



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 Friday, the January 25, 2008 at 9.30 A.M. to transact the following Special Business :

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), permissions or sanctions 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 1,22,00,000 convertible warrants on preferential basis to Stemcor Metals Limited with an option to the holder of such warrant to apply for and be allotted one equity share of Re. 1/- each of the Company for cash at a price of not less than Rs. 81/- per share 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 resultant equity shares out of warrants shall be December 26, 2007, being the date 30 days prior to the date of this General Meeting.”

“RESOLVED FURTHER THAT the equity shares to be issued upon conversion 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 warrants and to vary, modify, or alter any of the terms and conditions, including the size, 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 warrants 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.”

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

December 28, 2007
Kolkata

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

Issue of shares and convertible warrants 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 1,22,00,000 convertible warrants on a preferential basis to Stemcor Metals Limited with an option to the holder of such warrant to apply for and be allotted one equity share of Re. 1/- each of the Company for cash at a price of not less than Rs. 81/- per share 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 December 26, 2007, 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 warrants 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 warrants.

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	12,67,06,010	47.84	15,41,56,010	44.07
Financial Institutions / Banks	18,25,560	0.69	18,25,560	0.52
Insurance Companies	2,16,22,621	8.16	2,16,22,621	6.18
Foreign Institutional Investors	3,62,23,897	13.68	7,08,25,935	20.25
Bodies Corporate	1,62,34,468	6.13	1,62,34,468	4.64
Non Resident Indians	6,12,370	0.23	6,12,370	0.18
Resident Individuals	4,03,53,277	15.24	4,03,53,277	11.54
Share held by Custodians and against which Depository Receipts have been issued	28,70,000	1.09	28,70,000	0.82
Others	1,83,78,521	6.94	4,13,08,521	11.80
Total	26,48,26,724	100.00	34,98,08,762	100.00

Note:

The pre-offer shareholding pattern is given as on December 28, 2007 which includes 4,46,39,244 equity shares issued on account of conversion of Zero Coupon Convertible Bonds and 1,25,50,000 equity shares on account of conversion of convertible warrants issued to Promoter/Promoter Group and the post-offer shareholding pattern is calculated assuming:

- i) allotment of balance 3,46,02,038 equity shares on account of full conversion of Zero Coupon Convertible Bonds.
- ii) allotment of balance 74,50,000 equity shares on account of full conversion of warrants issued to Promoter/Promoter Group as approved at the General Meeting held on August 31, 2007.

- iii) full allotment of 20,30,000 equity shares and allotment of 87,00,000 equity shares on account of full conversion of warrants proposed to be issued to a non-promoter foreign company as approved at the General Meeting held on December 15, 2007 and
- iv) allotment of 2,00,00,000 equity shares on conversion of warrants proposed to be issued to Promoter/Promoter Group as per notice dated December 03, 2007 calling General Meeting to be held on December 29, 2007.
- v) allotment of 1,22,00,000 equity shares after conversion of warrants covered by this resolution.
- d) Proposed time within which allotment shall be complete**
The Board proposes to allot the convertible warrants 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 warrants proposed to be issued	Post conversion shareholding %
Stemcor Metals Limited Boumpoulinas 11, 1st Floor P.C. 1060, Nicosia, Cyprus	Foreign Company	1,22,00,000	3.49%

NOTE :

Post Conversion shareholding percentage is calculated on the basis of same assumption as mentioned in note of point "c" above.

f) Pricing of the issue

Each equity shares on conversion of warrant will be issued for cash at a price not less than Rs. 81/- per share as may be determined by the Board at the time of offer.

This price is calculated on the basis of the Relevant Date as on December 26, 2007 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 warrant shall be converted into 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 warrants 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) Conversion period

The warrants will be converted within 18 months from the date of issue.

h) Terms of payment

10% of the total consideration shall be paid on allotment of the warrants and the balance shall be paid upon the warrant holders exercising the option to convert the warrants into equity shares.

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

By Order of the Board of Directors
For ELECTROSTEEL CASTINGS LIMITED

Jyoti Jain
Company Secretary

December 28, 2007
Kolkata



ELECTROSTEEL CASTINGS LIMITED

Registered Office : Rathod Colony, Rajgangpur, Sundergarh, Orissa - 770 017
Ordinary General Meeting, January 25, 2008, Friday 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 of 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 Friday, the January 25, 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