

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The Company believes in maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed to maximising stakeholder's value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. The responsibility for managing corporate governance standards is with your Company's Board of Directors and various Board Committees, which are empowered to monitor implementation of the best Corporate Governance practise including making necessary disclosure within the framework of legal and regulatory provisions. The Company also understands and respects its fiduciary role and responsibility towards its shareholders and strives hard to meet their expectation.

2. Board of Directors:

The Board of Directors of the Company is having combination of Executive and Non-Executive Directors. As on the date of this report, the Board of Directors comprises five Directors, out of which three are Executive Directors and two are Non-Executive & Independent Directors.

As on the date of this report, the details of composition of Board, category of all Directors as well as their Directorship/Membership in other Companies/Committees are given below:

| Sr. No | Name of Director | Category & Position | Number of other Directorship and Other Committee Membership / Chairmanship | | |
|--------|-----------------------------|-------------------------------|--|----------------------|------------------------|
| | | | Directorship | Committee Membership | Committee Chairmanship |
| 1. | Mr. Mukesh Bhandari | Promoter & Executive Chairman | 6 | 2 | Nil |
| 2. | Mr. Shailesh Bhandari | Promoter & Managing Director | 8 | 4 | 1 |
| 3. | Mr. Avinash Bhandari | Jt. Managing Director & CEO | 4 | 2 | 1 |
| 4. | Mr. Ram Singh | Independent & Non-Executive | Nil | Nil | Nil |
| 5. | Mr. Chaitanyapratap Sharma | Independent & Non-Executive | 1 | 1 | Nil |
| 6. | Mr. Pradeep Krishna Prasad* | Independent & Non-Executive | Nil | Nil | Nil |
| 7. | Mrs. Nita Mukati** | Independent & Non Executive | Nil | Nil | Nil |

* Mr. Pradeep Krishna Prasad has resigned from the Directorship on 15th November, 2014

** Mrs. Nita Mukati was appointed as Additional Independent Woman Director on 20th April, 2015 and resigned on 2nd June, 2015

- While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee have been considered pursuant to Clause 49 of the listing agreement. None of the Director is a member in more than ten committees or act as a Chairman of more than Five Committees across all companies in which he is a Director.
- None of the Directors are related to each other except Mr. Mukesh Bhandari and Mr. Shailesh Bhandari, who are Brothers.

Board Meetings:

During the financial year ended on 31st March, 2015, 5 (Five) Board Meetings were held on 27th May, 2014, 13th August, 2014, 15th November, 2014, 11th February, 2015 and 10th March, 2015.

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Attendances of Directors at the Board Meetings and at the Last Annual General Meeting held on 30th September, 2014 are as under:

| Name of Director | Total Board Meetings held | Attendance | |
|----------------------------------|---------------------------|----------------|------------------------|
| | | Board Meetings | AGM held on 30/09/2014 |
| Mr. Mukesh Bhandari | 5 | 4 | No |
| Mr. Shailesh Bhandari | 5 | 5 | Yes |
| Mr. Avinash Bhandari | 5 | 5 | Yes |
| Mr. Ram Singh | 5 | 4 | No |
| Mr. Mr. Chaitanyapratap Sharma | 2 | 2 | No |
| Mr. Mr. Pradeep Krishna Prasad * | 3 | 3 | No |

* Mr. Pradeep Krishna Prasad has resigned from the Directorship on 15th November, 2014.

- Mr. Nilesh Desai has resigned from the Directorship on 16th May, 2014

All the information required to be furnished to the Board was made available to them along with detailed agenda notes. The maximum time gap between two Board meetings was not more than one hundred and twenty days.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 ("Act") and Rules made thereunder and as provided in Schedule IV of the Act and Clause 49 of the Listing Agreement, the Board has carried out the evaluation of its own performance, its committees, individual directors and Chairman of the Board.

