



Electrotherm (India) Limited

Transcript of

39th

Annual General Meeting

Held on

Wednesday,

10th September, 2025

AT

10:00 AM

Through

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



Mr. Fageshkumar R. Soni, Company Secretary: Good Morning to all of you.

On behalf of the Board of Directors of Electrotherm (India) Limited, I Fageshkumar R. Soni, Company Secretary would like to welcome you all at the 39th Annual General Meeting (“AGM”) of your Company conducted through Video Conferencing or other audio – visual means (“VC/OAVM”).

Pursuant to the MCA & SEBI Circulars and other applicable statutory provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations, 2015”), we are holding this 39th AGM through VC/OAVM.

Further, 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 member 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 of 39th AGM.

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 or she may contact on the helpline numbers mentioned in the last para of the Notice of 39th AGM on Page No. 11 of the Annual Report.

Now I would like to introduce the Board of Directors present at the 39th AGM.

Today we have with us:

1. Mr. Dinesh Mukati - Non-Executive Chairman of the Board & Independent Director.

Mr. Dinesh Mukati: Hello

2. Mr. Shailesh Bhandari – Executive Vice Chairman and Chairman of the CSR Committee

3. Mr. Tushar Jani – Whole Time Director



4. Mr. Pratap Mohan - Independent Director and Chairman of the Audit Committee & Nomination and Remuneration Committee

are joining this AGM through VC from Head Office of the Company at Palodia.

Ms. Nivedita R. Sarda – Independent Director and Chairperson of the Stakeholders Relationship Committee. She is also joining this Meeting from Jaipur.

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

As the necessary quorum of more than 30 members being present through VC / OAVM, with the permission of Chairman Sir, we may proceed with the meeting, Sir.

Mr. Dinesh Mukati, Chairman: Yeah, Please.

Mr. Fageshkumar R. Soni, Company Secretary: CA Hitesh Shah, Partner of M/s. Hitesh Prakash Shah & Co., the Statutory Auditor, CS Shyamsingh Tomar, Proprietor of M/s. Shyamsingh Tomar & Associates, Secretarial Auditor and CS Bhavya Gaudana, Partner of M/s. Gaudana & Gaudana, Scrutinizer are also present at this AGM.

Now, I would like to request Chairman Sir, to deliver Message to the Shareholders. Please Sir.

Mr. Dinesh Mukati, Chairman: On behalf of the Board of Directors of the Company, I welcome all the shareholders present at the 39th Annual General Meeting of your Company conducted through video conferencing or other Audio-Visual Means as per the circulars issued by the Ministry of Corporate Affairs.

The notice of the 39th AGM along with the Annual Report containing financial statements & other statutory reports has been sent to all the shareholders well in advance.

I believe that you would have gone through the annual report for 2024-25, however, I would say the year was a moderate one on many counts.

The financial performance remained flat where revenue was impacted by 3.67% [topline was Rs. 4272 Crores while FY-25 is Rs. 4115 Crores], EBIDTA was lower by approx. 10% [from earlier Rs. 424 Crores to current year would be Rs. 380 Crores].

- This reduction in sales and EBIDTA are mainly due to global geopolitical situation, impacting exports of Engineering & Technologies Division, which was lower by almost 39%. We are expecting to achieve the much better results in the coming quarters.



- As you are aware, in the last few years, particularly last two years, the Company has reduced its debt substantially and only left with three ARCs as a debt holder. During the last financial year, the Company has paid Rs. 266 Crores to lenders towards interest and principal payments.

Industry Outlook:

- India is the world's largest producer of crude steel, and according to the World Steel Association, India produced 149.6 million tonnes of crude steel in year 2024 recording per capital steel consumption is about 105 KGs this year. The industry is witnessing consolidation of players in recent past, mainly due to increasing scale, market share and efficiency.
- India is poised to become a manufacturing powerhouse through policy initiatives like Make in India, where the steel industry has emerged as a major focus area given the diverse range of sectors on its output.
- With the Indian government's vision of 5 trillion-dollar economy the steel sector is going to take up the leading role in the nation's journey towards becoming an economic powerhouse.

Consistent Performance of Special Steel Division:

- Increase in sales quantity supported Special Steel Division's topline in line with previous financial year despite of the fact that the finished steel and pipe prices were on declined trend in the last financial year. In addition to this the Company did better in value added products like epoxy coated TMT bars and Cut & Bend TMT bars.
- The growth in the Indian TMT bar and steel industry is driven by infrastructure development, urbanisation and various government linked infrastructure projects. Even the Ductile Iron Pipe industry driven by the government projects gives medium to long term positive outlook with a higher budget allocation for various projects. Your Company is well positioned to take the advantage of favourable markets at appropriate time.

