



ELECTROSTEEL CASTINGS LIMITED

Registered Office:

Rathod Colony, Rajgangpur, Sundergarh, Odisha-770 017

POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956
read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011)

Notice is hereby given to the Members of Electrosteel Castings Limited that the resolutions mentioned below are proposed to be passed through Postal Ballot:

SPECIAL BUSINESS:

1. Loans / Investments / Corporate Guarantees/Securities in connection with loans

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as “the Act”) or any amendment or re-enactment thereof and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to (a) make investments by way of subscription, purchase or otherwise in the securities of Electrosteel Steels Limited up to an overall limit of Rs.1,000 crores; (b) give any guarantee(s) or provide security(ies) by way of pledge of any securities of Electrosteel Steels Limited held by the Company or by way of mortgage or charge over any immovable assets of the Company in connection with loan(s) made by any person to Electrosteel Steels Limited up to an overall limit of Rs.2,500 crores; and (c) acquire by way of subscription, purchase or otherwise the securities of any body corporate and/or make loan(s) to any body corporate and/or give any guarantee or provide security, in connection with a loan made by any other person to, or to any other person, by any body corporate, collectively aggregating up to a limit not exceeding Rs.600 crores, over and above the limits stated in (a) and (b) above; Notwithstanding that the aggregate of all loans and investments so far made and to be made and the amount of guarantees or securities so far provided and to be provided by the Board collectively exceeds the limits prescribed under Section 372A of the Act.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining all required consents, permissions and approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all agreements, deeds, applications, documents and writings that may be required in this connection, for and on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Principal Officer of the

Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

By Order of the Board
For Electrosteel Castings Limited

Jyoti Jain
Company Secretary

Date: May 11, 2012
Place: Kolkata

NOTES:

1. In terms of Section 192A of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot), Rules 2011, the business set out in the Notice above are required to be passed by Postal Ballot. An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of the special business specified above is annexed hereto.
2. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
3. The shareholders are requested to carefully read the instructions printed on the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed, should be returned in the enclosed self-addressed, postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours (1700 hours) on or before Wednesday, July 04, 2012. Since in terms of Rule 6(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, response received from Members after 30 days from the date of dispatch of notice shall be treated as if response from Member has not been received, therefore Members are requested to send the duly completed Postal Ballot forms well before Wednesday, July 04, 2012 providing sufficient time for postal transit.
4. The Board of Directors has appointed Mr. Sushil Kumar Chhawchharia, as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman of the Company as soon as possible after completion of scrutiny of the Postal Ballot Forms.
5. The results of the Postal Ballot will be announced by the Chairman or by the Managing Director or any other Director, duly authorised by the Chairman on or before, July 09, 2012 at the Registered Office of the Company at Rathod Colony, Rajgangpur, Sundergarh, Odisha- 770 017 and will also be published in newspapers.
6. The Special Resolutions mentioned above shall be declared as passed if the number of votes cast in its favour are not less than three times the number of votes, if any, cast against the said resolutions.

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

1. Loans / Investments / Corporate Guarantees/Securities in connection with loans

“Electrosteel Steels Limited” (ESL) is in the process of setting up an Integrated Steel and Ductile Iron Pipe Plant (Project) having its Registered Office at 801, Uma Shanti Apartments, Kanke Road, Ranchi-834 008, Jharkhand.

The Company had earlier taken the approval of shareholders through Postal Ballot to invest in and acquire securities of ESL up to Rs.1,000 crores and to provide guarantees/securities by way of pledge of any securities of ESL or mortgage or charge over any of its immovable assets in connection with any loan taken by ESL to the extent of Rs.1,000 crores and to also make investments in securities of bodies corporate other than ESL and/or to give loans and/or to provide guarantees/securities in connection with loan taken by any person from or given to any person by any other person aggregating up to 600 crores, over and above the aforesaid investments and guarantees and securities, notwithstanding that all such investments made or to be made and loans given or to be given and guarantees/securities given or to be given may collectively exceed the limits prescribed under Section 372A of the Act.

The Board of Directors in its meeting held on May 11, 2012 has, decided to retain the limits in relation to investment of upto Rs 1,000 crores in securities of ESL and in relation to investment of upto Rs.600 crores in any body corporate by way of subscription and /or purchase of equity/equity related securities and/or debentures, grant of loan, guarantee and/or providing of security from time to time besides the limits as approved by the shareholders in relation to investment in ESL.

As in order to meet the additional fund requirement for the capacity expansion to 2.51 MTPA, ESL is planning to raise further term loans from banks and financial institutions and need a support from your Company as well and as such your Board has decided to enhance the limit for the said purpose to Rs 2,500 crores with regard to providing guarantees/securities by way of pledge of any securities of ESL or mortgage or charge over any of its immovable assets in connection with any loan taken by ESL.

As per Section 372A of the Companies Act, 1956, a Company cannot make investment, give loan or guarantee or provide any security in excess of the limits set out therein unless it is previously authorized by a special resolution. Hence, it is necessary to obtain approval for the same from the Members by passing a resolution.

Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011.

Your Directors commend the resolution for your approval.

None of the Directors of the Company, other than Mr. Binod Khaitan and Mr. Umang Kejriwal who are also Directors of ESL and Mr. Mayank Kejriwal & Mr. Uddhav Kejriwal who are relative of Mr. Umang Kejriwal, may be deemed to be concerned or interested in the above resolutions.

For Electrosteel Castings Limited

Jyoti Jain
Company Secretary

Date: May 11, 2012
Place: Kolkata