The Board has evaluated the composition of the Board, its committees, experience and expertise, performance of duties and obligations, governance issues etc. Performance of individual Directors and Chairman was also carried out in terms of adherence to code of conduct, participation in board meetings, implementing corporate governance practices etc. The Directors expressed their satisfaction with the evaluation process.

Meeting of Independent Directors:

During the year under review, a separate meeting of the Independent Directors of the Company was held on 11th February, 2015 to review the performance of non-independent directors, chairman and the Board as a whole and to assess the flow of information between the company management the Board.

Familiarisation Programme for Independent Directors:

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company by providing various presentation at Board/ Committee meetings from time to time. Further the Independent Directors of the Company are made aware of their role, responsibility and liabilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement apart from clarifying their role and responsibilities. The details of the familiarisation programmes can be accessed on the website www.electrotherm.com.

3. Committees of Board:**A. Audit Committee:****(i) Brief description of Terms of Reference:**

The terms of reference and powers of the Audit Committee are in compliance with the provisions of the Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. Minutes of the Audit Committee are circulated and discussed at the Board Meetings.

(ii) Composition of the Committee:

The Audit Committee comprises of three directors as members and two thirds of the members of Audit Committee are independent directors. The Company Secretary acts as a secretary to the Audit Committee. The Audit Committee was re-constituted during the year due to resignation of Mr. Nilesh Desai and Mr. Pradeep Krishna Prasad as Director and at present Mr. Ram Singh is the Chairman and Mr. Chaitanyapratap Sharma and Mr. Avinash Bhandari are members of the Audit Committee.

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(iii) Meetings and Attendance:

During the financial year ended on 31st March, 2015, four Meetings of the Audit Committee were held on 27th May, 2014, 13th August, 2014, 15th November, 2014 and 11th February, 2015.

Details of Attendance at the Meetings of Audit Committee:

| Name | Designation | Attendance |
|------------------------------|-------------|------------|
| Mr. Ram Singh | Chairman | 4 |
| Mr. Pradeep Krishna Prasad * | Member | 3 |
| Mr. Avinash Bhandari | Member | 4 |
| Mr. Chitanyapratap Sharma | Member | 1 |

* Pradeep Krishna Prasad has resigned from the Directorship as on 15th November, 2014.

B. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee was constituted as per the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

(i) Brief description of Terms of Reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees and carry out evaluation of every director's performance;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

(ii) Composition of the Committee:

The Nomination and Remuneration Committee was re-constituted during the year due to resignation of Mr. Pradeep Krishna Prasad as Director. Further Mrs. Nita Mukhati was appointed as member of the Committee w.e.f. 20th April, 2015 and ceased to be member of the Committee w.e.f. 2nd June, 2015 due to resignation as director. At present, Mr. Ram Singh is the Chairman and Mr. Chaitanyapratap Sharma and Mr. Mukesh Bhandari are members of the Nomination and Remuneration Committee. The Company Secretary acts as Secretary to the Committee.

(iii) Meetings and attendance:

During the financial period 2014-2015, two Meeting of the Nomination and Remuneration Committee was held on 15th November, 2014 and 11th February, 2015 and all the members were present at the meetings.

(iv) Remuneration Policy:

The Nomination and Remuneration Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable & sufficient to attract, retain and motivate directors, Key Managerial Personnel & Senior Management Personnel. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The details of the remuneration policy including criteria for making payments to non-executive directors can be accessed on the website www.electrotherm.com.

(a) Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director / Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**REPORT ON CORPORATE GOVERNANCE****(b) Non executive Independent Directors**

The Non- Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

(c) Key Management Personnels (KMPs) / Senior Management Personnel etc

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

(v) Details of Remuneration of Directors:

During the financial year ended on 31st March, 2015, in view of the losses incurred by the company and pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V, the Company has not paid any remuneration to any of its directors viz. Chairman, Managing Director, Jt. Managing Director & CEO or other directors.

