

# **EASTCOAST STEEL LIMITED**

## **29<sup>th</sup> Annual Report 2011 - 2012**

*Regd. Office :*

Cuddalore Road, Pillayarkuppam Post,  
Bahour Commune, Pondicherry-607 402.

**EASTCOAST STEEL LIMITED**

<b>Board of Directors:</b>	Mr. Prithviraj S. Parikh	Chairman & Executive Director
	Mr. Nalin S. Parikh	Director
	Mr. Rajendra Chaturvedi	Director
	Mr. Vilas K. Shah	Director
	Mr. Pradeep B. Chinai	Director
	Mr. Prem Ratan Damani	Director
	Mr. Ojas K. Parikh	Director
	Mr. P.K.R.K. Menon	Director & Co. Secretary
<b>Auditors:</b>	M/s. Chaturvedi & Shah	
	Chartered Accountants	
	Mumbai	
<b>Bankers:</b>	State Bank of India	
	Central Bank of India	
<b>Registered Office &amp; Plant:</b>	Cuddalore Road, Pillayarkuppam Post, Bahour Commune, Pondicherry- 607 402.	
<b>Corporate Office:</b>	Mittal Tower, 'A' Wing, 16th Floor, Nariman Point, Mumbai- 400 021.	
<b>Registrar &amp; Share Transfer Agents:</b>	Link Intime India Pvt. Ltd. CC-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078 Tel: 022- 2596 3838 Fax: 022- 2594 6969 E-Mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	
<b>Depository Services:</b>	National Securities Depository Ltd. Trade World, 4th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013	
<b>ISIN No: (Demat)</b>	INE 315F 01013	

## NOTICE

Notice is hereby given that the **Twenty Ninth Annual General Meeting** of the members of **EASTCOAST STEEL LIMITED** will be held at the Registered office of the Company at Cuddalore Road, Pillayarkuppam Post, Bahour Commune, Pondicherry- 607 402 on Saturday, 29<sup>th</sup> December, 2012 at 10 A.M. to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at March 31, 2012, the Profit & Loss A/c for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prithviraj S. Parikh who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Prem Ratan Damani who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ojas K. Parikh who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass, with or without modification, the following resolution;  
“**RESOLVED THAT** pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration for the financial year 2012-13 as the board may think fit in consultation with the auditors.”

**By order of the Board of Directors**

Sd/-

**Prithviraj S. Parikh**  
**Chairman & Executive Director**

Place: **Mumbai**

Date : **1<sup>st</sup> December, 2012**

### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself / herself and the Proxy need not be a member of the Company. A proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 21<sup>st</sup> December, 2012 to 29<sup>th</sup> December, 2012 (both days inclusive).
3. The members who hold shares in dematerialized form are requested to bring their Client ID and DP ID No. for easy identification of attendance at the meeting. The members who hold shares in physical form are requested to notify the change in their address, if any, to the Company immediately. Also, members holding shares in different folios in physical form are requested to apply to our R&T Agents for consolidation of the same.
4. Members/ proxies should bring duly filled-in attendance slips attached herewith for attending the meeting along with their copies of the Annual Report.
5. A Brief Profile of Directors seeking re-appointment is given hereunder:

#### **Mr. Prithviraj S. Parikh**

Mr. Prithviraj S. Parikh, aged 67, has done his Masters in Engineering in U.S. Returning to India he joined family owned business of manufacturing steel by

electric arc furnace as a director on the board of Western Ministil Ltd. in 1972-73 and began his career as an Industrialist. He was closely connected with setting up the plant at Mulund which he continued to manage till 1995-96. Thereafter, he did actively participate in setting up and commission the Mini Steel Plant at Pondicherry in the name and style Eastcoast Steel Ltd. Having been in the steel industry both manufacturing and marketing for over three and half decades, he has vast and varied experience. He has good exposure in merchandising and trade in international steel market.

