

**resource provider**

Report  Junction.com



Electrosteel Castings Limited  
Annual Report 2002-03

# Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Chairman	P.K. Khaitan
Directors	B. Khaitan V.K. Lamba Parag Dalmia
Managing Director	U. Kejriwal
Joint Managing Director	M. Kejriwal
Wholetime Directors	N.C. Bahl Uddhav Kejriwal
Director & Secretary	S.Y. Rajagopalan
Auditors	Lodha & Co. Chartered Accountants
Solicitors	Khaitan & Co.
Bankers	Punjab National Bank Standard Chartered Bank BNP Paribas State Bank of India HDFC Bank Ltd.
Works	Khardah, West Bengal Elavur, Tamil Nadu
Administrative Office	40 Stephen House 4 B.B.D. Bag (East), Kolkata 700 001
Registered Office	Rajgangpur 770 017, Orissa

## Contents

Electrosteel at a glance	01	Vision	12	Who We Are, Highlights	13	10 minutes with MD	14	Management Discussion and Analysis	16	Risk Management	26	Enhancing Value for our Shareholders	28	Ten-Year Financial Summary	29	Directors' Report to the shareholders	30	Annexure "A" to Directors' Report	32	Annexure "B" to Directors' Report	34	Corporate Governance	35	Auditors' Certificate on Corporate Governance	40	Financial Section	41	Auditors' Report	42	Balance Sheet	44	Profit & Loss Account	45	Schedules	46	Balance Sheet Abstract	60	Cash Flow Statement	61	Section 212	62
Subsidiary Accounts	62	Consolidated Accounts	84																																						

**“BY MEANS  
OF WATER,  
WE GIVE  
LIFE TO  
EVERYTHING”**

1

## **Water in Kutch Gunvantiben Rathod's day has already begun**

not with a morning cup of tea, but an eight km trek for a pitcher-full of water. An ordeal of two-and-a-half hours.

The days of Gunvantiben's existing lifestyle are numbered.

In 2002-03, Electrosteel embarked on the supply and implementation – a totally integrated solution – of a historic 500 km water distribution system that criss-crossed the State and linked the waters of the Narmada to Gujarat's most water-deficient region (under the Gujarat Earthquake Rehabilitation and Reconstruction Programme). This required the company to work across different terrains, crossing saline creeks and marshy terrain with specially designed bridges using under-reamed piles.

Result: for the first time in her life, Gunvantiben can simply turn the tap at will from close to her point of consumption.

Changing lives.











2

Even as recent as a decade ago, Srinivas Sundaresan of Bangalore timed his watch with the arrival of the water tanker.

Generally, the arrival meant a drop-everything kind of activity: the urgent stocking of water in every tub, bucket and receptacle.

Over the years, Srinivas is amazed that this is one aspect of Indian life that has actually improved. He does not need to fill the receptacles any longer.

With good reason.

In 1999, water from the river Cauvery was supplied to Bangalore. To reach this benefit to every citizen, the Bangalore Water Supply Board issued a Rs 65 cr contract for the supply and installation of 71 kms of trunk and feeder mains to Electrosteel.

In the next few months, Electrosteel embarked on the exercise to lay a complex structure of pipes beneath the city to enable the Bangalorean to get his water with the simple flick of his fingers.

Impressed by Electrosteel's commitment, the BWSSB helped graduate the company from a supplier of DI pipes to a complete turnkey contractor for the next project. This migration was also in line with Electrosteel's vision of emerging as a total water and waste management organisation.

Facilitating lives.



3

Until a few years ago, writing out prescriptions to counter water-borne diseases had become a reflex action for Dr Meghna Shah in Saurashtra

not just for patients with loose eating habits but also for those with a disciplined diet.

Dr Shah's conclusion: the infection came largely from the subterranean leaks in water and waste pipeline systems that contaminated ground water resources and effectively contaminated bore well sources.

Just when Dr Shah was convinced that her patients would have to live with this reality, there is a hope.

Electrosteel was awarded a Rs 332 million assignment to collect and dispose off sewage in Bhuj, Limbdi and Dharangadhra through the construction of sewage systemising DI pipes with bottle tight joints.

Result: eliminated contamination.

Protecting lives.









Report Junction