During the financial year ended on 31st March, 2015, the shareholders at the 28th Annual General Meeting held on 30th September, 2014 re-appointed Mr. Mukesh Bhandari as Chairman, Mr. Shailesh Bhandari as Managing Director and Mr. Avinash Bhandari as Jt. Managing Director & CEO of the Company for the period from 1st February, 2014 to 31st January, 2017.

The Company has not paid any sitting fees / remuneration to the Non-Executive & Independent Directors of the Company during the financial year. Non-Executive Directors of the Company does not hold any equity shares of the Company as on 31st March, 2015. During the year, there were no pecuniary relationships or transactions between the Company and its Non-Executive Directors.

C. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee was constituted as per the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement. The Committee specifically look into the redressal of grievances of shareholders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. To expedite the process of share transfers, the Board of the Company has delegate the power of share transfer to the registrar and share transfer agents, who attends the share transfer formalities at least once in a fortnight.

During the financial year ended on 31st March, 2015, the Stakeholders Relationship Committee was re-constituted due to cessation of Mr. Pradeep Krishna Prasad as Director w.e.f. 15th November, 2014 and appointment of Mr. Chaitanyapratap Sharma as member w.e.f. 11th February, 2015. Mr. Ram Singh, a Non-Executive and Independent Director is the Chairman and Mr. Avinash Bhandari and Mr. Chaitanyapratap Sharma are members of the Committee.

During the year under review, 4 meetings of the Stakeholders Relationship Committee were held on 30th April, 2014, 31st July, 2014, 31st October, 2014 and 31st January, 2015. Mr. Jigar H. Shah, Company Secretary is the Compliance Officer.

Details of Shareholders Complaints:

The details of complaints received / resolved / pending during the financial year are as under:

| Sr.No. | Nature of Complaint | Complaints received | Complaints solved | Complaints pending |
|--------|------------------------------|---------------------|-------------------|--------------------|
| 1. | Non receipt of Dividend | 1 | 1 | NIL |
| 2. | Non receipt of Annual Report | 0 | 0 | NIL |

D. Other Committees**(i) Share Allotment Committee**

The Company has constituted a Share Allotment Committee on 29th July, 2006. The terms of reference of Share Allotment Committee includes to look into the receipt of money by way of subscription of Shares, Warrants, FCCBs or other convertible instruments issued or to be issued by the Company and allotment of Shares, Warrants, FCCBs or other convertible instruments and allotment of Equity Shares arising on conversion of Warrants, FCCBs or other convertible instruments issued by the Company or to be issued by the Company in future.

Mr. Shailesh Bhandari is the Chairman of the Committee and Mr. Avinash Bhandari and Mr. Ram Singh are members of the Committee.

During the financial year ended on 31st March, 2015, no meeting of the Share allotment Committee was held.

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(ii) Management Committee

The Company has constituted a Management Committee on 29th October, 2007. The terms of reference of Management Committee includes to look into the day to day functioning and exercise of delegated power of the Board for matters relating to operations and granting of authority for various functional requirements such as issue of Power of Attorney, arranging for vehicle loans, dealings with Central / State Governments and various Statutory / Judicial / Regulatory / Local / Commercial / Excise / Customs / Port / Sales Tax / Income tax / Electricity Board, Opening/Closing of Current Accounts with various Banks, Change in signatory in various Current Accounts with various Banks, Transfer of unpaid dividend to Investor Education and Protection Fund and closing of such dividend accounts and other authorities on behalf of the Company.

At present Mr. Shailesh Bhandari is the Chairman and Mr. Avinash Bhandari and Mr. Ram Singh are members of the Management Committee.

During the financial year ended on 31st March, 2015, 10 (Ten) Meetings of the Management Committee were held.

(iii) Risk Management Committee

The Company has constituted a Risk Management Committee on 30th September, 2011. The terms of reference of Risk Management Committee includes reviewing the risk management processes across all businesses and functions, to identify the key risk and develop action plans to mitigate those risks, to assess the risks on periodical basis including effective control and management reporting system etc.

