



## ELECTROSTEEL CASTINGS LIMITED

Registered Office:

Rathod Colony, Rajgangpur, Sundergarh, Orissa - 770 017

---

Notice is hereby given that an Ordinary General Meeting of the Company will be held at the Registered Office of the Company at Rathod Colony, Rajgangpur, Sundergarh, Orissa -770 017 on Monday, December 15, 2008 at 9.30 A.M. to transact the following Special business :

**1. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:**

“**RESOLVED THAT** in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and of Memorandum and Articles of Association of the Company and subject to consent(s), approval(s), permission(s) or sanction(s) including any conditions thereof or any modifications to the terms and conditions therein, if any, required of any authority (ies), body (ies) or financial institution(s) as may be necessary, consent of Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which expression shall be deemed to include any Committee which the Board may constitute to exercise its powers) to issue, offer for subscription and allot up to 1,24,00,000 equity shares of Re.1/- each & up to 3,00,00,000 equity shares of Re.1/- each on preferential basis to PGS Invest Limited and Stemcor Metals Limited respectively for cash at a price of not less than the price calculated as per SEBI Guidelines or Rs. 38/- per share whichever is higher and/or to such extent and on such other terms and conditions as may be decided by the Board in accordance with SEBI (Disclosure and Investor Protection) Guidelines 2000, as amended, (‘the Guidelines’).”

“**RESOLVED FURTHER THAT** the “Relevant Date” in terms of the Guidelines for the purpose of determining the price of the equity shares shall be November 15, 2008, being the date 30 days prior to the date of this General Meeting.”

“**RESOLVED FURTHER THAT** the equity shares issued shall rank *pari passu* with the existing equity shares of the Company.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the shares and to vary, modify, or alter any of the terms and conditions, including the size and price (in accordance with Guidelines) as it may deem expedient.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized to agree to, make and accept such conditions, modifications and alterations as may be stipulated by the relevant authorities and to take such actions as may be necessary, desirable or expedient to effect such modifications and alterations and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of shares and to do all acts, deeds, matters and things as it may at its discretion consider necessary or desirable without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**2. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary 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 rectify the amendment of the previous terms of appointment of Mr. Uddhav Kejriwal, Whole time Director, relating to Special Allowance and Contribution to Retiral Benefit Funds as set out in the explanatory statement annexed to this notice.”

**“RESOLVED FURTHER THAT** pursuant to 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, Whole time Director, relating to Special Allowance and Contribution to Retiral Benefit Funds as set out in the explanatory statement annexed to this notice.”

**NOTES :**

- (a) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
- (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 proxies should, however, be deposited at the Registered Office of the Company not later than 48 hours before commencement of the meeting.

By Order of the Board of Directors  
For Electrosteel Castings Limited

Jyoti Jain  
*Company Secretary*

October 15, 2008  
Kolkata

---

**Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956**

**1. Issue of shares on Preferential Allotment basis**

In order to meet the Company’s fund requirements for its expansion and other business purposes including working capital requirements, it is proposed to allot up to 1,24,00,000 equity shares of Re.1/- each and up to 3,00,00,000 equity shares of Re.1/- each on a preferential basis to PGS Invest Limited and Stemcor Metals Limited respectively for cash at a price of not less than the price calculated as per SEBI Guidelines or Rs. 38/- per share whichever is higher and/or to such extent and on such other terms and conditions as may be decided by the Board in accordance with SEBI (Disclosure and Investor Protection) Guidelines 2000, as amended (‘the Guidelines’). The Relevant Date in terms of the Guidelines for the purpose of determining the price of the resultant equity shares shall be November 15, 2008, being the date 30 days prior to the date of this General Meeting.

The proposed issue and allotment as above require the approval of the members by a Special Resolution pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of the Listing Agreements entered into by the Company with the Stock Exchanges.

A copy of the certificate from the Statutory Auditors of the Company confirming that the issue of shares on the above terms is in accordance with the Guidelines for preferential issues as in force on the date of this Notice will be available for inspection at the General Meeting.

The disclosures which are required to be given in the explanatory statement to the notice of the General Meeting in terms of Clause 13.1A of the Guidelines on preferential issues as in force on the date of this Notice are as under: -

**a) The objects of the Issue**

The purpose of the issue is to augment the fund position of the Company and use the proceeds for expansion and other business purposes including working capital requirements.

**b) Intention of the Promoter and Promoter group to subscribe to the offer**

The offer is made to Non-Promoter Group who has indicated its intention to subscribe for the shares.

**c) Shareholding pattern before and after the offer**

The information on shareholding pattern before and after the offer is given below :

Category	Pre Offer		Post Offer	
	No. of Shares	%	No. of Shares	%
Promoter and Promoter Group	13,59,08,785	48.36	13,59,08,785	42.02
Financial Institutions / Banks	6,96,45,226	24.78	6,96,45,226	21.53
Bodies Corporate	1,77,45,341	6.31	1,77,45,341	5.49
Non Resident Indians	8,22,040	0.29	8,22,040	0.25
Resident Individuals	5,21,30,899	18.55	5,21,30,899	16.12
Share held by Custodians and against which Depository Receipts have been issued	27,70,000	0.99	27,70,000	0.86
Others	20,30,000	0.72	4,44,30,000	13.73
<b>Total</b>	<b>28,10,52,291</b>	<b>100.00</b>	<b>32,34,52,291</b>	<b>100.00</b>

**Note :**

The pre-offer shareholding pattern is given as on September 30, 2008 which includes 5,76,34,811 equity shares issued on account of conversion of Zero Coupon Convertible Bonds and the post-offer shareholding pattern is based on full allotment of shares covered by this resolution.