Resilient & Rebound Engineering & Technologies Division:

- Engineering & Technologies Division is a top-notch brand in India in steel making industry due to its high quality products with 8000 installations in around 73 countries.
- Despite be affected by the geopolitical situation around the world affecting the export segment of the Engineering & Technologies Division, the experienced team at ENT Division is resilient enough to rebound from the adversity and challenges and I am quite hopeful that under the invaluable guidance of Mr. Shailesh Bhandari, Executive Vice Chairman the division now lead by Mr. Suraj



Bhandari, your Managing Director would overcome all obstacles and poised for better results in the coming quarters.

Revival Trajectory:

- As you all are aware, the Company has been on a revival trajectory since last few years despite of various external and internal factors and the momentum has gained traction during last financial year, where there was amicable settlement of management differences on 29th March, 2025 and I congratulate and appreciate both the sides of family members and all others associated with this process.
- With the dedicated efforts, the Company has also been able to reduce its debts substantially and going forward, would reach to a sustainable level of debts.
- We, the Board of Directors and the management of the Company express our gratitude to all the stakeholders particularly customers, suppliers, employees, and lenders for their unwavering support in this revival journey. Now, Electrotherm is poised for very bright & promising future ahead.

We look forward to your continuous support. Thank you.

Mr. Fageshkumar R. Soni, Company Secretary: Thank you Sir. Mr. Suraj Bhandari, Managing Director is also available in the Meeting. We welcome you at the 39th AGM.

Now, I would like to request Managing Director Sir, to give brief overview of the last year performance please Sir.

Mr. Suraj Bhandari, Managing Director: Good Morning, Dear Shareholders, Board of Directors, Auditors, and Scrutinizers to the 39th Annual General Meeting of your Company.

I am informed that we have the requisite quorum present through Video Conference to conduct the proceedings of this meeting.

Now, Dear Members, the notice convening this AGM and a copy of the Annual Report for the financial year ended March 31st 2025, have already been circulated to Members of the Company through email, and notice in this regard was also published in the newspapers. With your permission, I shall take them as read.

Now, with your permission, I will begin my formal address to the shareholders.

Dear shareholders, I am pleased to present our annual performance for the financial year 24-25. It is my immense pride that I share with you details of industry and economic environment, our performance over the past year, and outline our growth plans.



The global economy is currently affected largely by macroeconomic volatility and geopolitical tensions. Various countries are imposing measures or initiating action to protect their industry from unfair practices. The US administration has announced a series of changes in their trade policies, which is impacting the global trade. The Russia-Ukraine conflicts and the disturbance in Middle East are also a major concern for global supply chain and may impact global trade. Amid the global concerns, India's growth remained resilient, and India is emerging as world's fastest growing economy. Today, India is the fourth largest economy in the world, and projected to become the third largest economy by the end of this decade. This has been driven by strong public capital expenditure, booming manufacturing and construction activity, and robust private consumption. We are building highways at record pace, adding metro network, airports, ports, smart cities, renewable energy, urban and rural infrastructure, and modification at unprecedented scale. Our manufacturing capabilities are increasing day by day. With all these, the demand of the most fundamental material that is steel, the capital equipment that supports in making steel, is going to boost more, and your company is ready to grab this opportunity.

Let us now review the financial performance of F524-25.

I am pleased to present our annual performance for the financial year 24-25. This year your Company has posted stable financial consistent with last year. Export revenue of your engineering business is adversely affected because of global disturbances and conflicts. However, our sustained efforts, are dedicated to strengthen our fundamentals and accelerate growth while maintaining our commitment to quality, innovation, and operational excellence.

The revenue from our engineering business, which contributes almost 30% of the total revenue, has reduced by 10% as compared to previous year. The fall is on account of reduction in export by 40% due to unfavorable global conditions. Our strong presence in domestic market and balanced domestic and export order books have delivered almost consistent revenue despite of global concerns. Your Company is a market leader in supply of melting furnaces with more than 60% of market share. The Company is focused on sustainability, innovation, and automation, and emphasizes on quality products to stay in steps with current times of growing size and complexity. With this vision, the Company has grown its presence in transformer business by three folds during the last five years, with revenue contribution of almost 17-18% in engineering segment. Driven by the country's ambitious expansion and modernization of its power sector, India is growing as one of the most dynamic and fast-growing transformer markets in the world. As of 2024, the India's transformer market, which was valued at around \$2.45 billion is set on a steep growth trajectory and is expected to reach at around \$5.18 billion by 2023, with a CAGR of 8.08%. At Electrotherm, we are focused on growing our transformer portfolio also.