During the financial year ended on 31st March, 2015, Risk Management Committee was re-constituted due to cessation of Mr. Pradeep Krishna Prasad as Director w.e.f. 15th November, 2014 and appointment of Mr. Chaitanyapratap Sharma as member w.e.f. 11th February, 2015. At Present, Mr. Avinash Bhandari is the Chairman and Mr. Shailesh Bhandari and Mr. Chaitanyapratap Sharma are members of the Risk Management Committee.

(iv) Corporate Social Responsibility Committee (CSR Committee):

The Company has constituted a Corporate Social Responsibility Committee on 27th May, 2014. The CSR Committee has formulated a CSR policy of the Company at their meeting held on 15th November, 2014 and the same has been placed on the website of the Company at www.electrotherm.com.

During the financial year ended on 31st March, 2015, CSR Committee was re-constituted due to cessation of Mr. Pradeep Krishna Prasad as Director w.e.f. 15th November, 2014 and appointment of Mr. Chaitanyapratap Sharma as member w.e.f. 11th February, 2015. At present, the CSR Committee comprises of Mr. Shailesh Bhandari as Chairman and Mr. Avinash Bhandari and Mr. Chaitanyapratap Sharma are the members of the CSR Committee.

4. General Body Meeting:

(i) Annual General Meetings

The last three Annual General Meetings of the Company were held within the statutory time period. The details of the same are as under:

| AGM | Financial Year | Venue | Date | Time |
|------------------|----------------|--|------------|------------|
| 28 th | 2013-2014 | S-5, Ahmedabad Management Association, AITRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 | 30.09.2014 | 11.00 A.M. |
| 27 th | 2012-2013 | A-1 Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380 015 | 30.12.2013 | 11.00 A.M. |
| 26 th | 2011-2012 | S-5, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 | 28.12.2012 | 11.00 A.M. |

Special Resolutions:

No Special Resolution was passed at the 26th Annual General Meeting held on 28th December, 2012 and 27th Annual General Meeting held on 30th December, 2013.

Following special resolutions were passed at the 28th Annual General Meeting held on 30th September, 2014:-

| Sr. No. | Special Resolutions Passed |
|---------|---|
| 1 | Reconfirming Authority to Board of Directors of the Company for borrowing limit up to ₹ 4000 Crores |
| 2 | Re-appointment of Mr. Mukesh Bhandari as a Managing Director designated as a Chairman |
| 3 | Re-appointment of Mr. Shailesh Bhandari as a Managing Director |
| 4 | Re-appointment of Mr. Avinash Bhandari as a Joint Managing Director & CEO |
| 5 | Adoption of new set of Articles of Association |
| 6 | Authority for Related Party Transactions under section 188 of Companies Act, 2013 |

**REPORT ON CORPORATE GOVERNANCE****(ii) Extra Ordinary General Meetings**

No Extra Ordinary General Meeting was held during the financial year ended on 31st March, 2015.

(iii) Postal Ballot

During the financial year ended on 31st March, 2015, the following special resolutions were passed by requisite majority through postal ballot on 7th January, 2015 as per notice of postal ballot dated 15th November, 2014:

| Sr. No. | Resolutions Passed |
|---------|---|
| 1 | Creation of Charge/ Security on properties of the Company |
| 2 | Making of Loans or Investments and to give Guarantees or to provide security in connection with a loan for an amount not exceeding ₹ 500 Crores |
| 3 | Change in the Memorandum of Association of the Company |

Details of voting pattern for the above said postal ballot was as under:

| Resolution No. and Description | Number of valid Votes received | Votes in favour of the Resolution | Votes against the Resolution |
|---|--------------------------------|-----------------------------------|------------------------------|
| Resolution No.1 as a Special Resolution for Creation of Charge/security on properties of the Company | 4905811 | 4905243 | 568 |
| Resolution No. 2 as a Special Resolution to make loans or investment and to give guarantees or to provide security in connection with a loan. | 4907111 | 4905243 | 1868 |
| Resolution No.3 as a Special Resolution to change the Memorandum of Association of the Company. | 4905811 | 4905793 | 18 |

5. Disclosures:**(i) Related party transactions**

The Company has pursuant to the approval of shareholders through special resolution under Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, entered into related party transactions. However, such related party transactions does not have any potential conflict with the interests of the Company at large. The details of related party transactions as per Accounting Standard 18 are included in the notes to accounts. The policy on dealing with Related Party Transactions is available on the website of the Company at www.electrotherm.com.

