



# **Electrotherm (India) Limited**

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**Transcript of  
34<sup>th</sup>  
Annual General Meeting**

**Held on  
Monday,  
17<sup>th</sup> August, 2020**

**AT**

**10:00 AM**

**Through  
Video Conferencing / Other Audio Visual Means  
(‘VC/OAVM’)**



## **Welcome Address – Mr. Fageshkumar R. Soni, Company Secretary**

Good Morning to all of you. It is 10.00 a.m. and we shall start with the 34<sup>th</sup> Annual General Meeting.

On behalf of the Board of Directors of Electrotherm (India) Limited, I Fagesh Soni, Company Secretary would like to welcome all the members present at the 34<sup>th</sup> Annual General Meeting of your Company conducted through Video Conferencing or other audio – visual means (VC or OAVM).

In view of the current extraordinary circumstances due to the COVID-19 pandemic prevailing in India, the requirement of social distancing and continuing restrictions on the movement of persons at several places in the country and in compliance with the MCA & SEBI Circulars and Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable statutory provisions, we are holding this 34<sup>th</sup> AGM through Video Conferencing / Other Audio Visual Means for the first time.

Pursuant to the MCA & SEBI Circulars, the proxy is not allowed to be appointed to attend and vote at the AGM on behalf of the members who is not able to attend the AGM personally.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

The facility of participation at the AGM through VC/OAVM is being made available on first come first served basis.

Please note that to ensure the smooth and seamless conduct of meeting and to avoid disturbance arising from back ground noise, you are put on mute mode.

During the AGM, if the member is facing any technical problem related to voting by electronic means, he may contact on the helpline numbers mentioned in the Notice of 34<sup>th</sup> AGM.

Now I would like to introduce the Board of Directors & Others present at the 34<sup>th</sup> AGM.

Mr. Dinesh Mukati - Non-Executive Chairman of the Board & Independent Director. He is also a Chairman of the Nomination and Remuneration Committee.

Mr. Shailesh Bhandari – Managing Director and Chairman of the CSR Committee.



Mr. Pratap Mohan - Independent Director and Chairman of the Audit Committee.

Mr. Suraj Bhandari – Additional Director & Whole Time Director.

Ms. Shraddha Vyas - Chief Financial Officer.

We are joining this AGM from Head Office of the Company at Village: Palodia, Tal: Kalol, Dist: Gandhinagar.

Ms. Nivedita Sarma - Independent Director and Chairperson of Stakeholders Relationship Committee. She is joining the Meeting from Jaipur.

Mr. Mukesh Bhandari - Non-Executive Director is not present in the AGM.

Pursuant to Section 103(1)(a) of the Companies Act, 2013, the quorum for the meeting shall be 30 members personally present.

As the necessary quorum being present, with the permission of Chairman Sir, we may proceed with the meeting.

The Statutory Auditors Mr. Hitesh Shah, Secretarial Auditor Mr. Bharat Prajapati and Scrutinizer Mr. Arvind Gaudana are also present at this Annual General Meeting.

Now, I request Mr. Dinesh Mukati Sir, Chairman, to deliver Message to the Shareholders.

**Welcome Address – Mr. Dinesh Mukati, Chairman**

Good Morning,

I welcome all the shareholders present at the 34<sup>th</sup> Annual General Meeting of your Company conducted through Video Conferencing or other audio– visual means (VC or OAVM).

This is my first communication to the shareholders as a Non-Executive Chairman of the Company. As you all are aware, Electrotherm (India) Limited has diversified businesses in Engineering & Technologies, Steel, Pipes, Electric Vehicles, Transformers and Transmission Line Towers. Despite of there being ups and downs during the last decade, your Company has turnaround its operations since last 3-4 years.

Electrotherm directly and indirectly deals with steel industry and the steel sector has been a major contributor to India’s manufacturing output. The country produced 109.6 MT of crude steel in FY 2019-20 as against 110.92 MT of crude steel in 2018-19.



