

Corporate Information

Chairman	P. K. Khaitan
Directors	B. Khaitan Naresh Chandra Jamshed J. Irani M. B. N. Rao S. Y. Rajagopalan
Managing Director	Umang Kejriwal
Joint Managing Director	Mayank Kejriwal
Wholetime Directors	Uddhav Kejriwal V. M. Ralli M. K. Jalan R. S. Singh
Chief Financial Officer	K. Ramanathan
Company Secretary	Jyoti Jain
Auditors	Lodha & Co. Chartered Accountants
Solicitors	Khaitan & Co.
Bankers	Bank of Baroda Bank of India CITI Bank N.A. HSBC Limited HDFC Bank Limited ICICI Bank Ltd. IDBI Bank Ltd. Punjab National Bank Standard Chartered Bank State Bank of India
Works	Khardah, West Bengal Haldia, West Bengal Elavur, Tamil Nadu Parbatpur, Jharkhand
Corporate Office	G. K. Tower 19, Camac Street, Kolkata 700 017
Registered Office	Rathod Colony, P.O. Rajgangpur - 770 017 Dist. Sundargarh, Orissa

Contents

Notice	2
Directors' Report	10
Annexure : "A" to the Directors' Report	16
Management Discussion and Analysis	19
Risk Management	29
Corporate Governance	31
Auditors' Certificate on Corporate Governance	41
Ten-Year Financial Summary	42
Auditors' Report	43
Balance Sheet	48
Profit & Loss Account	49
Cash Flow Statement	50
Schedules	51
Auditors' Report on Consolidated Accounts	83
Consolidated Accounts	84
Consolidated Cash Flow	86
Consolidated Schedules	87



Notice

Notice is hereby given that the Fifty Sixth Annual General Meeting of the Company will be held at the Registered Office of the Company at Rathod Colony, Rajgangpur, Dist. Sundergarh, Orissa on Monday, the July 11, 2011 at 11.30 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To consider declaration of dividend by the Company, as recommended by the Board of Directors for the year ended March 31, 2011.
3. To appoint a Director in place of Mr. Pradip Kumar Khaitan, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Binod Khaitan, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Uddhav Kejriwal, who retires by rotation and is eligible for re-appointment.
6. To appoint a Director in place of Mr. Vyas Mitre Ralli, who retires by rotation and is eligible for re-appointment.
7. To appoint Statutory Auditors and to fix their remuneration.

Special Business:

8. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:
"RESOLVED THAT pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 approval is hereby accorded to the re-appointment of Mr. Umang Kejriwal, Managing Director for a further period of 5 years effective from April 01, 2012 on the remuneration namely, Rs.5,00,000/- per month in addition to the commission and perquisites as set out in the explanatory statement annexed to this notice."
9. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:
"RESOLVED THAT pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 approval is hereby accorded to the re-appointment of Mr. Mayank Kejriwal, Joint Managing Director for a further period of 5 years effective from April 01, 2012 on the remuneration namely, Rs. 5,00,000/- per month in addition to the commission and perquisites as set out in the explanatory statement annexed to this notice."
10. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:

"RESOLVED THAT in partial modification of the earlier Resolution passed by the Members of the Company in the Annual General Meeting held on August 01, 2008, the consent of the Company be and is hereby accorded, in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company and/or a duly authorized Committee of the Board for the time being exercising the powers conferred by the Board of Directors ("the Board") for borrowing, from time to time, any sum or sums of moneys on such terms and conditions and with or without security, as the Board may think fit which, together with the moneys already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only).

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient for the purpose of giving effect to this Resolution."

11. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:

"RESOLVED THAT in terms of sections 255 and 256 of the Companies Act, 1956 and other applicable provisions of any laws, Mr. Umang Kejriwal, who is presently a director and is also Managing Director of the Company, shall, unless resolved otherwise, be a director, who will not be liable to retire by rotation, for life."

12. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:

"RESOLVED THAT in terms of sections 255 and 256 of the Companies Act, 1956 and other applicable provisions of any laws, Mr. Mayank Kejriwal, who is presently a director and is also Joint Managing Director of the Company, shall, unless resolved otherwise, be a director, who will not be liable to retire by rotation, for life."

13. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:

"RESOLVED THAT in terms of sections 255 and 256 of the Companies Act, 1956 and other applicable provisions of any laws, Mr. Uddhav Kejriwal, who is presently Wholetime Director of the Company, on being appointed as a Director at the meeting, he shall, unless resolved otherwise, be a director, who will not be liable to retire by rotation, for life."

14. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:

"RESOLVED THAT in terms of sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 approval is hereby accorded to amend the present terms of appointment of Mr. Uddhav Kejriwal, Wholetime Director, relating to Basic Salary, Special Allowance and encashment of leave, as set out in the explanatory statement annexed to this notice."

By Order of the Board of Directors
For **Electrosteel Castings Limited**

Jyoti Jain
Company Secretary
May 12, 2011
Kolkata

NOTES :

- (a) The relevant details in respect of item Nos. 3 to 6, 8 and 9 above pursuant to Clause 49 of the Listing Agreement are annexed hereto.
- (b) Every shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a shareholder. The Proxy forms should, however, be deposited at the Registered Office of the Company not later than 48 hours before commencement of the meeting.
- (c) Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (d) The Register of Share Transfer of the Company



will remain closed for accepting Share Transfer applications from July 05, 2011 to July 11, 2011 (both days inclusive).

- (e) The dividend on equity shares, if declared, shall be paid to those members whose names appear in the Register of Members of the Company as on July 11, 2011. With respect to shares held in electronic form the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on July 04, 2011 as per details furnished by the Depositories for this purpose.
- (f) The Unclaimed dividend for the financial year 2002-2003 has been transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Section 205A & 205C of the Companies Act, 1956.
- (g) Members who have not received their dividend paid by the Company in respect of earlier years are requested to check with the Company's Registered Office at Rathod Colony, Rajgangpur-770017 (Orissa). Members are requested to note that in terms of Section 205C of the Companies Act, 1956 any dividend unpaid / unclaimed for a period of 7 years from the date when it first became due for payment is required to be transferred to the Central Government to the credit of the Investor Education & Protection Fund. Thereafter, no claim shall be entertained in respect of the dividend transferred to the Fund.
- (h) Members desirous of getting any information in respect of the Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting. Members / Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting as also the Attendance Slip duly filled in for attending the meeting.
- (i) Shareholders are requested to provide particulars of their bank account details for availing 'Electronic Clearing Service' (ECS) facility. Further, ECS facility is also available to the beneficial owners of shares in demat form. Those desirous of availing the facility may provide their mandate for physical holding to the Company and for demat holding to their DP in writing.
- (j) Equity Shares of the Company fall under the category of compulsory demat trading by all investors. Considering the advantages of scripless trading, shareholders are requested to consider dematerialisation of their shareholding so as to avoid inconvenience.
- (k) Shareholders are requested to give us their valuable suggestions for improvement of our investor services.

EXPLANATORY STATEMENT

(As required by Section 173 of the Companies Act, 1956)

Item No. 8 & 9 - Reappointment of Mr. Umang Kejriwal & Mr. Mayank Kejriwal as Managing Director and Joint Managing Director respectively.

Mr. Umang Kejriwal and Mr. Mayank Kejriwal were re-appointed as Managing Director and Jt. Managing Director respectively for a period of 5 years from April 01, 2007. The Board at its Meeting held on May 12, 2011 re-appointed Mr. Umang Kejriwal and Mr. Mayank Kejriwal for a further period of 5 years with effect from April 01, 2012 on the remuneration of Rs.5,00,000/- per month for each of them in addition to the commission and perquisites as per the terms as mentioned herein subject to the approval of the Shareholders at the Annual General Meeting of the Company.