(ii) Code of Conduct

Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. In compliance with the Code, directors and senior management of the Company have affirmed compliance with the Code for year ended on 31st March, 2015. The declaration of compliance of Code of Conduct by the Joint Managing Director & CEO is part of this Annual Report.

(iii) Details of Non-Compliance related to capital markets

The Company is not in compliance with Clause 49(II)(A) of the Listing Agreement related to appointment of required number of Independent Directors and Woman Director and Clause 49(IV) of the Listing Agreement related to re-constitution of Nomination and Remuneration Committee. Stock Exchanges has imposed the fine for non-compliance with appointment of Woman Director as on 31st March, 2015. Apart from this, there is no other non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the mandatory requirements of Clause 49, except as mentioned above. The Company has not adopted any non-mandatory requirements mentioned in Clause 49 of the Listing Agreement.

(iv) Whistle Blower Policy:

Pursuant the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, the Whistle Blower Policy / Vigil Mechanism was established for directors and employees to report concern about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct. The Board hereby affirms that no personnel has been denied access to the Audit Committee. The whistle blower policy / vigil mechanism is available on the website of the Company at www.electrotherm.com.

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(v) Policy on “Material” Subsidiaries

The Board of Directors of the Company has approved a policy on determining Material Subsidiary which is available on the website of the Company at www.electrotherm.com

6. Means of Communication:

The quarterly results are normally published in national and local daily such as “Business Standard and Free Press Gujarat” in English Edition and “Prabhat & Lokmitra” in Gujarati Editions.

The Company has its own website www.electrotherm.com, on which the quarterly results are displayed. The quarterly results and official news releases are displayed on the website of the respective stock exchanges.

The Company has not made any presentations to the institutional investors or to the analysts during the financial year ended on 31st March, 2015.

7. General Shareholder Information:

| | |
|--|---|
| Day, Date & Time of 29 th AGM | Wednesday, 30 th September, 2015 at 11.00 a.m. |
| Venue of AGM | S-5, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 |
| Book Closure Date | 25 th September, 2015 to 30 th September, 2015 |
| Compliance Officer | Mr. Shailesh Bhandari, Managing Director |
| Email for Investor Complaint | sec@electrotherm.com |
| Website | www.electrotherm.com |
| Financial Period | 1 st April, 2014 to 31 st March, 2015 |
| ISIN with NSDL & CDSL | INE822G01016 |
| Dividend payment date | Not Applicable, as no dividend is declared for the financial year ended on 31 st March, 2015 |

Tentative Financial Calendar for 2015-2016 (Twelve Months from 1st April, 2015 to 31st March, 2016):

| | |
|--|--|
| Quarter ending on 30 th June, 2015 | On or before 14 th August, 2015 |
| Quarter ending on 30 th September, 2015 | On or before 14 th November, 2015 |
| Quarter ending on 31 st December, 2015 | On or before 14 th February, 2016 |
| Quarter ending on 31 st March, 2016 | On or before 30 th May, 2016 |

A. Listing on Stock Exchange(s):

Shares of your Company are listed in the Two Stock Exchanges namely:

| Name & Address of Stock Exchange | Stock Code |
|--|------------|
| BSE Limited : Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 | 526608 |
| National Stock Exchange of India Limited : Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051 | ELECTHERM |

Annual Listing Fees for the Financial Year 2015-16 have been paid to both Stock Exchanges.

