



CIN: L27310JH2006PLC012663

Regd Office : 801, Uma Shanti Apartments, Kanke Road, Ranchi-834 008, Jharkhand, India | Tel: 0651 223 1636

Corporate Office : GK Tower, 2nd & 3rd Floor, 19, Camac Street, Kolkata - 700 017, West Bengal, India

Board Number : 033-7103 4400 | Fax No : 033-2290 2992

www.electrosteelsteels.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Members,

Notice is hereby given that approval of the Members of Electrosteel Steels Limited ('Company') is sought for the following draft resolutions proposed to be passed through voting by Postal Ballot and e-voting in accordance with the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with Stock Exchanges, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force.

Special Business

1 To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 42, 62 and all other applicable provisions of the Companies Act, 2013 (“Act”) read with the Rules made therein, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as the **“SEBI ICDR Regulations”**), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, Listing Agreement with the Stock Exchanges where the equity shares of the Company are listed (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), any other applicable law(s), rule(s) and regulation(s) and subject to such condition(s) as may be prescribed by one or more of them while granting any such approval, consent, permission and/or sanction, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to include any Committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred under this resolution or any person duly authorized by the Board in this behalf) and enabling provisions of the existing Memorandum and Articles of Association of the Company, consent, authority and approval of the Company be and is hereby accorded to the Board to issue and allot 52,30,000 (Fifty Two lakhs and thirty thousand) equity shares of the Company of Rs 10 each fully paid up aggregating to Rs 5.23 crores (Rupees Five crores and Twenty three lakhs) by way of preferential allotment to the Promoter of the Company, namely Electrosteel Castings Ltd. (ECL), on private placement basis in terms of the Corporate Debt Restructuring Package (**“CDR Package”**) approved by the Corporate Debt Restructuring Empowered Group vide letter of approval bearing No BY.CDR(SSA)/No.520/2013-14 dated 28th September, 2013.

RESOLVED FURTHER THAT the Relevant Date for determination of the issue price in terms of the SEBI ICDR Regulations shall be the date of the approval of the CDR Package, i.e. 26th September, 2013.

RESOLVED FURTHER THAT the new Equity Shares arising out of the proposed issue shall rank *paripassu* in all respects with the existing Equity Shares of the Company save and except dividend that may be declared and paid in relation to the financial year in which the new Equity Shares are issued, which shall be pro-rata from the date of the allotment and shall be listed on the Stock Exchanges where the existing Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

2 To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 ("Act"), if any, read with Rules made therein and Schedule V to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable law(s), rule(s) and regulation(s) and subject to such other approval(s), consents(s) and/or permission(s) as may be required, approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee which the Board has constituted or may constitute to exercise its power including the powers conferred under this resolution) for payment of remuneration to Mr Rama Shankar Singh (DIN 02093276), as set out in the explanatory statement annexed to the Notice, as a Whole-Time Director of the Company for the period 1st April 2014 to 5th February 2017.

RESOLVED FURTHER THAT in any financial year during the tenure of Mr Rama Shankar Singh as Whole-Time Director, the Company has no profits or its profits are inadequate as contemplated in Schedule V to the Act, the Company may pay to the Whole-Time Director, remuneration, as detailed in the explanatory statement annexed to Notice, as minimum remuneration, subject to requisite approvals, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

3 To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Rules made therein (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to all applicable approval(s), permission(s) and such condition(s) as may be prescribed by any of the concerned authority(ies), the draft regulations including all headings contained in the Articles of Association, submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which term shall be deemed to include any Committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred under this resolution, or any person duly authorized by the Board in this behalf) be and is hereby authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

4 To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions of the Companies Act, 2013 ("Act") read with Rules made therein (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Register of Members, Register of Debenture holders and Register of other security holders as prescribed under Section 88 of the Act, be kept at any other place in India in which more than one-tenth of the total number of members entered in the Register of Members reside notwithstanding that the registered office of the Company is situated at such place or not.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred under this resolution, or any person duly authorized by the Board in this behalf) be and is hereby authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Sd/-

Anubhav Maheshwari
Company Secretary
ACS: 22829

Kolkata
13th November, 2014

NOTES:

- 1 **The Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of the special business set out to the Postal Ballot Notice (Notice) is annexed herewith.**
- 2 A copy of the Notice has been placed on the website of the Company i.e. **www.electrosteelsteels.com** and shall remain on the website till the last date for receipt of the Postal Ballot Form / e-voting, as detailed hereunder, from the Members. The Notice is also available on website of National Security Depositories Services Ltd. (NSDL) i.e. **www.evoting.nsdl.com**.
- 3 The Board of Directors of the Company has appointed Mr. Manoj Banthia of M/s MKB & Associates, Practicing Company Secretaries, as Scrutinizer for conducting the e-voting process and Postal Ballot voting process, in a fair and transparent manner.
4. Members who have registered their e-mail IDs with their Depository Participants in case shares held in dematerialized form and/or with RTA, in case shares held in physical form Notice will be sent electronically by e-mail and Members who have not registered their e-mail IDs will receive Notice along with the Postal Ballot Form in physical form by post and/or courier.
- 5 (a) In compliance with Clause 35B of the Listing Agreement entered into by the Company with the Stock Exchanges and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company will provide e-voting facilities to the Members in respect of all resolutions proposed to be passed through Postal Ballot. The Company has engaged the services of NSDL to provide e-voting facilities to the Members. The e-voting facility is available at the link **https://www.evoting.nsdl.com**.
- (b) The Members who do not have access to e-voting facility, a Postal Ballot Form is sent along with the Notice together with the self addressed Business Reply Envelope, to enable them to send their assent or dissent in writing on the Postal Ballot Form. Detailed instructions on voting through Postal Ballot / E-Voting are given on the reverse of the Ballot Form. Members desiring to vote through Postal Ballot Form are requested to exercise their vote and to send the enclosed Postal Ballot Form duly completed in all respects in the enclosed self address Business Reply Envelope to the **Scrutinizer, C/o Electrosteel Steels Limited, 3rd Floor, 19 Camac Street, Kolkata - 700 017**, not later than the close of working hours i.e 6.00 p.m. on 20th February, 2015 failing which it shall be strictly treated as if no reply has been received from the members.
- (c) Kindly note that the Members can opt only one mode for voting i.e. either by Postal Ballot Form or e-voting.



- 6 The members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their votes.
- 7 During the voting period, Members of the Company holding shares either in physical form or dematerialized form as on the record date (cut off date) of 9th January, 2015, may cast their vote electronically or through Postal Ballot.
- 8 A Member may request for a duplicate Postal Ballot Form, if required, by sending request to Mr Anubhav Maheshwari, Company Secretary, Electrosteel Steels Limited, 19 Camac Street, Kolkata- 700 017 or by sending email to **eil.investors@electrosteel.com**. However, duly filled in Postal Ballot Form should reach the Scrutinizer not later than the date specified in Notes No. 5(b) above.
- 9 Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- 10 In case, a Member has cast vote both via Postal Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.
- 11 The Scrutinizer shall after close of the working hours i.e. 6.00 p.m. on 20th February, 2015, unblock the votes in presence of at least two witnesses not in employment of the Company.
- 12 The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through Postal Ballot to submit the final result for each of the resolutions forming part of the Notice. The Scrutinizer shall submit his report to the Chairman / Director of the Company after completion of scrutiny of Postal Ballots (including e-voting). The result of the Postal Ballot will be announced on 23rd February 2015 at 4.00 p.m. at the registered office as well as the corporate office of the Company. The date of declaration of the results would be the date of passing of the resolutions by the shareholders of the Company, if a resolution is assented to by the requisite majority of the shareholders.
- 13 The results declared along with the Scrutinizer Report shall be placed on the website of the Company as well as on NSDL website within two days of passing of the resolutions and will also be communicated to the Stock Exchanges where the Company shares are listed. Further as required the Company will also publish the results of the resolutions in the newspapers.
- 14 Any query in relation to the resolutions proposed by Postal Ballot may be addressed to Mr Anubhav Maheshwari, Company Secretary, Electrosteel Steels Limited, 19 Camac Street, Kolkata 700 017 or through email: **eil.investors@electrosteel.com**.