Remuneration:

- (I) Salary: Rs. 5,00,000 per month.
- (II) Commission: Commission on net profits as may be decided by the Board of Directors for each financial year based on the net profits of that year and taking into account all other factors.
- (III) Perquisites and Amenities:
 - a) Medical Benefits:
Reimbursement of actual expenses incurred for self and family.
 - b) Leave:
As per applicable Staff Rules of the Company.
 - c) Accommodation:
Furnished Residential accommodation including gas, electricity and water.
 - d) Club Fees:
Fees of a maximum of two clubs excluding admission & life membership fees.
 - e) Car and Telephone:
Provision of a car for use on Company's business and telephone at residence. These will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

- f) The Personal Accident & Term Insurance:
Premium not to exceed Rs. 15,000/- per annum.
- g) Encashment of Leave:
In accordance with the Company's Rules & Regulations.
- h) Contribution to Retiral Benefit Funds:
 - i. Company's contribution to Provident Fund as applicable to other employees.
 - ii. Gratuity in accordance with the Gratuity Fund Rules not exceeding half a month's salary for each completed year of service.
- i) Leave Travel Concession:
Return passage for Mr. Umang Kejriwal and Mr. Mayank Kejriwal and their family in accordance with the Rules specified by the Company.

For the purpose of calculation of such monetary value, the perquisites shall be valued as per Income Tax Rules, wherever applicable and in the absence thereof, at cost.

Explanation:
For the purpose of eligibility of perquisites "family" means the spouse, the dependant children and dependant parents of the Whole time Director.
- j) Minimum Remuneration:
In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Umang Kejriwal and Mr. Mayank Kejriwal will be entitled to receive such minimum remuneration as is permissible under Section II of Part II of Schedule XIII to the Act.

As per the provisions of Sections 198, 269 and 309 read with Schedule XIII to the Companies Act, 1956, the appointment of and remuneration to Wholetime Director requires the approval of the shareholders in General Meeting by way of a Special Resolution.

The Board of Directors recommends the resolutions for your approval as set out under item no. 8 & 9.

Mr. Umang Kejriwal, Mr. Mayank Kejriwal and Mr. Uddhav Kejriwal may be considered as interested in the above appointments. None of the Directors is concerned or interested in the above appointment.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms of re-appointment of Mr. Umang Kejriwal and Mr. Mayank Kejriwal and Memorandum of interest of Directors u/s. 302 of the Companies Act, 1956.

Item No.10 - Limit under Section 293(1)(d)

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Members in General Meeting, borrow moneys in excess of the aggregate of the paid-up capital of the Company and its free reserves.

The shareholders of the Company, vide Resolutions passed at the Annual General Meeting held on August 01, 2008 approved the borrowing limits of Rs.1,500 Crores in terms of Section 293(1)(d) of the Companies Act, 1956.

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow moneys which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves, but not exceeding Rs.2,500 Crores (in place of the existing limit of Rs.1,500 Crores). These upward revisions in the borrowing limits would require your approval under the provisions of Sections 293(1)(d) of the Companies Act, 1956.

The Board of Directors recommends the resolution for your approval.

None of the Directors is either interested or concerned (save and except to the extent of their shareholding in the Company, if any) in these resolutions.

Item No.11 to 13 - Directors not liable to Retirement by Rotation

At present there are Twelve Directors on the Board. As per the provisions of Section 255 of the Companies Act, 1956 atleast two-third of the total Directors shall be the Directors whose period of office is liable to determination by retirement by rotation. To comply with these provisions, since two-third of total number of Directors comes to eight who are required to retire by rotation, so long as the total number of director of the company is twelve, the company could have four directors who will not be required to retire by rotation. In view of this, it is now proposed that unless resolved otherwise, Mr. Umang Kejriwal, Mr. Mayank Kejriwal and Mr. Uddhav Kejriwal may be the Directors who will not be liable to retire by rotation, till their life.

The Board of Directors recommends the resolutions for your approval.

None of the Directors expect Mr. Umang Kejriwal, Mr. Mayank Kejriwal and Mr. Uddhav Kejriwal is interested or concerned in these resolutions.

Item No. 14 – Amendment of terms of appointment of Mr. Uddhav Kejriwal

The Board at its meeting held on May 7, 2007 re-appointed Mr. Uddhav

Kejriwal for a further period of 5 years with effect from June 16, 2008. Further, w.e.f. June 16, 2011, the Board at its meeting held on May 12, 2011 approved revision of existing terms of Salary from “Rs. 1,50,000 per month in the grade of 1,50,000-25,000-2,50,000” to “Rs. 2,50,000 per month in the grade of 2,50,000-50,000-3,00,000”. The Board w.e.f. June 16, 2011 also revised existing “Special Allowance of Rs. 44,500 per month in grade of 44,500-3250-57,500” to “Special Allowance of Rs. 75,000 per month in grade of 75,000-25,000-1,00,000”. Further, w.e.f. June 16, 2011, the Board revised the existing terms of Encashment of leave from “At the end of tenure of office in accordance with the Company’s Rules” to “In accordance with the Company’s Rules & Regulations.”