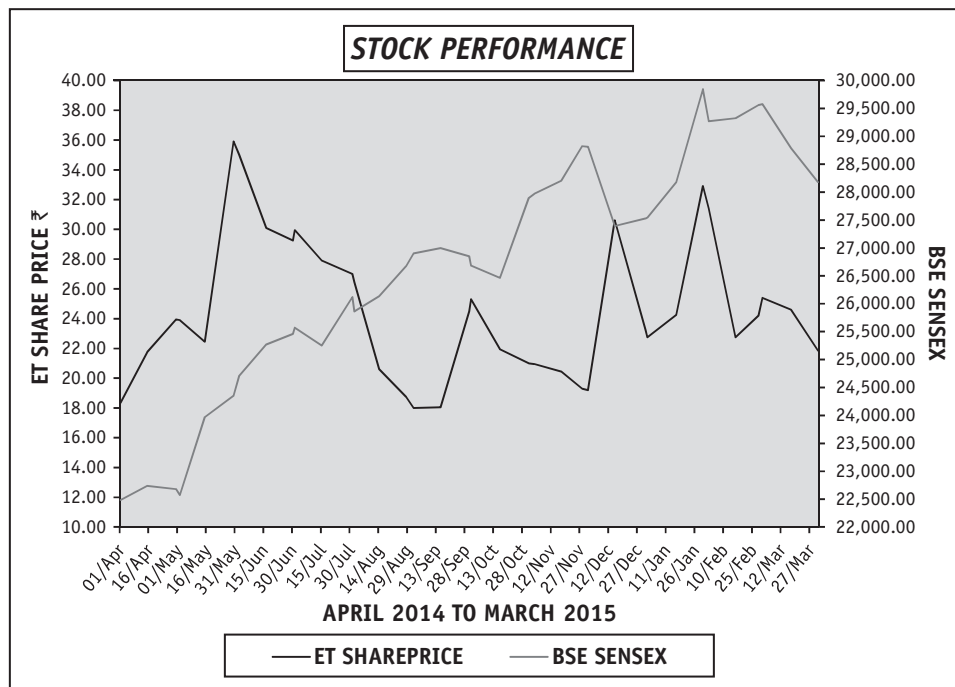
**REPORT ON CORPORATE GOVERNANCE****B. Market Price Data :**

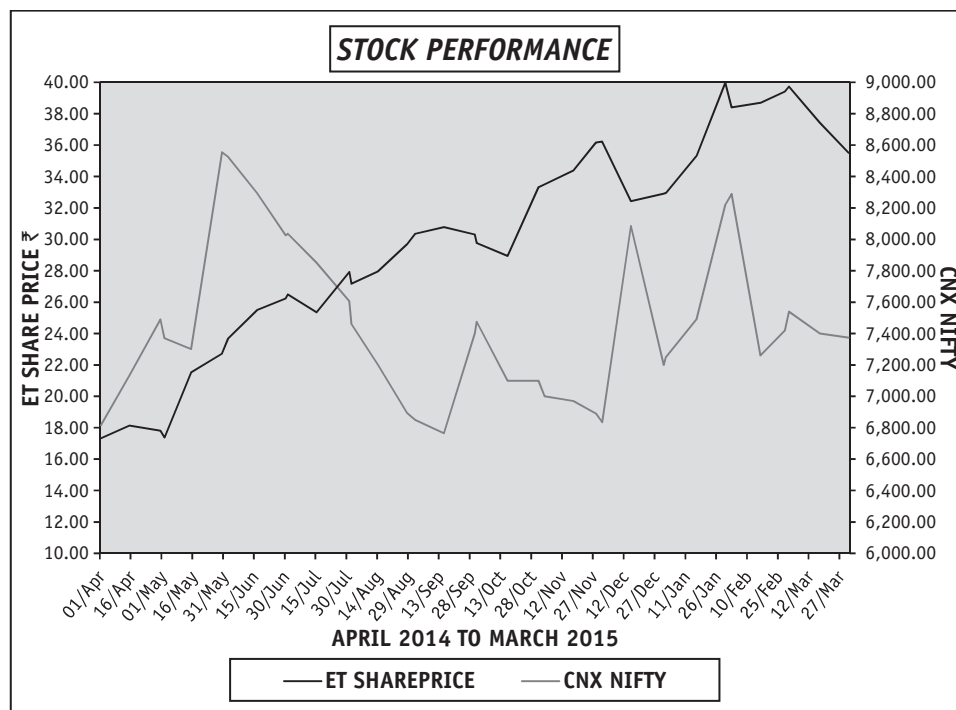
Market price data of equity shares of the Company having face value of ₹ 10/- on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial period 2014-2015 are given below:

| Month | BSE – Share Price | | BSE Monthly Volume | NSE – Share Price | | NSE Monthly Volume |
|-----------------|-------------------|-------|--------------------|-------------------|-------|--------------------|
| | High | Low | | High | Low | |
| April, 2014 | 25.70 | 17.00 | 27,296 | 27.10 | 16.90 | 41,754 |
| May, 2014 | 35.90 | 20.05 | 72,796 | 35.55 | 19.60 | 63,757 |
| June, 2014 | 35.00 | 28.25 | 54,919 | 35.25 | 28.15 | 47,712 |
| July, 2014 | 32.00 | 25.00 | 47,951 | 33.25 | 23.90 | 44,834 |
| August, 2014 | 26.45 | 18.55 | 26,962 | 25.40 | 18.50 | 53,391 |
| September, 2014 | 26.50 | 13.55 | 87,839 | 25.70 | 13.40 | 96,578 |
| October, 2014 | 25.30 | 18.95 | 29,024 | 24.75 | 19.00 | 17,621 |
| November, 2014 | 21.00 | 18.10 | 29,385 | 20.45 | 18.05 | 23,980 |
| December, 2014 | 30.60 | 17.70 | 66,439 | 30.85 | 18.00 | 84,461 |
| January, 2015 | 32.90 | 20.55 | 14,52,889 | 32.20 | 20.05 | 61,264 |
| February, 2015 | 31.40 | 21.10 | 55,694 | 32.90 | 21.25 | 46,156 |
| March, 2015 | 27.95 | 20.50 | 7,48,197 | 27.95 | 21.00 | 8,04,412 |

C. Stock Performance:

Performances of share price of the Company in comparison to BSE Sensex for the financial period 2014-2015 are as under:



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D. Registrar and Share Transfer Agent:

M/s. Link Intime India Pvt. Ltd. is the Share Transfer Agent for entire functions of share registry, both for physical transfers as well as dematerialisation /rematerialisation of shares, issue of duplicate / split / consolidation of shares etc.

LINK INTIME INDIA PVT. LTD.

303, 3rd Floor, Shopper Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad – 380 009
Phone & Fax No. (079) 2646 5179 E-mail : ahmedabad@linkintime.co.in

E. Share Transfer System:

Shareholders are requested to send their share transfer related requests and documents at the above mentioned address. To expedite the process of share transfer, the Board of the Company has delegated the power of share transfer to the Registrar and Share Transfer Agent, which attends to the share transfer formalities at least once in a fortnight.

As per Clause 47(c) of the Listing Agreement, the Company has obtained the half yearly certificates from the Company Secretary in Practice for compliance of share transfer formalities and the same have been submitted to the Stock Exchanges. The Company has also obtained Quarterly Reconciliation of Share Capital Audit Report as per the Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 and submitted the same to the Stock Exchanges.