### **Steel & Pipe Division:**

- ET TMT brand is the number #1 and the most preferred TMT brand in Gujarat.
- With the addition of new rolling capacity last year, the company is now expanding its sales in Rajasthan and Maharashtra.
- Maharashtra is a large market for the value added epoxy coated TMT bars that the company produces.
- The company received many new approvals from various national and state level institutions last year. This is allowing the company to migrate from being a **real estate focused steel producer to real estate plus infrastructure projects** focused steel producer.
- The company has started to focus on increasing its pipe exports and expect this to go up to 20% of the total pipe sales in the next few years.

### **Engineering & Technologies Division:**

- When India attains 300 MTPA crude steel production capacity by 2030-31, integrated IF – LRF route should be contributing around 90 – 100 MT. This will also save about INR 3,800 Crore for every million ton plant capacity added through integrated IF – LRF route in lieu of BF-BOF route. All this augers well for robust growth of sales for the engineering division of the company.
- The direct rolling process introduced by Electrotherm many years ago has now become the industry norm now. Most induction based steel plants are now rolling billets directly from the caster thereby eliminating the need for billet reheating furnace and hence save reheating fuel worth 1.2 GJ/ton.
- As a society, we are having an increased concern for the environment protection and so the steel makers. More and more of our customers are asking for higher end high efficiency pollution control equipments both within and outside the country.

The company over the last 5 years has settled with majority of its financial lenders and is working seriously towards resolving the only remaining bank and an ARC.

As the global pandemic continues to ravage economies across the world; in a recent survey carried out by LocalCircles, more than half of Indians are optimistic that India will have complete economic recovery from the impact of the Covid-19 pandemic by 2022. However we believe that Electrotherm will resilient before March – 2021 and would have significant contribute in Atma Nirbhar Bharat Abhiyan by curbing imports and exports augmentation.

On behalf of the Board, I thank all the shareholders of the Company for their support during the year. I would also like to thank the lenders, suppliers, customers, Government authorities, the Employees and the Associates who have stood by the company and I look forward to their continued support in the future.

Be safe and thank you.



**Fageshkumar R. Soni, Company Secretary**

Thank You Chairman Sir.

The Company has taken requisite steps to enable members to participate and vote on agenda items being considered in this meeting.

The necessary statutory records like Register of Directors and Key Managerial Personnel shareholding, Auditor's Report and Secretarial Audit Report etc. are available at the Meeting electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to [sec@electrotherm.com](mailto:sec@electrotherm.com).

In compliance with the MCA & SEBI Circulars mentioned in the Notice of this AGM, the Annual Report and the Notice convening the Annual General Meeting have been sent to you well in advance by e-mail.

Further, this is to inform you that after issuing the 34<sup>th</sup> AGM Notice, the Company, on 31<sup>st</sup> July, 2020, has received one notice under section 160 of the Act along with deposit of Rs. 1,00,000/- from Mr. Aditya Jain (DIN: 01568183) signifying his candidature as a Director in category of Non-Executive Director of the Company at the 34<sup>th</sup> AGM. Accordingly, pursuant to Section 160(2) of the Companies Act, 2013 read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company has informed to the members through newspaper advertisement published on 8<sup>th</sup> August, 2020 in Financial Express in English and Gujarati Languages, about the above referred candidature and the addendum to the notice of 34<sup>th</sup> AGM in respect of adding additional agenda Item at serial No. 7 for appointment of Mr. Aditya Jain (DIN: 01568183) as Non-Executive Director of the Company. Such addendum to the AGM Notice form an integral part of the 34<sup>th</sup> AGM Notice dated 30<sup>th</sup> June, 2020.

So with the permission of the members, the Notice and Board's Report is taken as read.

**Auditors Report:**

In terms of the provisions of Section 145 of the Companies Act, 2013 the qualifications, observations or comments on financial statements is required to be read at the general meeting.

There are certain qualification in the Auditor's Report as mentioned in Page No. 64 of the Annual Report.

We draw attention to Note No. 34(b) of non- provision of interest on NPA accounts of banks of Rs.160.67 Crore (Net of Reversal of Rs.17.31 crore on its settlement), for the year under consideration and the total amount of such unprovided interest till date is Rs 1037.01 Crore. The exact amounts of the said non provisions of interest



are not determined and accounted for by the Company and accordingly (a) Bankers/ARCs Loan liabilities and the retained earnings (Loss) as on 31st March 2020 are understated by Rs.1037.01 Crore and (b) the profit for the year is overstated by Rs. 160.67 Crore.