The revenue of steel segment, which contributes almost 70% of total revenue, has shown stable performance as earlier year. We have operated at 84% capacity in TMT



bars, and 92% capacity in ductile iron pipes. Sale of epoxy-coated TMT bars and cut-and-bent TMT bars has increased by 58%, with our focus of growing value-added steel products portfolio. Our ductile iron pipes sales has decreased by almost 8-10% in terms of value and volume both. Being the election year, there were delays in budgetary allocation, deferring some of the infrastructure projects impacting the pipe industry. Now, with the government in place, the initiatives like Jal-Jeevan Mission, which is a very targeted and very focused project is giving healthy demand of ductile iron pipes.

We remain firm in our commitment to integrate sustainability into our operations to generate long-lasting value for our stakeholders. We always strive to reduce our carbon footprint, minimize waste, and conserve natural resources. Our production processes also incorporate improved waste management practices. No growth is sustainable without an organization's people. At Electrotherm, the safety and well-being of our people is our utmost priority. We are deeply committed to making a positive impact on society through our comprehensive CSR activities. We continue to support communities with education, healthcare, and environmental sustainability.

As we look to the future, we are optimistic about the manufacturing sector's growth potential in the coming decade. As I told earlier, India is on track to become the third largest economy globally, driven primarily by favorable policies, technology, and significant investments in infrastructure.

Key programs such as Smart Cities Mission, Pradhan Mantri Awas Yojana and Urban Transformation, make in India, production-linked incentive schemes will provide ample opportunities for the industry's growth. Additionally, India's ambitious goals in renewable energy, coupled with the rising demand for renewable energy sources and large-scale solar and renewable energy park projects, are a good time, field, and engineering sector.

With a solid business model and well-chartered strategy, we are poised to seize these opportunities driving growth and contributing to the nation's economic development.

To conclude, I express my sincere gratitude to our Board of Directors, employees, customers, channel partners, suppliers, regulators, and mainly to all our shareholders for their continuous faith and support empowering us in our journey of enhanced growth and value creation. Thank you so much.

Mr. Fageshkumar R. Soni, Company Secretary: Thank You Sir. The Company has taken requisite steps to enable members to participate and vote on agenda items being considered in this 39th Annual General Meeting.

As informed by Chairman Sir and MD Sir, in compliance with the MCA & SEBI Circulars mentioned in the Notice of this AGM, the Annual Report and Notice convening the 39th AGM have been sent to you well in advance by e-mail and also informed about the web-link to download the Annual Report by sending letters to



those shareholders whose email id is not registered with Depository Participants or with the Company or RTA.

Moving further, now, I would like to bring to the attention of the Members to the following:

- (i) 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 LODR Regulations, 2015 read with MCA & SEBI Circulars, the Company has provided the facility to the Members to cast their vote by electronic means through remote e-voting or e-voting during the AGM by using the platform provided by Central Depository Services (India) Ltd. ("CDSL").
- (ii) 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 this 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.
- (iii) The Remote e-voting period commenced on Sunday, 7th September, 2025 at 9:00 a.m. and ended on Tuesday, 09th September, 2025 at 5:00 p.m.
- (iv) 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. Wednesday, 3rd September, 2025.
- (v) The scrutinizer will submit the 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 or a person authorized by him in writing who shall countersign the same and declare the result forthwith.
- (vi) There are eight (8) agenda items to be transacted at this 39th AGM, out of which Two (2) are ordinary business and Six (6) are special business. And out 8 agenda items, 4 resolutions are ordinary resolutions and the rest 4 resolutions are special resolutions.

Now, I will take up the agenda items as set forth in the Notice one by one for consideration and approval of the Members.

1. Item No. 1 – Ordinary Resolution: To consider and adopt audited standalone and consolidated financial statements of the Company for the financial year ended on 31st March, 2025 together with report of the Board of Directors and Auditors' Report thereon.



Auditors Report:

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

There are certain qualification in the Auditor's Report as mentioned in Page No. 60 of the Annual Report.