Mr. Prithviraj S. Parikh is also director in following companies:

1. Western Ministil Limited
2. Anagha Enterprises Pvt. Ltd.
3. Aspher Foods Pvt. Ltd.
4. Bombay Warehousing Co. Pvt. Ltd.
5. Gunjar Finance & Investment Pvt. Ltd.
6. K. Parikh Agencies Pvt. Ltd.
7. Satori Realty Pvt. Ltd.
8. Western India Steel Co. Pvt. Ltd.
9. Wist Overseas Pvt. Ltd.
10. WRM Pvt. Ltd.

Mr. Prithviraj S. Parikh holds 71,174 shares in the company

**Mr. Prem Ratan Damani**

Mr. P.R. Damani is holding directorship in 6 companies. Aged 77, he has completed graduation in commerce. Mr. P.R. Damani is an industrialist with vast and varied experience and he has been closely associated with textile industry for long time.

Mr. Prem Ratan Damani is holding directorship in following companies:

1. The Jamshri Ranjitsinghji Spg.& Wvg. Mills Co. Ltd.
2. Rashtriya Metals Industries Ltd.
3. Nandini Apartments Pvt. Ltd.
4. Lotus Properties Pvt. Ltd.
5. Simplex Renewable Resources Pvt. Ltd.

Mr. Prem Ratan Damani does not hold any shares in the Company.

**Mr. Ojas K. Parikh**

Mr. Ojas Parikh, aged 39, has completed his graduation in Commerce. Post which he has a Masters in Business Administration specializing in a host of businesses and industries. He has been associated with the Private Equity business, Commodity Trading, Sales & Distribution and Organised Retail. This wide exposure gives him a strong insight into businesses and their various functionalities. Mr. Ojas Parikh is on the Board of Directors since 2010.

Mr. Ojas K. Parikh is also director in following company:

1. WRM Private Limited

Mr. Ojas K. Parikh holds 17,424 equity shares in the company.

**By order of the Board of Directors**

Sd/-

**Prithviraj S. Parikh**  
**Chairman & Executive Director**

Place: **Mumbai**

Date : **1<sup>st</sup> December, 2012**

## DIRECTORS' REPORT

1. Your Directors are presenting herewith the twenty-ninth (29<sup>th</sup>) Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

### 2. FINANCIAL RESULTS

(Rs. In Rupees)

	<u>2011-12</u>	<u>2010-11</u>
Other Income	25,14,201	5,87,700
Profit / (Loss) before Interest & Depreciation	(13,31,145)	(34,55,113)
Finance Charges	-	18,87,008
Depreciation	3,99,997	3,99,582
Profit / (Loss) before Tax	(17,31,142)	(57,41,703)
Taxation	-	5,158
Balance in P&L A/c carried forward	(17,31,142)	(57,46,861)
Debit Balance in P&L A/c.	(11,84,11,067)	(11,26,64,206)
Balance carried forward to Balance Sheet	<u>(12,01,42,209)</u>	<u>(11,84,11,067)</u>

### 3. DIVIDEND

In view of the carried forward losses as at 31-03-2012, the Board of Directors regret their inability to propose any dividend for the year under review.

### 4. OPERATING RESULTS

The Company having had suspended production at its Pondicherry Plant owing to uneconomical operations, the activities continue to remain at a standstill. The current year's operations have therefore resulted in a loss of Rs. 17,31,142/- (Loss of Rs. 57,41,703/-) in the previous year).

### 5. FINANCE

The Company has not accepted any deposits from the public during the year under review. However, borrowings on account of unsecured loans have increased from Rs. 1,90,49,908/- (Previous year) to Rs. 2,25,40,313/- during the year under review.

### 6. INDUSTRIAL RELATIONS

The Company has retained few members of essential staff only in order to carry out the administrative functions such as watch and ward, maintenance, etc. The industrial relations have been quite cordial.

### 7. CORPORATE GOVERNANCE

The Company considers that good corporate governance is an important step towards building investors' confidence, improving investor protection and optimizing shareholder values in the long term. Accordingly, and pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s), a Report on compliance of Corporate Governance duly certified by M/s. Ashish Bhatt & Associates, Company Secretaries in whole-time practice, along with a note on management discussion and analysis have been annexed to and forming part of this report.