F. Distribution of shareholding as on 31st March, 2015

| Category | No. of Shareholders | | No. of Shares | |
|---------------|---------------------|-------------------|-----------------|---------------|
| | Total | % of Shareholders | Total | % of Shares |
| 1 - 500 | 6480 | 90.53 | 654990 | 5.71 |
| 501 - 1000 | 338 | 4.72 | 261749 | 2.28 |
| 1001 - 2000 | 167 | 2.33 | 252656 | 2.20 |
| 2001 - 3000 | 54 | 0.75 | 135172 | 1.18 |
| 3001 - 4000 | 27 | 0.38 | 97736 | 0.85 |
| 4001 - 5000 | 27 | 0.38 | 127191 | 1.11 |
| 5001 - 10000 | 22 | 0.31 | 154409 | 1.35 |
| 10001 & Above | 43 | 0.60 | 9792471 | 85.33 |
| Total | 7158 | 100.00 | 11476374 | 100.00 |

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G. Categories of Shareholding as on 31st March, 2015

| Sr.No. | Category | No. of Shares | % to Share Capital |
|-----------|-------------------------------|--------------------|--------------------|
| A. | PROMOTERS SHAREHOLDING | | |
| 1. | Promoters and Promoters Group | 37,68,075 | 32.83 |
| B. | PUBLIC SHAREHOLDING | | |
| 2. | Mutual Funds / UTI | 9,800 | 0.09 |
| 3. | Banks/Financial Institutions | 100 | 0.00 |
| 4. | Foreign Financial Institution | 0 | 0.00 |
| 5. | Bodies Corporate | 2219776 | 19.34 |
| 6. | NRIs | 52,097 | 0.45 |
| 7. | Trusts | 12,92,231 | 11.26 |
| 8. | Foreign Companies | 20,00,000 | 17.43 |
| 9. | Clearing Members | 3,61,039 | 3.15 |
| 10. | Indian Public | 17,73,256 | 15.45 |
| | Total | 1,14,76,374 | 100.00 |

H. Dematerialisation of Shares and Liquidity:

The Shares of the Company are under compulsory trading in demat form. The details of dematerialisation of shares as on 31st March, 2015 is as under:

| Sr.No. | Particulars | No. of Shares | % of Paid up Capital |
|--------|-----------------------|--------------------|----------------------|
| 1. | Held in Physical form | 26,17,607 | 22.81 |
| 2. | Held in Demate form | 88,58,767 | 77.19 |
| | Total | 1,14,76,374 | 100.00 |

I. Outstanding GDRs/ADRs/Warrants or Convertible instruments, conversion date and likely impact on the Equity:

As on, 31st March, 2015, the Company does not have any GDRs/ADRs/Warrants or any other convertible instruments.

J. Plant Locations:

Engineering & Projects Division : Survey No.: 72, Village: Palodia, Taluka: Kalol, Dist.: Gandhinagar 382 115, Gujarat
 Steel & Electric Vehicle Division : Survey No. 325, Village Samkhiyali, Taluka : Bhachau, Dist. Kutch, Gujarat
 Wind Farm : Village: Dhank, Taluka:Upleta, Dist.: Rajkot, Gujarat
 Transmission Line Tower Division : Village : Juni Jithardi, Tal : Karjan, Dist : Vadodara, Gujarat

K. Address for Correspondence:

Shareholders are requested to correspond with the company at the following address:

Electrotherm (India) Limited
 A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380 015
 Phone No. : (02717) 234553 to 57 Fax No. : (02717) 660600 Email : sec@electrotherm.com

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DECLARATION OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement provided by the stock exchanges, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the financial period ended on 31st March, 2015.

Date : 14th August, 2015
Place : Palodia

Avinash Bhandari
Joint Managing Director & CEO

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Electrotherm (India) Limited
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by **Electrotherm (India) Limited** for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except the following:

- (a) *The Company has not appointed required number of Independent Director as per Clause 49(II)(A)(1) of the Listing Agreement.*
- (b) *The Company has not appointed Woman Director as per Clause 49(II)(A)(1) of the Listing Agreement.*
- (c) *The Company has not re-constituted the Nomination and Remuneration Committee as per Clause 49(IV) of the Listing Agreement.*

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bharat Prajapati & Co.
Company Secretaries

Place : Ahmedabad
Date : 14th August, 2015

Bharat Prajapati
Proprietor
ACS No. 25607, CP No. 10788