Basis for Qualified Opinion: We draw attention to Note No. 38 of non-provision of interest on NPA account of Asset Reconstruction Company, on approximate basis of Rs.131.80 Crore, for the year under consideration and the total amount of such un-provided interest till date is Rs. 916.51 Crore. The exact amounts of the said non provision of interest are not determined and accordingly the amount of Net Profit for the year is overstated by Rs. 131.80 crore and the amount of ARC liability and Total retained earnings/(loss) as on March 31, 2025 is understated by Rs. 916.51 crore. Our audit reports for the previous year ended March 31, 2024 was also qualified in respect of this matter.

I draw the attention of the members present to the explanations / comments given by the Board of Directors in their report on Page No. 22 of the Annual Report.

The Board of Directors submits that the loan account of the Company have been classified as Non-Performing Assets (NPA) by Rare Asset Reconstruction Limited (being debt assignee of Indian Overseas Bank) and the said Bank / ARC has not charged interest on the said account and therefore provision for interest has not been made in the books of accounts.

Secretarial Audit Report:

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. 30 of the Annual Report.

- (i) The Company had not appointed Chief Financial Officer (CFO) till 10th February, 2025 from the date of resignation of Mr. Chirag Shah on 12th April, 2024. Further, (a) as per Regulation 26A of the SEBI LODR Regulations, 2015, the Company is required to fill the vacancy of CFO at the earliest and in any case not later than three months from the date of such vacancy; and (b) as per Section 203 of the Companies Act, 2013 read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, within six months from the date of such vacancy.



- (ii) The Board was comprised with less than six directors till 9th April, 2025 caused by cessation of Mr. Mukesh Bhandari on 12th September, 2024. As per Regulation 17(1) of SEBI LODR Regulations, 2015, the Board of Directors of the listed entity shall comprise of not less than six Director. Further, the Company would require to fill up such vacancy in accordance with the Regulation 17(1E), and appoint a Director, at the earliest and in any case not later than three months from the date of such vacancy. Further, BSE and NSE, each, has imposed total fine of Rs. 6.43 Lacs for the quarter ended on 31st December, 2024 and 31st March, 2025. The Company has paid the said fines.

I draw the attention of the members present to the explanations / comments given by the Board of Directors in their report on Page No. 22.

- (a) With regard to non-appointment of Chief Financial Officer (CFO): The Company was in process to identify the suitable candidate for the said post and appointed Mr. Amit Kumar Patwarika as a Chief Financial Officer with effect from 11th February, 2025. Upon the appointment of CFO, the Company is in compliance with the provisions of Section 203 of the Companies Act, 2013 and Regulation 26A of the SEBI LODR Regulations, 2015.
- (b) With regard to composition of the Board with less than six Director: The Company was in process to find suitable person to be appointed as a Director on the Board of the Company and thereafter, appointed Mr. Tushar Jani (DIN: 06745225) as Whole Time Director with effect from 10th April, 2025. Upon the appointment of a Director, the Company is in compliance with the provisions of Regulation 17(1) of the SEBI LODR Regulations, 2015.
2. Item No. 2 – Ordinary Resolution: To appoint a Director in place of Mr. Shailesh Bhandari (DIN: 00058866), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. Item No. 3 – Ordinary Resolution: To ratify the remuneration of the Cost Auditor for the financial year ending on 31st March, 2026.
4. Item No. 4 – Ordinary Resolution: To approve the appointment of M/s. Bharat Prajapati & Co., Practising Company Secretaries as a Secretarial Auditor for five consecutive years.
5. Item No. 5 – Special Resolution: To re-appoint Mr. Shailesh Bhandari (DIN: 00058866) as a Managing Director designated as an Executive Vice Chairman of the Company.
6. Item No. 6 – Special Resolution: To re-appoint Mr. Suraj Bhandari (DIN: 07296523) as a Managing Director of the Company.



7. Item No. 7 – Special Resolution: Reclassification of Authorised Share Capital and consequent alteration of Memorandum of Association of the Company.
8. Item No. 8 – Special Resolution: Alteration of Articles of Association of the Company.

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

Mr. Dinesh Mukati, Chairman: Yes.

Mr. Fageshkumar R. Soni, Company Secretary: Those members, who have not exercised their vote through remote e-voting, can cast their votes by electronic means during this Meeting.

Moving further, the Company has received requests from few of the Shareholders to register them as Speaker for this meeting. Please note that the Company reserves the right to limit the members asking the questions depending upon the availability of the time of this AGM. The questions of the Speaker Shareholders would be responded after hearing questions from them.