EXPLANATORY STATEMENTS

ANNEXED TO THE POSTAL BALLOT NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No 1

The Corporate Debt Restructuring Empowered Group vide letter dated 28th September 2013 had approved the Corporate Debt Restructuring (CDR) Package for the Company. In terms of CDR Package, Electrosteel Castings Limited, the Promoter Company, (ECL) was required to make contribution by way of equity and/or unsecured (subordinate) loans for Rs 222.50 crores. The Board of Directors of the Company in its meeting held on 13th August 2014 after the approval of the shareholders on 19th March 2014, through Postal Ballot process had allotted 22.50 crores equity shares of Rs 10 each fully paid up to ECL. The equity shares were later admitted for listing and trading on both the stock exchanges i.e. National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE).

The Company, post shareholders approval on 19th March 2014 has been informed by State Bank of India that ECL's contribution under CDR Package was revised to Rs 227.73 crores from Rs 222.50 crores as determined earlier. Hence the additional contribution of Rs 5.23 crores in form of equity and/or unsecured (subordinate) loans is required from ECL. The Board in its meeting held on 13th November 2014, subject to the Articles of Association of the Company, shareholders approval and such other approval(s), permission(s), etc. as may be required thereto had approved preferential allotment of 52,30,000 equity shares of Rs 10 each aggregating to Rs 5.23 crores on private placement basis to ECL.

In terms of the requirement of Section 102 of the Companies Act, 2013, Rule 13(2) of the Companies (Share Capital & Debentures) Rules, 2014 and Chapter VII of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) the following disclosures are been made:

(1) Object of the Issue:

The purpose of the issue is to meet the Promoter's Contribution requirement in terms of CDR Package approved by the Corporate Debt Restructuring Empowered Group vide letter of approval bearing No BY.CDR(SSA)/No.520/2013-14 dated September 28, 2013.

(2) Pricing of the Issue & Relevant Date:

In terms of Regulation 76 of the ICDR Regulations the price at which the Equity Shares being proposed to be allotted on preferential basis shall not be less than the higher of the following:

- a) The average of weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date; or
- b) The average of weekly high and low of the volume weighted average price of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

Since the Preferential allotment is to be made as per the CDR Package, the Relevant Date for the purpose of calculating the price of the equity shares to be issued will be the date of approval of CDR Package, viz. 26th September 2013.

'Stock Exchange' for the purpose of this clause means recognized stock exchange in which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding twenty six weeks prior to the relevant date.

The average price as computed on the above basis during 26 weeks preceding the relevant date is Rs. 3.97 per equity share whereas during two weeks preceding the relevant date is Rs. 3.59 per equity share. The higher of the two prices calculated is Rs. 3.97 per equity share and the issue price is Rs 10 per equity share, which is higher of the two calculated prices.

(3) Proposal of the Promoters, Directors or Key Managerial Personnel of the Company to subscribe to the offer:

ECL has accorded consent to subscribe to the Preferential Allotment of 52,30,000 Equity shares of Rs 10 each on private placement basis. The equity shares proposed to be allotted shall be made fully paid up at the time of their allotment. None of the Directors or Key Managerial Personnel intends to subscribe to the proposed preferential allotment on private placement basis. ECL during six months preceding the relevant date i.e. 26th September 2013 has not sold any equity shares of the Company.

(4) Identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, consequent to the preferential issue:

The identity of the proposed allottee and the percentage of post preferential issue capital that may be held by it is as follows:

Identity of the proposed allottee	Post-Issue No. of Equity Shares and % of Equity Capital
Electrosteel Castings Limited Regd. Office: Rathod Colony, Rajgangpur, District- Sundergarh, Odisha-770 017 CIN: L27310OR1955PLC000310 PAN : AAACE4975B Listed on BSE & NSE	1095030000 Equity Shares of Rs 10 each, 45.35% of Post Issue Share Capital of the Company

The figures shown in the table assumes:

- (a) Issue and allotment of all Equity shares to ECL as mentioned in the resolution.
- (b) The holdings of other shareholders do not change.

As the proposed allottee is the existing Promoter, the allotment of the Equity Shares will not result in any change of control of the Company.

