ELECTROTHERM (INDIA) LTD.

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 Resolutions 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 Resolutions 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. Dipak Rachchha, 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 Thursday, 10th January, 2013. It should be noted that the response received from Members after 10th January, 2013 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 / 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 Saturday, 12th January, 2013 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. Creation of charge / security on properties of the Company

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) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in super cession of the all earlier resolution passed by the members of the Company in this regard, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to create mortgage, hypothecation and / or charge, in addition to the existing mortgages, hypothecations / charges created / to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immoveable, tangible and / or intangible properties / assets of any description of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Bank(s) or Financial Institution(s) or Lender(s) or Agent(s) and/or Trustee(s), for securing the borrowings availed / to be availed by the Company and / or any of the Company's holding / subsidiary / joint venture / affiliate / associate company, by way of loan(s) (in foreign currency and / or rupee currency) and Securities (comprising fully / partly Convertible Debentures and / or Non Convertible Debentures with or without detachable or non-detachable Warrants and / or secured premium notes and / or floating rates notes / bonds or other debt instruments), issued / to be issued by the Company, from time to time, subject to overall limits of ₹ 4000 Crores (Rupees Four Thousand Crores), together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Bank(s), Financial Institutions(s), Lender(s), Agent(s) and/or Trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Bank(s), Financial Institution(s), Lender(s), Agent(s) and/or Trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and / or its duly constituted Committee be and are hereby authorized to finalise, alter, modify, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages, hypothecations and/or charges as aforesaid."

2. Increase in borrowing limits

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)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company and in super cession of the earlier resolution passed by the members of the Company in this regard, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed upto a sum of ₹ 4000 Crores (Rupees Four Thousand Crores) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in the respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

3. Increase in limits of inter corporate loans and investments etc.

To consider and if deemed fit, to pass with or without modification(s) through postal ballot, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 372A and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to consent and approvals of and permissions as may be necessary under any statute for time being in force, or any other approvals as may be required from lenders, consent and approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to invest/acquire from time to time by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments of one or

more bodies corporate, which may or may not be subsidiary/ies of the Company, to make/ give from time to time any loan or loans to any body/bodies corporate, which may or may not be subsidiary/ies of the Company and give from time to time any guarantee(s) and/or provide any security, in connection with any loan(s) made, by any other person(s) to, or to any other person(s) by, any body/bodies corporate, which may or may not be subsidiary/ies of the Company as the Board may think fit, for the amount not exceeding ₹ 500 Crores (Rupees Five Hundred Crores Only) in the aggregate at any one point of time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the actual sum of investment, loans and guarantee / securities that may be provided by the Company to the lenders of fund to any other body corporate, within the above limit and to do all or any of the matters arising out of and incidental to the making of investment or loans or giving of guarantee / providing securities by the Company as aforesaid."

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

Place : Palodia
Date : 27th November, 2012
Jigar Shah
Company Secretary

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 10th January, 2013, 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 Saturday, 12th January, 2013.
3. The voting on the Resolution shall be in hard copy of postal ballot and not in electronic mode.

ANNEXURE TO THE NOTICE

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

ITEM NO. 1

The borrowings by a Company, in general, is required to be secured by mortgage or charge on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The mortgage, hypothecation and/or charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company or of any of its holding, subsidiary, joint venture, affiliate or associate company, with a power to the charge holders to take over the management of the business and concern of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of section 293(1)(a) of the Companies Act, 1956. As such, the approval of members in general meeting is required to be taken for creation of security for borrowing up to ₹ 4000 Crores (Rupees Four Thousand Crores) in line with the proposal under section 293(1)(d) of the Companies Act, 1956. Hence, Members are requested to authorise the Board of Directors to create security upto the said amount.

The Board of Directors accordingly recommends the resolution set out at Item no. 1 for your approval by way of an ordinary resolution by voting through postal ballot.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM NO. 2

Pursuant to provisions of section 293(1)(d) of the Companies Act, 1956 ("Act"), the Board of Directors of a Company cannot, except with the consent of the Company in General Meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. The shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 28th March, 2008 had accorded their consent to the Board of Directors for borrowing up to ₹ 2500 Crores (Rupees Two Thousand Five Hundred Crores Only).

Taking in to consideration the ongoing Corporate Debt Restructuring ("CDR") of the debts of the Company, whereby the debts / borrowings of the Company from various banks will be restructured as per the CDR package to be approved by the majority banks. At present, the Company has obtained various 'temporary loans' in the nature of loans repayable on demand, short-term loan, cash credit arrangements etc. falling within the purview of Explanation II of section 293(1) of the Companies Act, 1956. During the course of CDR, these temporary loans including certain part of cash credit arrangements might be restructured into long term loans and additional loans may also be granted by the banks, which may exceed the present limit of ₹ 2500 Crores. The Consent of the shareholders is therefore, sought in accordance with the provisions of Section 293(1)(d) of the Act, to enable the Board of Directors to borrow monies, provided that the total amounts so borrowed by the Board of Directors shall not at any time exceed ₹ 4000 Crores (Rupees Four Thousand Crores Only) over and above the aggregate of the paid up capital of the Company and its free reserves.

Therefore, it is proposed to increase the borrowing limits to enable the Company to borrow moneys / restructure the debts of the Company.

The above proposal is in the interest of the Company and accordingly, the Board of Directors recommends the resolution at Item no. 2 of the Notice for approval by the members by way of an ordinary resolution by voting through postal ballot.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM NO.3

Pursuant to section 372A of the Companies Act, 1956, the Company can make loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate to the extent of 60% of its paid up share capital and free reserves or 100% of its free reserves, whichever is more with the approval of the Board of Directors. Where aggregate of loans and investments made, guarantees given or security provided exceeds the aforesaid limits, previous authorisation of shareholders by a special resolution is required.

Due to the erosion of substantial networth of the Company for the financial period of 18 months ended on 30th September, 2012, the Company would require approval of members for making any further loans, give guarantees, provide securities to and make investments in the securities of subsidiaries, joint ventures or other bodies corporate. As such, approval of the members by means of special resolution through postal ballot is required under section 372A read with section 192A of the Companies Act, 1956 to give powers to the Board of Directors for making further investments, loans and giving guarantees or providing securities as above.

These investments, loans, guarantees and securities are made/proposed to be made out of own/surplus funds or by internal accruals/borrowed funds or from such other sources as the Board may deem appropriate.

The above proposal is in the interest of the Company and accordingly, the Board of Directors recommends the resolution at Item no. 3 of the Notice for approval by the members by way of a special resolution by voting through postal ballot.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding in any other body corporate.

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

Place : Palodia
Date : 27th November, 2012
Jigar Shah
Company Secretary

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

ELECTROTHERM (INDIA) LTD.

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

POSTAL BALLOT FORM

(To be returned to Company)

Serial No. :

1. Name & Registered Address of the Sole / First named shareholder/ Beneficial Owner	
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 27th November, 2012 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 creation of charge / security on properties of the Company.			
2.	Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 for increase in borrowing limits of the Company.			
3.	Special Resolution under section 372A of the Companies Act, 1956 for increase in limits of inter corporate loans and investments etc.			

Place :

Date :

(Signatory of Share holder)

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

P.T.O.

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 10th January, 2013. 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 November, 2012, 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. 12th January, 2013 shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.

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