Now, I would like to invite the Shareholders who have registered themselves as speaker to present their questions or comments. Speaker Shareholders are requested to be precise and share their views/questions in 2-3 minutes.

We will try to respond to the maximum questions after hearing all the speaker shareholders. So, I request the Moderator to unmute Speaker Shareholder No. 1 - Mr. Himanshu Trivedi.

Moderator: Not available Sir.

Mr. Fageshkumar R. Soni, Company Secretary: Hello.

Moderator: Not available.

Mr. Fageshkumar R. Soni, Company Secretary: Okay.

Mr. Fageshkumar R. Soni, Company Secretary: Now, I request Moderator to unmute the Speaker Shareholder No. 2: Mr. Jehagir Batiwala

Moderator: Not available Sir.

Mr. Fageshkumar R. Soni, Company Secretary: Okay. Please unmute the Speaker Shareholder No. 3: Mr. Abhishek Shah

Mr. Abhishek Shah: Hi Sir, Can you hear me ?



Moderator: Yes Sir.

Mr. Fageshkumar R. Soni, Company Secretary: Yes Sir.

Mr. Suraj Bhandari, Managing Director: Yes Sir. Good Morning.

Abhishek Shah: Good morning, sir. Sir, I've sent you a list of questions already, but I'd like to read it out just for the advantage of other shareholders as well. Sir, we've had a consolidated sales of 4,100 crores, approximately. Just wanted to get an idea of how are you seeing this year coming along. We are already half year into the financial year, so maybe how are you seeing the EBITDA turnover? And the prospects of, you know, if you could elaborate a little more on each of the segments, how are you seeing the steel segment, special steel segment work, and the engineering business perform? Second question is on the consolidated debt. As of today, I think last AGM, you mentioned that post-restructuring, a debt would be somewhere around, 500-odd crores. Maybe if you can give us an idea, what would it be right now? And, you know, how do you see the debt coming down, maybe, say, at the end of this financial year, and maybe the, maybe FY27? If you can just give us some idea. Further on the debt, sir, we have managed to restructure our debt with Edelweis, but maybe if you can give us a status of what is happening with Rare, where the invested principal amount is about 184 crores and plus the interest. So maybe when can this be expected to be restructured, and, you know, how does that sort of shape, you know, our company in the coming year? Maybe if you can get some, give us some idea. So one more question on the restructuring on the Edelweiss. What would be the last date where, of payment, so that that debt is pretty much out of our books completely? If you can just give some clarity on that. Sir, in terms of accounts, Electrotherm, one of the auditor qualifications, we have not paid a consolidated interest of somewhere around 1259 crores as of 30th of June. Maybe if you can just, you know, give us, some more details with the ARC-wise, maybe Edgewise, Invent, and Rare, and what will be the way forward for that. Sir, in the last AGM, you mentioned that for our engineering business, we've, we've got a new plant of 75 acres, and, you know, we have significant plans for that. Maybe if you can elaborate more on that, and when do you expect the whole setup to start? You know, and what sort of turnover can come out from there, and any Capex plans related to that part. So, further on the engineering, if you can give us, you know, what would be the current order book that we have, how much of that can be executed this year, and what would be the order funnel, or the orders that we are currently bidding for? And also, sir, if you can, so, if you can share a little more on, you know, our 5-year plan for the business. I'm sure debt would be the most important priority, but I'm sure at business level, you would be looking at growing our company, and having an internal 5-year plan. Maybe if you can elaborate a little more, maybe in terms of numbers, or qualitatively also explain us. Sir, another thing was, we have proposed to issue convertible preference shares to Mr. Shailesh Bhandari family. Sir, how many equity shares will be issued? What will be the issue price per equity shares, if you can, and what will be the total amount raised, for the same? In terms of family settlements, sir, have the shares been already transferred