I draw the attention of the members present to the explanations / comments given by the Board of Directors in their report on Page No. 17 of the Annual Report.

With regard to the qualification in the Independent Auditors' Report for non-provision of interest on Bank loan as account declared as Non-Performing Assets (NPA) amounting to Rs. 160.67 Crores (Net of Reversal) for the year under consideration and total amount of Rs. 1037.01 Crores, the Board of Directors submits that the loan accounts of the Company have been classified as Non-Performing Assets (NPA) by the Bankers and some of the Bankers has not charged interest on the said accounts and therefore provision for interest has not been made in the books of accounts. The quantification has been done only for the loans which have not been settled.

As per Secretarial Standard 2, the Observations in the Secretarial Audit Report is required to be read in the Annual General Meeting.

There are certain observations in the Secretarial Audit Report as mentioned in Page No. 24 of the Annual Report.

- (a) The Company has not submitted unaudited financial results for the quarter ended on 30<sup>th</sup> June, 2019, within the time limits as prescribed under Regulation 33(3)(a)&(b) of the SEBI (LODR) Regulations, 2015.
- (b) The draft minutes of the Board Meetings/Committee Meeting were not circulated to all the members of the Board within the time period prescribed under the clause 7.4 of the Secretarial Standard on meetings of the Board of Directors (SS-1).

I draw the attention of the members present to the explanations / comments given by the Board of Directors in their report on Page No. 17 of the Annual Report.

- (a) With regard to delay in submission of unaudited financial results for the quarter ended on 30<sup>th</sup> June, 2019 within the time limits as prescribed under Regulation 33(3)(a) & (b) of the SEBI (LODR) Regulations, 2015, there was delay in submission of results because of non-calling of the Board Meeting within such time limit.
- (b) With regard to delay in circulation of draft minutes of the Board Meetings/Committee Meeting within the prescribed time period, the Company will ensure to circulate draft minutes within the time line.

Now, I would like to bring the attention of the Members to the following:

- a. That in compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration)



Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with MCA & SEBI Circulars, the Company has provided the facility to the Members to cast their vote by electronic means through the remote e-voting or through e-voting during the AGM by using the platform provided by Central Depository Services (India) Ltd. (CDSL).

- b. The members who are attending the AGM and who have not cast their vote through remote e-voting prior to the date of AGM shall be able to exercise their voting rights during the AGM. The Facility for e-voting is made available during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again.
- c. The Remote e-voting period commenced on Friday, 14<sup>th</sup> August, 2020 and ended on Sunday, 16<sup>th</sup> August, 2020.
- d. The voting right of Shareholders was in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 10<sup>th</sup> August, 2020.
- e. The scrutinizer will submit the a consolidated scrutinizer's report of the total votes cast through remote e-voting and e voting conducted during at AGM, in favour or against, if any, to the Chairman Sir or a person authorized by him in writing who shall countersign the same and declare the result forthwith.
- f. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website and also on the website of CDSL and shall also be communicated to the Stock Exchanges (i.e. BSE & NSE) on which the equity shares of the Company are listed. It will also be available at the Registered Office of the Company.
- g. There are Seven (7) agenda items to be transacted at this 34<sup>th</sup> AGM, out of which Two (2) are ordinary business and Five (5) are special business.

Those members, who have not exercised their vote through remote e-voting, can cast their votes by electronic means during this Meeting.

Now, with the permission of Chairman Sir, the e-voting facility will remain open for next fifteen minutes to enable to those shareholders who remain present at the 34<sup>th</sup> AGM through Video conferencing or other Audio Visual Means and who have not cast their vote through remote e voting.

Lastly, I would like to thank the Chairman Sir, all the Directors, the Statutory Auditor, the Secretarial Auditor, Scrutinizer and all the Members present at the 34<sup>th</sup> Annual General Meeting through Video Conferencing or Other Audio Visual Means.

**THANK YOU!!!!!!!**

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The meeting concluded at 10:20 a.m.