(5) Holding of shares in the Demat Form, non disposal of shares by the proposed allottees and Lock-in period of shares:

All the existing shareholding of ECL in the Company is in dematerialized form. In terms of ICDR Regulations, the preferential allotment of equity shares on private placement basis shall be locked in for the period of one year from the trading approval of the proposed equity shares on both NSE and BSE. The entire pre-preferential allotment shareholding of the allottee shall be locked in from the relevant date i.e. 26th September 2013 upto a period of six months from the trading approval of the proposed equity shares on both NSE & BSE.

The equity shares proposed to be issued would rank pari-passu with the existing equity share capital of the Company except dividend that may be declared and paid in relation to the financial year in which the new Equity Shares are issued, which shall be pro-rata from the date of the allotment and shall be listed on the Stock Exchanges where the existing equity shares of the Company are listed.

(6) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of securities as well as price:

Pursuant to the CDR Package, Board of Directors of the Company on 13th August 2014, after shareholders approval on 19th March 2014, had made preferential allotment of 22.50 crores of equity shares of Rs 10 each fully paid up aggregating to Rs 222.50 crores to ECL.

(7) Shareholding Pattern before and after the preferential allotment:

The Shareholding pattern of the Company as on 7th November 2014 and excludes subsequent transfers and allotments:-

Sl. No.	Category	Pre Issue		Post Issue	
		No. of Shares	%	No. of Shares	%
(A)	Promoters/Promoter Group Holding (Indian)				
	Bodies Corporate	1089800000	45.23	1095030000	45.35
	Total Promoter Shareholding (A)	1089800000	45.23	1095030000	45.35
(B)	Non Promoters Holding				
1	Institutional Investor	10798227	0.45	10798227	0.45
2	Bodies Corporate	322297678	13.38	322297678	13.35
3	Directors & Relatives	2098034	0.09	2098034	0.09
4	Indian Public	238848634	9.91	238848634	9.89
5	Others (Including NRIs)	745392450	30.94	745392450	30.87
	Sub Total (B)	1319435023	54.77	1319435023	54.65
	Total (A + B)	2409235023	100.00	2414465023	100.00

The figures shown in the table assumes:

- Issue and allotment of all Equity shares to ECL as mentioned in the resolution.
- The holdings of other shareholders do not change.

All the equity shares held by ECL before the proposed preferential allotment are in dematerialized form. The proposed equity shares will be issued in dematerialized form. Further since the CDR Package had been approved by the shareholders of the Company by way of special resolution passed by Postal Ballot on 19th March 2014, ECL is exempted from the obligation to make an open offer under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

(8) Proposed Time Limit within which the allotment shall be completed :

Since the proposed preferential issue and allotment of shares on private placement basis is pursuant to a CDR Package, the requirement of completion of allotment within a period of 15 days from the date of passing of the resolution is not applicable. However, the allotment of the equity shares would be completed within 12 months from the date of approval of the shareholders.

(9) Undertaking by the Board of Directors of the Company:

The Board undertakes that there is no need to recompute the price of equity shares under ICDR Regulations.

(10) Others:

A certificate from M/s B Chhawchharia & Co., Firm Registration No.305123E, Chartered Accountants, Statutory Auditors of the Company certifying that issue is being made in accordance with the requirements of ICDR Regulations. The Company is in compliance with the conditions for continuous listing of equity shares as specified in the Listing Agreement with NSE & BSE.

As it is proposed to make preferential issue and allotment of equity shares on private placement basis, special resolution is required to be approved by the members pursuant to the provisions of Sections 42, 62 of the Companies Act, 2013 and Chapter VII of ICDR Regulations.

