

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
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, Odisha

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Notice

Notice is hereby given that the Fifty Seventh Annual General Meeting of the Company will be held at the Registered Office of the Company at Rathod Colony, Rajgangpur, Dist. Sundergarh, Odisha on Friday, the September 07, 2012 at 10.30 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2012, the Audited Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To consider declaration of dividend by the Company, as recommended by the Board of Directors for the year ended March 31, 2012.
3. To appoint a Director in place of Mr. S. Y. Rajagopalan, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. R. S. Singh, who retires by rotation and is eligible for re-appointment.
5. To Appoint a Director in place of Mr. M. K. Jalan, who retires by rotation and is eligible for re-appointment.
6. To appoint Statutory Auditors and to fix their remuneration.

Special Business :

7. 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. Uddhav Kejriwal, Whole time Director for a further period of 5 years effective from 16th June 2013 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."

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

Jyoti Jain
Company Secretary
May 28, 2012
Kolkata

NOTES :

- (a) The relevant details in respect of item Nos. 3 to 5 and 7 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 September 01, 2012 to September 07, 2012 (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 September 07, 2012 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 August 31, 2012 as per details furnished by the Depositories for this purpose.
- (f) The Unclaimed dividend for the financial year 2003-04 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, Dist. Sundergarh, (Odisha). 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 7

Mr. Uddhav Kejriwal was re-appointed as Whole time Director for a period of 5 years from June 16, 2008. The Board at its meeting held on May 28, 2012 re-appointed Mr. Uddhav Kejriwal for a further period of 5 years with effect from June 16, 2013 on the remuneration of Rs. 5,00,000/- per month 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 in the grade of Rs. 5,00,000-50,000-7,00,000
- (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 & Amenities
 - a) Medical Benefits :
Reimbursement of actual expenses incurred for self and family.
 - b) Leave :
As per applicable Staff Rules of the Company.
 - c) Housing :
Residential accommodation including electricity (or House Rent Allowance in lieu thereof not exceeding 60% of the salary)
 - 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) Personal Accident and 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. Uddhav Kejriwal and his 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. Uddhav Kejriwal will be entitled to receive such minimum remuneration as is permissible under Section II of Part II of Schedule XIII to the Act.

The Board of Directors commends the Resolution for your approval.

None of the Directors except Mr. Umang Kejriwal and Mr. Mayank Kejriwal is interested or concerned in this resolution.

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. S.Y. Rajagopalan

Mr. S.Y. Rajagopalan, aged 77 years, is a Chartered Accountant and Company Secretary by profession. He worked as a Wholetime Director of your Company since November 25, 1988 and retired on August 09, 2007. He has extensive experience in corporate and related Laws and finance affairs. Mr. Rajagopalan holds directorship in Company given below. He holds 5100 equity shares of the Company.

Sl. No.	Name of the Company	Nature of Interest	Chairmanship / Membership of Committee
1.	Lanco Industries Ltd.	Director	NIL

The Board of Directors commends the Resolution for your approval.

Mr. R. S. Singh

Mr. R. S. Singh, aged 64 years, has held Senior post in Tata Steel. He received a B-Tech degree in Mining Engineering from the Indian School of Mines, in July 1969. He is a registered member of professional societies / Institution in IMMA and MMGI. He is having over 44 years experience in the mining, design, procurement and construction of mines projects and also in the operation and maintenance of mines, road, water supply and buildings. Mr. Singh holds 26000 equity shares of the Company. Mr. Singh is also Director of several other companies as per details given below :

Sl. No.	Name of the Company	Nature of Interest	Chairmanship / Membership of Committee
1.	Rama Mining Consultants Pvt. Ltd.	Director	NIL
2.	Asian Informatics Pvt. Ltd.	Director	NIL
3.	Jhilmil Traders	Director	NIL

The Board of Directors commends the Resolution for your approval.

Mr. M. K. Jalan

Mr. M. K. Jalan, aged 59 years, joined your Company as Commercial Manager in 1981. In 1993, he was given the responsibility of setting up the Export Department for export of D.I. Pipes. After achieving this objective, he was given additional responsibility of looking after domestic sales and marketing in 2003. Currently Mr. Jalan looks after Company's Marketing Strategies. He holds 1100 equity shares of the Company. Mr. Jalan is also Director of several other companies as per details given below :

Sl. No.	Name of the Company	Nature of Interest	Chairmanship / Membership of Committee
1.	Kanchenjanga Trade & Finance Pvt. Ltd.	Director	NIL
2.	Pekon Properties & Enclave Pvt. Ltd.	Director	NIL
3.	Eeshwar Fiscal Services Pvt. Ltd.	Director	NIL
4.	Alkan Fiscal Services Pvt. Ltd.	Director	NIL

The Board of Directors commends the Resolution for your approval.

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 Lacs 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. He holds 31,87,540 equity shares 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.	Sri Gopal Investments Ventures Ltd.	Director	NIL
2.	Badrinath Industries Ltd.	Director	NIL
3.	Murari Investment & Trading Co. Ltd.	Director	NIL

The Board of Directors commends the Resolution for your approval.