to Mr. Shailesh Bhandari from Mukesh Bhandari's family? If not, you know, what is the current timeline for the same? On the consultancy fees of 75 crores to Mr. Mukesh Bhandari, maybe if you can elaborate a little more, what is the rationale for paying such a huge amount? Maybe if you can quantify amount, what will be the gain for Electrotherm after paying, you know, a sum of 75 pros as consultancy fees? Last few questions, on 21st, so this current result in June, filing, sir, there was a line where, on 21st May 2025, the Commissioner of, Customs ordered confiscation of goods worth 42 crores. And also levied an additional duty of 18 crores, penalty of 24 crores, and so all of this, I think it totaled up to 91 crores. So maybe if you can elaborate a little more on what exactly was the... why was this confiscated, and what has been our response, and what is, you know, our take on the entire, situation. Sir, I've been, you know, really wanting to visit our plant, you know, and see our facilities, being, you know, a shareholder for the last couple of years, it would really be helpful, you know, if we can see what, you know, is actually, you know, talked about by you know, people at each of the exhibitions, and I mean, we've heard words like, Electrotherm has one of the best engineering capabilities, not just in India, but at a global level. So, would be great if, you know, we can see it in person. I'm happy to come down to our plant if someone can show us around. And lastly, sir, one request is, you know, on the investor relations part. When we see the stock valuation, it's significantly, significantly undervalued compared to, you know, what ideally the market is currently pursuing. So, maybe if some level of communication can happen to investors on a regular basis, that would be highly appreciated in terms of just a quarterly press release, or maybe an investor presentation or something that an investor could actually read and, you know, get that comfort about our company and our capabilities. That'll be highly appreciated, for this, if you can appoint a good investor relations agency, that'll really be helpful. That's all from my side, Sir, thank you so much. Of course, this is the only time that we get to interact with, you know, the management team, so I would highly appreciate if you would spend enough time on answering these questions. Thank you so much.

Mr. Fageshkumar R. Soni, Company Secretary: Thank you Sir.

Mr. Fageshkumar R. Soni, Company Secretary: I request the Moderator to unmute Speaker No. 4 – Mr. Rohan Patel.

Mr. Rohan Patel: Hello, am I audible, sir?

Moderator: Yes, Sir.

Mr. Fageshkumar R. Soni, Company Secretary: Yes.

Mr. Rohan Patel: Yeah, thanks for this opportunity, and I have already shared my questions with the compliance department, and I would request, you know, the management and board to go through the questions and answer it deeply. On top of that, I have just few questions for, you know, management right now, so I will be going through those questions. Yeah, as I'm new to this company, I just wanted to understand what led to the margin expansion over last two years, and what kind of



margins for all the two divisions that we are into the engineering side and steel and spatial steel. What kind of margins do we expect to, you know, maintain this year and going forward? Plus, what we have heard from one of our, you know, competitors is that they... what they have been saying is they are being able to take market share from Electrotherm, so I want to comment on you, like, what are we trying to do, or what are we doing to maintain our market share, or increase our market share? As well as what are... considering it's a currently tough time geopolitically and at a global level, but what are we trying to do to, you know, increase our export share from our current revenue base, and what geographic location, like, are we targeting USA, Mexico, Europe, Africa, or a MENA region? If you can go... share your go-to market strategy regarding your export business? As well as, if you can, you know, share with us, considering that transformer industry and power and renewables and distribution is growing at a higher pace. So, what are your plans for, you know, transformer business? If possible, can you give us a geographic split of, you know, both of the engineering and steel business? When I say geographic in engineering and steel, I also want to know about the states in which we sell. So, you know, to get an idea about our geographic presence. And just last question, and, can you give us comment about, like, what, what happened in our Q1 result, because that was a big fall from your in margin terms, as well as our revenue side, and do we see quarter one as a... extrapolate it and annualize it for the year, or you see improvement in our performance for going forward quarters? So yeah, this is... these are the questions from my side, and... I would like management to, you know, answer it deeply, because AGM is the only opportunity we get to, you know, engage with the team, Electrotherm team, so yeah, thank you.

Mr. Fageshkumar R. Soni, Company Secretary: Thank you Sir.

Mr. Fageshkumar R. Soni, Company Secretary: I request the Moderator to unmute Speaker Shareholder No. 5 – Mr. Arun Modi

Moderator: Not available Sir.

Mr. Fageshkumar R. Soni, Company Secretary: Please unmute Speaker Shareholder No. 6 – Mr. Keshav Garg.