Pursuant to the provisions of Section 102(1) of the Companies Act 2013, the extent of shareholding of MrUmang Kejriwal and his relatives in the Company is provided below:

Name of the Director/KMP/Relatives	Extent of shareholding in the Company (%)
Mr Umang Kejriwal	0.0215
Mr Mayank Kejriwal	0.0379
Electrocast Sales India Limited	0.0002
Mr Mayank Kejriwal - Trustee of Priya Manjari Trust	0.0116

Pursuant to the provisions of Section 102(2) of the Companies Act 2013, the extent of shareholding of MrUmang Kejriwal and his relatives in ECL is provided below

Name of the Director/KMP/Relatives	Extent of shareholding in the Company (%)
Mr Umang Kejriwal	0.0005
Mr Ghanshyam Kejriwal	0.1614
Mrs Uma Kejriwal	0.0941
Mrs Asha Kejriwal	4.2716
Mr Mayank Kejriwal	3.1913
Mr Madhav Kejriwal	0.5761
Umang Kejriwal (HUF)	0.3964
Ms Priya Sakhi Kejriwal Mehta	0.1786
Ms Nityangi Kejriwal	0.1675
Mr Mayank Kejriwal - Trustee of Priya Manjari Trust	0.0076
Mr Mayank Kejriwal - Trustee of Sreeji Family Benefit Trust	0.0000
Mr Umang Kejriwal - Trustee of Sreeji Family Benefit Trust	0.0000

Except Mr Umang Kejriwal and his relatives, no other Director or Key Managerial Personnel including their relatives is concerned or interested financially or otherwise in the said resolution.

All documents mentioned in the explanatory statement and resolution will be available for inspection by the Members at the Registered Office of the Company between 11.00 am to 1.00 pm on any working day except Saturday, Sunday and public holidays until the date of announcement of results of Postal Ballot by the Company.

The preferential allotment of the proposed equity shares on private placement basis is pursuant to the CDR Scheme. The Board recommends the Special Resolution as set out in Item No. 1 for approval of the Members through Postal Ballot.

Item No 2

The shareholders of the Company by passing necessary resolution through Postal Ballot on 19th March 2014 had approved appointment and payment of remuneration to Mr Rama Shankar Singh as Whole-Time Director of the Company for a period of 3 years i.e. 6th February 2014 to 5th February 2017, subject to necessary approval of the Central Government pursuant to the Companies Act 1956. Based on the application filed by the Company under the provisions of Companies Act, 1956, the Central Government has approved his appointment for a period of three years till 5th February 2017 and payment of remuneration for a period till 31st March 2014. Since the relevant provisions of the Companies Act 2013, came into effect from 1st April 2014, we have been advised to seek fresh approval from the shareholders of the Company pursuant to provisions of the Companies Act, 2013 for payment of remuneration to Mr Rama Shankar Singh for the remaining period of appointment i.e. 1st April 2014 to 5th February 2017. Therefore, the Board of Directors in its meeting held on 13th November 2014 on the recommendation of the Nomination & Remuneration Committee and Audit Committee, subject to approval of the Shareholders, has approved the remuneration as detailed herein below to Mr Rama Shankar Singh as Whole-Time Director of the Company for the period 1st April 2014 to 5th February 2017.

I. Period : 1st April 2014 till 5th February 2017

II. Basic Salary : Rs. 3,75,000 per month in the grade of 3,75,000 - 45,000 - 4,65,000.

III. Special Allowance : Rs.5,19,000 per month.

IV. Perquisites : In addition to the remuneration as stated above, Mr Singh would be entitled, as per Rules of the Company, to the following perquisites:

- (a) **Medical Benefits:** Reimbursement of medical expenses incurred including premium paid on health insurance policies for self and family.
- (b) **Housing or House Rent Allowance:**
Residential accommodation including electricity at actuals or House Rent Allowance in lieu thereof @ 60% of the Basic salary
- (c) **Club Fees:**
Fees upto a maximum of two clubs, excluding admission and life membership fees.
- (d) **Car and Telephones/Cellular Phones:**
A Company owned/leased/arranged Car with Driver will be provided to Mr. Singh for use in connection with the Company's business. Use of Car for personal purpose shall be billed to him separately. The Company shall provide Telephones/Cellular Phones at the residence of Mr. Singh. Use of personal long distance calls shall be billed to him separately.
- (e) **Leave:** As per the Rules of the Company. Encashment of leave at the end of the tenure of his appointment, as per Policy of the Company.
- (f) **Leave Travel Allowance:** As per the Rules of the Company.
- (g) Contribution to Provident Fund, Superannuation Fund, Gratuity Fund as per the Policy of the Company.