By Order of the Board of Directors

For Electrosteel Castings Limited

Jyoti Jain

Company Secretary

May 28, 2012

Kolkata

Directors' Report

To The Shareholders

To,
The Members

Your Directors take pleasure in presenting their Fifty Seventh Annual Report and Audited Accounts of the Company for the year ended March 31, 2012.

Financial Results		Rs. in Crores	
Sl.no.	Particulars	FY 2011-12	FY 2010-11
i.	Revenue from operation	1916.66	1709.53
ii.	Other Income	70.77	101.75
iii.	Total Revenue	1987.43	1811.28
iv.	Profit before Taxation (PBT)	22.58	214.89
v.	Tax including Deferred Tax	(19.80)	60.25
vi.	Profit after Taxation (PAT)	42.38	154.64
vii.	Profit brought forward from previous year	86.19	101.02
viii.	Transfer from Debenture Redemption Reserve	25.00	–
ix.	Amount available for appropriation	153.57	255.66
	Appropriation		
	Transfer to Debenture Redemption Reserve	16.00	22.00
	Transfer to General Reserve	5.00	100.00
	Proposed Dividend including tax thereon	18.99	47.47
	Total	39.99	169.47
x.	Surplus carried to Balance Sheet	113.58	86.19

Your Company's Revenue from operation has increased from Rs. 1709.53 crores in 2010-11 to Rs. 1916.66 crores in 2011-12 representing an increase of 12.12 %.

Dividend

Your Directors recommend a dividend @ Rs 0.50 per share i.e.50% for the year ended March 31, 2012. The dividend, on approval by members, will absorb Rs. 18.99 crores, inclusive of tax of Rs 2.65 crores on distribution of dividend.

Operations

F.Y. 2011-12 was a challenging year with a moderate growth of business due to turbulent economic environment. There was a slowdown in global economy activities across major part of the world and India was also affected to a larger extent coupled with domestic factors such as inflation, decelerating growth and widening current account deficit. Despite these constraints and the challenging environment, the Company performed reasonably well and sustained its production and sales in quantitative terms. The Company's Revenue from operation has increased from Rs. 1709.53 crores in 2010-11 to Rs. 1916.66 crores in 2011-12 representing an increase of 12.12 %. Export sales showed an increase from Rs. 566.33 crores to Rs. 822.69 crores, an increase of 45.27 % due to higher proportion of sales in the export market. The Company's profit (PAT) for the year was Rs. 42.38 crores as against Rs. 154.64 crores. The decline was due to steep rise in raw materials prices mainly of iron ore & coal and sharp depreciation of INR against dollar.

During the year D.I.pipes production was 2,70,168 MT as against 2,70,327 MT in the previous year, showing marginally decreases. This year more product varieties have been added in the said production to satisfy our customers. Production of D.I.fittings was higher

by 23.34% over the previous year (from 5,038 MT to 6,214 MT).

The production of C.I. pipes at Elavur was 19,177 MT as against 30,199 MT in the previous year due to the customer's preference for DI Pipes over CI Pipes.

Credit Rating

Your Company continues to enjoy the rating for long-term/medium term debt and various Bank facilities as "CARE AA "(Double A) including the Non-Convertible Debentures (NCDs) of the Company (outstanding Rs. 200 crores as at 31.03.2012). "CARE AA" rating indicates high safety for timely servicing of debt obligations and very low credit risk.

The rating for the short-term debt/facilities sanctioned and/or availed by the Company has been assigned as "CARE A1+ (A One Plus)" which is the highest rating in the category and indicates a strong capacity for timely payment of short-term debt obligations and lowest credit risk.

Future Prospects

Government's thrust on the infrastructure facilities is already showing continuous increasing demand for D. I. pipes in the domestic market. However, additional capacity installed by new entrants and peer group companies may intensify the competition in the domestic market. There is constant endeavor by your Company for increasing the share in existing foreign markets and enter new countries. Your Company has opened a new office in Italy with two stockyards. There are plans to set up an office and stockyard in Germany this fiscal. A branch office is also being opened shortly in Morocco to service the West African market where we have already started getting projects. Approvals have been

Directors' Report (Contd.)

obtained in Brazil and other South American markets and initial businesses obtained. In short, we see an exciting year ahead.

Corporate Governance

Your Company has fully complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance.

A report on Corporate Governance Practices, the Auditors' Certificate on compliance of mandatory requirements thereof and Management Discussion and Analysis are given as annexure to this report.

Directors' responsibility statement

Your Directors hereby confirm :

- a) that in the preparation of annual accounts, containing financial statements for the year ended March 31, 2012 the applicable accounting standards have been followed.
- b) that the stated accounting policies have been consistently followed to give a true and fair view of the state of affairs of the Company and the profit for that period.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the annual accounts have been prepared on a 'going concern' basis.

Cost Audit

The Central Government's directions vide their Order dated 2nd May, 2011 & 30th June, 2011 pursuant to Section 233B of the Companies Act, 1956, requires audit of the cost accounting records of the Company relating to Pig Iron, DI Pipe, DI Fittings, CI Pipe, Sponge Iron & Power Generating units for every financial year on & from 2011-12. The mines