**d) Proposed time within which allotment shall be complete**

The Board proposes to allot the shares within a period of 15 days from the date of this resolution.

**e) The identity of the proposed allottee and the percentage of post preferential issued capital that may be held by them are as follows : -**

Identity of the proposed allottee	Category	Maximum no. of shares proposed to Issue	Post conversion shareholding %
PGS Invest Limited Trust House 112, Bonadie Street Kingstown St. Vincent & The Grenadines	Foreign Company	1,24,00,000	3.83
Stemcor Metals Limited 11, Boumpoulinas Street 1st Floor, 1060 Nicosia Cyprus	Foreign Company	3,00,00,000	9.27

**Note :**

Post conversion shareholding percentage is calculated assuming that there is no further increase in share capital till allotment of shares.

**f) Pricing of the issue**

Each equity shares will be issued for cash at a price not less than the price calculated as per SEBI Guidelines or Rs. 38/- per share whichever is higher or as may be determined by the Board (in accordance with Guidelines) at the time of offer.

The price to be calculated on the basis of the Relevant Date as on November 15, 2008 which is 30 days prior to the date on which the meeting of the general body of shareholders is to be held, in terms of Section 81(1A) of the Companies Act 1956 to consider the proposed issue. The method for arriving at the floor price at which the equity shares is in terms of the Guidelines on preferential issue as in force on the date of this Notice.

A copy of the certificate of the Statutory Auditor of the Company certifying that the issue of shares is being made in accordance with the requirements of SEBI Guidelines for preferential issues as contained in the Guidelines shall be placed before the shareholders at the General Meeting.

**g) Terms of payment**

100% of the total consideration shall be paid on allotment of equity shares.

No Director of the Company is concerned or interested in the resolution and the Board recommends that the same be passed.

**2. Amendment of previous/existing terms of appointment of Mr. Uddhav Kejriwal**

Mr. Uddhav Kejriwal was appointed as Whole time Director for a period of 5 years from June 16, 2003 on terms and conditions approved by the shareholders at the Annual General Meeting held on September 15, 2003. Further, the Board at its meeting held on October 15, 2008 rectified the said previous terms w.e.f. April 01, 2008 relating to Special Allowance from "Special Allowance of Rs. 25,000 per month" to "Special Allowance of Rs. 41,900 per month" and deletion of clause (g) (2) which read as "Company's contribution to Superannuation Fund or Annuity Fund which together with contribution to Provident Fund shall not exceed 25% of the Salary."

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 on revised terms and conditions approved by the shareholders at the Annual General Meeting held on August 08, 2007. Further, the Board at its meeting held on October 15, 2008 approved the revision of existing terms w.e.f. June 16, 2008 relating to Special Allowance from "Special Allowance of Rs. 25,000 per month" to "Special Allowance of Rs. 44,500 per month in the grade of 44,500-3,250-57,500" and deletion of clause (h) (ii) which read as "Company's contribution to Superannuation Fund which together with contribution to Provident Fund shall not exceed 25% of the salary."

The Directors recommend change in previous/existing terms as proposed.

Mr. Uddhav Kejriwal is related to Mr. Umang Kejriwal and Mr. Mayank Kejriwal and each of them may be considered as interested in the above revision of existing terms of appointment. No other Director has any interest or concern in this revision.

By Order of the Board of Directors  
For Electrosteel Castings Limited

Jyoti Jain  
*Company Secretary*

October 15, 2008  
Kolkata



# ELECTROSTEEL CASTINGS LIMITED

Registered Office : Rathod Colony, Rajgangpur, Sundergarh, Orissa - 770 017  
Ordinary General Meeting, December 15, 2008, Monday at 9.30 A.M.

## ADMISSION SLIP

Full Name of the member in Block Letters.....

Folio No..... DP ID No. \*..... Client ID No.\*.....

\* Applicable for member holding shares in electronic form.

I certify that I am a registered shareholder of the Company and hold.....shares.  
Please ✓ in the box

Member

Proxy

Member's Signature

\_\_\_\_\_  
Name of the Proxy in Block Letters

\_\_\_\_\_  
Proxy's Signature

Note : Shareholder/Proxyholder wishing to attend the meeting must bring the Admission Slip to the meeting and hand it over at the entrance duly signed.

---

## PROXY FORM

I/We .....

of .....

being a member/members of Electrosteel Castings Limited hereby appoint .....

..... of .....

or failing him ..... of .....

.....  
as my/our proxy to vote for me/us and on my/our behalf at an Ordinary General Meeting of the Company to be held on Monday, the December 15, 2008 and at any adjournment thereof.

as witness my/our hand(s) this ..... day of ..... 2008

signed by the said .....

Folio No. ....

No. of Shares held .....

Affix  
Rupee 1/-  
Revenue  
Stamp

Note : The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

## **BOOK POST**

*If undelivered, please return to :*

**Maheshwari Datamatics (P) Ltd.**

6, Mangoe Lane, 2nd Floor, Kolkata - 700 001