
**Managing Director**

**Place :** Palodia
**Date :** 30th September, 2011

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

**Notes :**

1. All the documents referred to in this notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto 5th November, 2011, being the last day of receipt of Postal Ballot Form by the Company.
2. The resolution, if assented by the requisite majority shall be taken as passed on Tuesday, 8th November, 2011.
3. The voting on the Resolution shall be in hard copy of postal ballot and not in electronic mode.

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## ANNEXURE TO THE NOTICE

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND 192A(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 1**

The Company is engaged in the business of manufacturing, marketing, sale and distribution of Steel, Ductile Iron Pipes, Engineering Equipments and Electric Vehicles. The Company is considering to transfer the Ductile Iron Pipes Division ("DIP Division") to its subsidiary, group and / or associate company or to any other entity as a whole and as a going concern on a slump sale basis or otherwise as the Company's board of directors may decide. As a matter of strategic business opportunity and as a part of the restructuring exercise of the Company's business and with a view to reduce the debt burden, the Company is considering to sell, lease, transfer or dispose off its DIP Division to its subsidiary, group and / or associate company or to any other entity. The proposed slump sale shall be subject to the consents from banks and any other appropriate and / or concerned authorities, to the extent applicable or necessary.

The Gross Sales and Profit before Interest & Tax (PBIT) of the DIP Division for the financial year 2010-11 was Rs. 420.83 crores and Rs. 28.05 crores respectively. For the corresponding period in financial year 2009-10, Gross Sales and PBIT of DIP Division was Rs.295.41 Crores and Rs. 51.02 crores respectively.

The Board is of the opinion that a transfer, sale, lease and/or disposal of the DIP Division is in the best interest of the shareholders of the Company. The net proceeds from the sale of the business will be utlised towards repayment of debts and may also be invested for expanding operations of other existing businesses.

As per the provisions of Section 293(1)(a) and 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the sale, lease, transfer or disposal of whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking requires the approval of the members by passing an Ordinary Resolution by way of Postal Ballot. Accordingly, the approval of the Members is being sought through Postal Ballot for passing an Ordinary Resolution as set out in the above Notice.

A copy of the Memorandum & Articles of Association of the Company is available for inspection of members from 11.00 a.m. to 1.00 p.m. on every working day at the Registered Office of the Company.

The Board of Directors is of the opinion that the aforesaid Resolution is in the best interest of the Company, therefore, recommend for passing of the Resolution for your approval.

The Directors of the Company are deemed to be concerned or interested in the resolution as set out in the Notice pursuant to Section 192A of the Companies Act, 1956 only to the extent of shares held by them in the Company.

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

**Shailesh Bhandari**
**Managing Director**

**Place :** Palodia
**Date :** 30th September, 2011

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

# INSTRUCTIONS

1. A shareholder desirous of exercising his / her vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached pre-paid self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if deposited in person or if sent by courier at the expense of the shareholder will also be accepted.

2. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.

3. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company / Depository Participant) by the first named shareholder and in his absence, by the next named shareholder.

4. Unsigned, incomplete, incorrectly ticked, defaced or mutilated Postal Ballot Forms shall be rejected.

5. The Scrutinizer's decision on the validity of the Postal Ballot Form will be final.

6. The right of voting by Postal Ballot shall not be exercised by a proxy.

7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on or before 5th November, 2011. All Postal Ballot Forms received after the aforesaid time and date will be strictly treated as if reply/ Postal Ballot Form from such shareholder has not been received.

8. 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 / Authority giving requisite authority to the person voting on the Postal Ballot Form.

9. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders on 30th September, 2011, the cut off date.

10. Shareholders are requested not to send any other paper alongwith 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.

11. A tick ( ✓ ) mark should be placed in the relevant box signifying assent/dissent for the resolution as the case may be, before mailing the Postal Ballot Form. Postal Ballot Form bearing tick mark in both the columns will render the Postal Ballot Form invalid.

12. Shareholders are requested to fill the Postal Ballot Form in indelible ink (and avoid filling it by using erasable writing medium/s like pencil).

13. There will be one Postal Ballot Form for every Folio, irrespective of the number of joint holders.

14. The date of declaration of the result of postal ballot i.e. 8th November, 2011 shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.

# ELECTROTHERM (INDIA) LIMITED

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

## POSTAL BALLOT FORM

1. Name & Registered Address
   of the Sole / First named shareholder/
   Beneficial Owner (in block letters)

2. Name(s) of the Joint shareholder(s), if any
   (in block letters)

3. Registered Folio No.
   DP ID No. / Client ID No. *
   (*Applicable to Investors holding shares in
   Dematerialized form)

4. No. of Shares held

I/We hereby exercise my/our vote in respect of the Resolution to be passed through Postal Ballot for the business stated in the Notice dated 30th September, 2011 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. | Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956 for sale, lease, transfer or disposal of Ductile Iron Pipes Division ("DIP Division) of the Company | | | |

**Place :**

**Date :**

**(Signature of the Shareholder/ Beneficial Owner)**

**Note :** Please read instructions printed overleaf carefully before exercising your vote.