The Board of Directors recommends the resolutions for your approval.

None of the Directors except Mr. Umang Kejriwal, Mr. Mayank Kejriwal and Mr. Uddhav Kejriwal is interested or concerned in these resolutions.

ANNEXURE AS REFERRED TO IN THE NOTES ON NOTICE

Information pursuant to Clause 49 of the Listing Agreement regarding appointment of new Director or reappointment of a Director.

Mr. Pradip Kumar Khaitan

Mr. Pradip Kumar Khaitan is Chairman of the Company and has been a director of the Company since 1972. He is a B.Com, LL.B and Attorney-at-Law (Gold Medalist) and has experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, mergers & acquisitions, restructuring and de-mergers. He is a member of the Bar Council of India, the Bar Council of West Bengal and the Indian Council of Arbitration. He is a senior most partner of Khaitan & Co., Advocates & Solicitors firm. Mr. Khaitan is also Director of several limited companies as per details given below:

Sl. No.	Name of the Company	Nature of Interest	Chairmanship / Membership of Committee
1.	CESC Ltd.	Director	NIL
2.	Dalmia Bharat Enterprises Ltd.	Director	NIL
3.	Dhunseri Petrochem & Tea Ltd.	Director	NIL
4.	Emaar MGF Land Ltd.	Director	Member-Shareholders and Investors Grievance Committee
5.	Gillanders Arbuthnot & Co. Ltd.	Director	Member-Shareholders and Investors Grievance Committee
6.	Graphite India Ltd.	Director	NIL
7.	Hindustan Motors Ltd.	Director	Member-Investors Grievance Committee
8.	India Glycols Ltd.	Director	NIL
9.	OCL India Ltd.	Director	NIL
10.	Pilani Investment & Industries Corporation Ltd.	Director	Member- Audit Committee
11.	Suzlon Energy Ltd.	Director	Member- Audit Committee Member- Investor Relations Committee
12.	TCPL Packaging Ltd.	Director	NIL
13.	VISA Steel Ltd.	Director	NIL
14.	Woodlands Multispeciality Hospital Ltd.	Director	NIL

Mr. Pradip Kumar Khaitan holds 1,000 equity shares in the Company as Joint holder.

The Board of Directors commends the reappointment.

Mr. Binod Khaitan

Mr. Binod Khaitan is a qualified B.Com., M.B.A. (Geneva), a retired businessman with wide experience in industries such as plywood, tea, jute, tyre, tube etc. Presently he is associated with various charitable and social organisations like Rotary Club, Vivekanand Kendra etc. He has been on the Board of the Company as a non-executive director since 1975 and currently holds directorship of the following limited Company as per detail given below:

Sl. No.	Name of the Company	Nature of Interest	Chairmanship / Membership of Committee
1.	The Phosphate Co. Ltd	Director	NIL
2.	Electrosteel Steels Ltd.	Director	NIL

Mr. Binod Khaitan holds 2,000 equity shares in the Company.

The Board of Directors commends the reappointment.

Mr. Uddhav Kejriwal

Mr. Uddhav Kejriwal is Wholetime Director of the Company. After joining in 2003, he has made a major contribution for the creation of the Haldia facility having 2.95 Lakhs TPA coke making capacity, 60,000 MT sponge Iron capacity and 12 MW Power Plant. He oversees all financial affairs and commercial issues pertaining to the business of the Company. Mr. Kejriwal is also Director of several limited Companies as per details given below:

Sl. No.	Name of the Company	Nature of Interest	Chairmanship / Membership of Committee
1.	Malay Commercial Enterprises Ltd.	Director	NIL
2.	Murari Investments & Trading Company Ltd.	Director	NIL
3.	Sri Gopal Investments Ventures Ltd.	Director	NIL
4.	Badrinath Industries Ltd	Director	NIL

The Board of Directors commends the reappointment.