Explanation:

For the purpose of eligibility of perquisites "family" means the spouse and the dependent children of the Whole time Director

For the purpose of calculation of such monetary value, the perquisites shall be valued as per Income Tax Rules, 1962, wherever applicable and in the absence thereof, at cost.

Mr Rama Shankar Singh shall not be paid sittings fees for attending the meetings of the Board and/or committee thereof.

OVERALL/ MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of his employment, the remuneration as stated above may be paid, subject to requisite approvals if any, to Mr. Singh as minimum remuneration in accordance with the provisions of Schedule V to the Companies Act 2013.

OTHER TERMS

The appointment can be terminated by Mr Singh or the Company, by one party giving to other 3 (three) calendar months notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

The payment of the remuneration to Mr Singh are keeping in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to important position as that of the Whole-Time Director.

Pursuant to the provisions of Section 102(1) of the Companies Act 2013, Mr Rama Shankar Singh along with his relatives hold 1,40,000 equity shares of the Company representing 0.005% of the paid up Equity share capital of the Company.

Except Mr Rama Shankar Singh, no other Director or Key Managerial Personnel including their relatives is concerned or interested financially or otherwise in the said resolution.

All documents mentioned in the explanatory statement and resolution will be available for inspection by the Members at the Registered Office of the Company between 11.00 am to 1.00 pm on any working day except Saturday, Sunday and public holidays until the date of announcement of results of Postal Ballot by the Company.

Approval of the shareholders is sought for remuneration paid/remuneration payable for the period of the appointment i.e. 1st April 2014 to 5th February 2017.

The Board recommends the Special Resolution as set out in the Item No. 2 for approval of the Members through Postal Ballot.

STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V TO THE COMPANIES ACT 2013
I GENERAL INFORMATION:

- 1 **Nature of the Industry** : Manufacturer and seller of Iron & Steel and DI Pipes
- 2 **Date or expected date of commercial production** : 29/9/2010
- 3 **In case of new companies, expected date of commencement of activities** : Not Applicable
- 4 **Financial Performance based on the given parameters:**

The following are the details of financial performance of the Company during last three years:

Rs in crores

Financial Parameters	Year ended 31st March		
	2014	2013	2012
Net Turnover	513.22	163.11	60.69
Profit After Tax	(291.13)	(280.01)	(149.82)
Equity Capital	2186.73	2186.73	2034.74
Reserves & Surplus	(687.16)	(396.03)	(116.02)

- 5 **Foreign Investments or collaborations, if any**

The total holdings of foreign institutional investors, overseas bodies corporate shareholders as on 7th November 2014 are 7,57,37,610 Equity shares of Rs 10 each constituting 29.29% of the paid up Capital of the Company.

There is no foreign collaboration of the Company. The entire plant has been/is being imported from China.

II INFORMATION ABOUT THE APPOINTEE:

- 1 **Background details:**

Mr. Rama Shankar Singh, aged 66 years, is a B.Tech graduate in Mining Engineering from the Indian School of Mines, Dhanbad. He is a registered member of professional Societies/Institution in MIMA and MMGI. He is having 44 years of experience in the planning, design and construction of Mines projects. He has specialised experience in construction and maintenance of infrastructure, cross country pipe line, large volumes road and aerial transport.

- 2 **Past Remuneration**

Details of past remuneration of Mr. Singh as a Whole-Time Director of Electrosteel Castings Ltd., the Promoter Company are as follows:

Amount (Rs)

2013-14	2012-13	2011-12
1,09,27,469 (Till 5th February 2014)	1,22,45,620	1,12,39,820

- 3 **Recognition or awards**

None

4 Job profile and his suitability

As a Whole-Time Director, Mr. Singh is entrusted with substantial powers of management and technical affairs of the Company subject to superintendence, control and directions of the Board. He is also required to perform such duties and exercise such powers as have been or may, from time to time, be entrusted or conferred upon him by the Board.

Mr Singh is a Senior Corporate Executive of proven caliber and skill and is having wide ranging experience in project planning and management, industrial production planning. His management and technical prowess coupled with his vast experience is critical for the effective and efficient operations of the Company. The Company will benefit from his capabilities.