Mr. Keshav Garg: Sir, thank you for the opportunity. Sir, I've sent my list of questions, I'll just ask them as the mean ones. Sir, our margins have declined for the past two quarters, so... If you could just help us understand why is that, is it a just one-time phenomenon, or..., something I have seen, sorry. Sir, what is the outlook for FY26 in terms of top line and bottom line? Sir, based on Q1, and the steel industry, pressure that is going through currently in... globally, as well as in India, if you could just help us understand, can we, where can we see the share going forward? Similarly, sir, what kind of steady shade EBITDA margin we should expect for both our engineering division as well as steel division? And, sir, in the value-added steel division, what kind of margin profile, is, are we making versus our, normal commodity products? Sir, how, if you could just help us understand how backward integrated are we in the steel manufacturing setup, our raw material



sourcing arrangements, that would be helpful to understand this business. Similarly, sir, what kind of margin improvement can we expect over the next 2 to 3 years, in both our divisions? Sir, what would be our current order book in the engineering division and the executable timeline? If you could just help us understand what would be the bid pipeline in this segment? As well as the addressable market of... as it seems, we are already a 60% leader in this segment, so, if you could just help us understand on increasing our addressable market, either by catering to other foundries and metal casting, businesses, or like, other than steel, any, ferrous or non-ferrous, mineral, like, supplying equipment to these companies, that would give a great idea. Sir, what were the volumes sold for TMT bars, DI pipes, during FY, during the past 3 years? Sir, our operating margins... there's a competitor, Megatherm Induction, so if you could just help us understand where do we please against them, our margins are lower than them, so if you could just help us bifurcate, how can we, bridge that gap, that would be very helpful. Sir, just a final two questions would be, sir, on the debt restructuring plan, sir, if you could just help us understand what would be the current amount of debt payable post-Q1 of FY26, to the asset reconstruction company, all three, asset reconstruction Company. Sir, when can we expect to, settle these accounts? Can we expect a... what can be the interest rate reduction? Can we expect over the next 2-3 years? And, Sir, for FY26, what would be the debt, outflow? In terms of interest as well as debt repayment, sir, so if you could address on the debt repayment part as a whole. Sir, similarly, some of the questions have been asked by the previous shareholders, and sir, where do we see our business over the next 3 to 5 years? In terms of top line and bottom line, sir, that were my questions. I've sent my other questions over the email. Sir, thank you so much and all the best.

Mr. Fageshkumar R. Soni, Company Secretary: Thank you Sir. I would like to request Managing Director Sir to answer the questions of speaker shareholders.

Mr. Suraj Bhandari, Managing Director: Good morning to all of you once again to all the Shareholders who have asked questions to us. You have asked us questions, regarding financial performance of 24-25, our current debt position, our current and future capital expenditure, outlook for current and upcoming years, Company's market positioning, about the few legal, custom and ED matters going on and about the family settlement.

All of these, considering provisions of SEBI Insider Trading Regulations and about the Unpublished Price Sensitive Information and business competitiveness, I would like to address all of these in a broad parameter:

Regarding the financial performance of the year 24-25, in Engineering Division:

- The engineering division is catering to all mid and small-scale steel manufacturers. The division's growth is having a direct impact on how the steel industry is performing. If we recall, Steel performed well in the year 2021 and 22, which gave a push to aggressive capex in the steel industry, benefiting our Engineering Division of your company. The expected CAGR in equipment



market was, earlier, 11.7%, while the current CAGR is 7.2%.

- Induction melting furnace is the flagship product of the Company, and is one of the major contributors in its top line, followed by transformers, casters, and other steel-related equipments. Spares and AMC contributes around 20% of the divisional income. While EBITDA margins vary based on the product mix and geographical sales distribution. If I summarize the last few years' performances, sustainable average EBITDA of this division is around 10%.
- To a large extent capacity utilization or installed capacity doesn't apply for this division since you may outsource certain jobs, if required. The division holds an order book of around 6-8 months of its sales.

Special Steel Division:

- In financial year 24-25, finished steel and pipes... pipe prices were on declined on declining trend. However, the Special Steel Division of Electrotherm could maintain its top line in line with previous financial year with increased capacity utilization and sales of value-added products like epoxy-coated TMT bars and cut-and-bent TMT bars.
- Any steel company size of Electrotherm catering into TMT and DI pipes has a break-even at around 67%, giving you a better margin of 7-9%, depending on the product mix.
- ET TMT Bar is a prestigious brand in Gujarat, and holds 9% of the market share, and is expected to continue this market share for the upcoming years. If not, grow. However, pipe business of the company is vulnerable to macroeconomic factors, as this segment largely caters to water and sewage departments restricting selling price while the key raw material, like metallurgical coke is fluctuating and is outsourced from only China and Australia.

EV Division:

- The EV sales are declining as this segment demands more investment in working capital, technology, and marketing, which your company can't afford right now. We see a marginal pickup in the sales going forward. We also expect to have more, stable government policies in this division to perform better.