Mr. Vyas Mitre Ralli

Mr. Vyas Mitre Ralli is Wholetime Director of the Company. He is a qualified B.Tech (Hons.) in Metallurgical Engineering from Indian Institute of Technology, Kharagpur. He joined the Company in April 1972 and currently is in-charge of Plants at Khardah and Haldia. He also oversees all the production and development at LIL. He has been appointed as a Wholetime Director on December 21, 2009. He does not hold directorship of any other Company.

The Board of Directors commends the reappointment.

Mr. Umang Kejriwal

Mr. Umang Kejriwal is Managing Director of the Company and has 35 years' experience in the Pipe manufacturing industry. From 1972 to 1975 he was actively engaged in the sale of the Company's products through his role as an Executive Director of the Company's then sole selling agents, Electrocast Sales India Ltd. He was appointed an Executive Director of the Company in 1975 and was subsequently promoted to Deputy Managing Director in 1979. In 1981, he was appointed as Managing Director of the Company. He is visionary and contributed to the growth of the Company. Mr. Kejriwal is also Director of several limited Companies as per details given below:

Sl. No.	Name of the Company	Nature of Interest	Chairmanship / Membership of Committee
1.	Electrosteel Thermal Power Ltd.	Director	NIL
2.	Electrosteel Thermal Coal Ltd.	Director	NIL
3.	Electrosteel Steels Ltd.	Director	NIL
4.	Uttam Commercial Co. Ltd.	Director	NIL
5.	G.K. Investments Ltd.	Director	NIL
6.	Electrocast Sales India Ltd.	Director	NIL
7.	Escal Finance Services Ltd.	Director	NIL
8.	Utkal Investments Ltd.	Director	NIL

The Board of Directors commends the reappointment.

Mr. Mayank Kejriwal

Mr. Mayank Kejriwal is Joint Managing Director of the Company. He was appointed as an Executive Director of the Company in 1977. In 1981, he was appointed as Joint Managing Director of the Company. Mr. Kejriwal has 35 years' experience in the Pipe manufacturing industry. Mr. Kejriwal is also Director of several limited Companies as per details given below:

Sl. No.	Name of the Company	Nature of Interest	Chairmanship / Membership of Committee
1.	Lanco Industries Ltd.	Managing Director	NIL
2.	Electrosteel Thermal Power Ltd.	Director	NIL
3.	Escal Finance Services Ltd.	Director	NIL
4.	Electrosteel Thermal Coal Ltd.	Director	NIL
5.	Murari Investment & Trading Co.Ltd.	Director	NIL
6.	Electrocast Sales India Ltd.	Director	NIL
7.	Malay Commercial Enterprises Ltd.	Director	NIL

The Board of Directors commends the reappointment.

By Order of the Board of Directors
For **Electrosteel Castings Limited**

Jyoti Jain
Company Secretary
May 12, 2011
Kolkata

Directors' Report

To The Shareholders

To,
The Members

Your Directors take pleasure in presenting their Fifty Sixth Annual Report and Audited Accounts of the Company for the year ended March 31, 2011.

Financial Results		Rs. in Crores	
Sl.no.	Particulars	FY 2010-11	FY 2009-10
i.	Gross Turnover	1749.67	1466.64
ii.	Net Turnover	1711.43	1428.77
iii.	Other Income	70.33	125.42
iv.	Total Revenue	1781.76	1554.19
v.	Earning Before Interest, Depreciation, Taxation and Amortisation (EBITDA)	316.98	404.29
vi.	Interest (Net)	47.68	44.07
vii.	Depreciation	54.41	52.30
viii.	Profit before Taxation (PBT)	214.89	307.92
ix.	Tax including Deferred Tax	60.25	101.63
x.	Profit after Taxation (PAT)	154.64	206.29
xi.	Profit brought forward from previous year	101.02	87.60
xii.	Amount available for appropriation	255.66	293.89
	Appropriation		
	Transfer to Debenture Redemption Reserve	22.00	27.00
	Transfer to General Reserve	100.00	118.24
	Proposed Dividend including tax thereon	47.47	47.63
	Total	169.47	192.87
xiii.	Surplus carried to Balance Sheet	86.19	101.02