5 Remuneration proposed

The remuneration details of Mr. Singh for the period 1st April 2014 till 5th February 2017 is detailed hereinabove.

6 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels. The Board considering the type of industry, size of the Company, profile and responsibilities entrusted on Mr Singh feels that the remuneration proposed to be paid to Mr. Singh as the Whole-Time Director is comparable with the levels prevailing in the industry.

7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Singh does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel except to the remuneration being paid to him as a Whole Time Director of the Company and the shareholding of 1,40,000 equity shares of the Company.

III. OTHER INFORMATION :

1 Reasons of loss or inadequate profits

At present the Plant is not being fully commissioned. Increase in input costs coupled with lower than expected market realization and increase in interest cost are some of the reasons for loss.

2 Steps taken or proposed to be taken for improvement

The Company management process involves continuous steps to improve performance through optimum utilization of the capacity of the Plant, maximizing sales realization and minimizing cost. The cash flows are expected to improve after the Plant is operational to the installed capacity.

3 Expected increase in productivity and profits in measurable terms

Barring unforeseen circumstances, the Company expects to close the current financial year with increased sales and improvement in profitability/sales realization.

IV DISCLOSURES

The disclosure of the remuneration package is provided in the explanatory statement and will also be mentioned in the Board of Directors' Report under heading 'Corporate Governance' in Annual Report 2014-15, subject to the shareholders approval.

The above explanatory statement shall be construed to be memorandum setting out the terms of appointment as specified under Section 190 of the Companies Act, 2013.



Item No 3

The existing Articles of Association (AoA) are based on the Companies Act, 1956. With the enactment of Companies Act, 2013 and its allied rules, the provisions of Companies Act, 1956 are getting repealed in a phased manner. The Board of the Company believe that it is desirable that the AoA of the Company be revised so that they reflect not only the law governing the Company and rules and regulations made thereunder, but must also be in conformity with the provisions of the Companies Act, 2013 and Rules made thereunder and must also comply with the Listing Agreement and other SEBI Rules and Regulations applicable thereto. Since the proposed alterations, deletions, insertions, etc. to the present AoA are numerous, it is most convenient to adopt an entirely new set of regulations in place of those contained in its existing AoA incorporating all the proposed alterations.

The new AoA are based on Table F of the Companies Act, 2013 which sets out the model articles of association of the Company limited by shares. The draft Articles are available on the website of the Company and for inspection by the Members at the Registered Office of the Company between 11.00 am to 1.00 pm on any working day except Saturday, Sunday and public holidays until the date of announcement of results of Postal Ballot by the Company.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested financially or otherwise, in the said resolution.

The Board recommends the Special Resolution as set out in Item no. 3 for approval of the Members through Postal Ballot.

Item No. 4

Pursuant to the provisions of Section 94 of the Companies Act, 2013 ("the Act"), the company is required to keep its Register of Members, Index of Members, Register and Index of Debenture Holders and Register of other Security holders at its Registered Office. However, the Act provides that a company can by passing a special resolution keep the aforesaid registers at any other place in India in which more than one tenth of the members entered in the Register of Members reside. This resolution is being proposed to take the approval of the members to keep these records at the office of the Company's Registrar & Transfer Agent (RTA), Karvy Computershare Pvt. Ltd., Kolkata or at the office any other RTA as may be approved and appointed by the Board of Directors of the Company from time to time, subject to requisite approval, if any. An advance copy of this resolution will be forwarded to the Registrar of Companies, Bihar & Jharkhand, for information.

All documents mentioned in the explanatory statement and resolution will be available for inspection at the Registered Office of the Company between 11.00 am to 1.00 pm on any working day except Saturday, Sunday and public holidays until the date of announcement of results of Postal Ballot by the Company.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested financially or otherwise in the said resolution.

The Board recommends the Special Resolution as set out in Item no. 4 for approval of the Members through Postal Ballot.

By Order of the Board

Sd/-

Anubhav Maheshwari
Company Secretary
ACS: 22829

Kolkata
13th November, 2014