Debt position of the Company:

- Currently, the Company has a debt outstanding with Edelweiss ARC, Invent ARC, and Rare ARC, while Central Bank of India is paid off and has issued a no-due certificate in favor of the Company.
- In compliance with SEBI LODR and Companies Act 2013, details of debt settlement terms are already given in the annual report. Briefly, as on 31st



March 2025, Edelweiss is holding 50% of the outstanding debt while Invent ARC and Rare ARC are holding 33% and 17%, respectively.

- As per current restructuring agreement with Edelweiss ARC, the last installment in March 2026 post which the Company will have Invent ARC and Rare ARC standing as its debt holders. For Rare ARC, the Company has submitted various settlement propositions. However, restructuring with them is still pending.

Regarding current and future capital expenditure: No major capital expenditure is planned in the near upcoming years. However, we may consider some capacity de-bottlenecking, and productivity improvement projects.

Regarding outlook for the current and upcoming years:

- This year started with sluggish demand and reduced prices for DI pipe sector, while TMT Bar has maintained its pace despite India's construct... construction sector's slower growth in the mid of the year.
- Reviewing 5 months' performance of the current financial year, the Company is expecting lower profitability for the period in comparison to the previous year's first half. For the execution of ENT Division's orders after design finalization, an equipment can generally be delivered within 60 to 120 days.
- In ENT Division, at any given day, your Company holds an order book of around 6 to 8 months and for Special Steel Division to limit the price risk, we only confirm orders for around 1 month.
- Electrotherm expects better years ahead as the overall sector in India will continue to grow. Recent reports have reported the per capita steel consumption to be of 105 kgs, this year, which has increased at a CAGR of 6.5% in last 6 years which is an increase from 72 kgs in 2022, in 2020, to 105 kgs in 2025. And the government forecasts it will reach 160 kgs in 2030.

Company's market positioning:

- Electrotherm's commitment to quality product and best after-service puts the Company as number one brand in induction furnace manufacturers, along with other steel plant-related equipments. Continuous improvement in engineering equipment to improve the bottom lines of our valued customers is the USP of Electrotherm's equipment business.
- In the financial year 2025, there are no major changes in the EV Division's dealer's network, this segment, as I said earlier. Marginal pickup in the sales going forward.



Regarding the legal cases:

- With regard to ED case, please refer to the note number 37(d), paragraph number 3 on page number 121 of the Annual Report - 2024-25. As of now, the case is sub-judice and pending before the Hon'ble Gujarat High Court.
- The order of Commissioner of Customs is related to classification of parts of e-bikes. The Company has already filed an appeal before the Customs, Excise and Service Tax Appellant tribunal.

Regarding the family settlement:

- The details related to change in ownership structure, has already been disclosed on 29th March 2025 in the disclosure submitted to the stock exchanges.
- The Company has not proposed to issue any convertible preferences Shares.
- Family Settlement Agreement has been executed on the 29th March 2025 and necessary disclosures under Regulation 30 and Regulation 30A of the SEBI LODR Regulations 2015 has been submitted to BSE and NSE.
- Further, note related, to transfer of shares is already given in the shareholding pattern submitted to the stock exchanges.
- Consultancy fees would be payable in 2 years for technical services, technical upgradation, implementation of new and advanced technologies and the development of new products. As of now, it is not possible to quantify the exact gain.

Thank you so much to all the shareholders, and I once again wish the whole Company and all of us together as a team, good luck for the upcoming year. Thank you.

Mr. Fageshkumar R. Soni, Company Secretary: Thank you, sir. I believe that all the questions put forth by the shareholders are answered and if there is any clarification /or having more questions, I request you to please send it to us through email and we will reply at the earliest.

We will move ahead for remaining proceedings for the 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 39th AGM through Video conferencing or other Audio Visual Means and who have not cast their vote through remote e voting.

The results shall be declared along with the Scrutinizer's Report to the Stock Exchanges (i.e. BSE & NSE) on which the equity shares of the Company are listed and It shall also be placed on the website of the Company and CDSL.



Further, we request all the shareholders whose email id is not registered with Depository Participants or Company or RTA, please register the same. Also, we request to shareholders who are holding shares in physical form, please do KYC and demat your shares.

Lastly, I would like to convey my thanks to Chairman Sir, all the Directors, Statutory Auditor, Secretarial Auditor, Scrutinizer and all the Members present at the 39th AGM virtually.

Thank you.