### 8. BOARD OF DIRECTORS

The Board regrets to inform about the sad demise of Mr. Vilas K. Shah, Chartered Accountant, which occurred on 17-10-2012, who has been the Chairman of the Audit Committee of the Company. The contribution of Mr. Shah ever since he joined the Board on 29-12-2005 has been immense, as he had made available the wide and varied experience with his wise counsel and astute guidance. The Board

of the Company at its meeting held on 12-11-2012 had expressed its anguish and conveyed the same to the family members of the deceased. It is only appropriate that the members too acknowledge with gratitude and appreciation the contribution made by late Mr. Vilas K. Shah to your Company till his death.

Mr. Prithviraj S. Parikh, Prem Ratan Damani & Mr. Ojas K. Parikh will retire by rotation at the forthcoming 29<sup>th</sup> Annual General Meeting of the Company. Being eligible, these directors have offered themselves for re-election. The Board proposes their re-appointment in the interest and benefit of the Company.

The personal profile of these Directors is given hereunder, for information of members.

<b>Data</b>	<b>Mr. Prithviraj S. Parikh</b>	<b>Mr. Prem Ratan Damani</b>
(a) Brief Resume	Born on 19-02-1946 M.S., M.E. from New York University	Born on 15-05-1936 Graduate in Commerce
(b) Experience	Over three decades in management of Steel Industry & allied activities, international trade, etc	Mr. P.R. Damani is an industrialist with vast and varied experience and he has been closely associated with textile industry for long time
(c) Name of Companies in which he holds directorship and membership in their Committee	<ol style="list-style-type: none"> <li>1. Western Ministil Limited</li> <li>2. Anagha Enterprises Pvt. Ltd.</li> <li>3. Aspher Foods Pvt. Ltd.</li> <li>4. Bombay Warehousing Co. Pvt. Ltd.</li> <li>5. Gunjar Finance &amp; Investment Pvt. Ltd.</li> <li>6. K. Parikh Agencies Pvt. Ltd.</li> <li>7. Satori Realty Pvt. Ltd.</li> <li>8. Western India Steel Co. Pvt. Ltd.</li> <li>9. Wist Overseas Pvt. Ltd.</li> <li>10. WRM Pvt. Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. The Jamsri Ranjitsinghji Spg. &amp; Wvg. Mills Co. Ltd.</li> <li>2. Rashtriya Metals Industries Ltd.</li> <li>3. Nandini Apartments Pvt. Ltd.</li> <li>4. Lotus Properties Pvt. Ltd.</li> <li>5. Simplex Renewable Resources Pvt. Ltd</li> </ol>

<b>Data</b>	<b>Mr. Ojas K. Parikh</b>
(a) Brief Resume	Born on 07-12-1973 Graduate in Commerce & Masters in Business Administration
(b) Experience	He has been associated with the Private Equity business, Commodity Trading, Sales & Distribution and Organised Retail for 7-8 Years. This wide exposure gives him a strong insight into businesses and their various functionalities
(c) Name of Companies in which he holds directorship and membership in their Committee	WRM Pvt. Ltd.

## 9. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- a. in the preparation of the accounts for the financial ended 31<sup>st</sup> March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss sustained by the Company.

- c. 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 safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. The Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2012 on a 'going concern' basis.

#### 10. AUDITORS

M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai, have consented to be re-appointed as Auditors of the Company. The Company has received a certificate from the auditors that the appointment will be within the limits specified under Section 224 (1B) of the Companies Act, 1956, act as the Auditors of the Company, if re-appointed.

#### 11. NOTICE OF DISCLOSURE

- a. The S.L.P. filed by Pondicherry Electricity Department against the Company in 2002 and converted into a Civil Appeal No. 8079 of 2003, is now pending before the 'Lok Adalat' since 2009 for hearing and disposal. Attention is drawn to the Note No. 9 (a) of Schedule 11 of the Notes annexed to and forming part of the Accounts, in which the matter has been dealt with in greater detail.
- b. The Company had filed an application (No. 194 of 2012) in the High Court of Judicature at Madras, Original Jurisdiction under Sec. 391 to 394 of the Companies Act, 1956 in the matter of Scheme of Amalgamation and Arrangement with Mind Factory Entertainment Private Limited. Subsequently, the equity shareholders at the meeting convened and held on 18-04-2012 as directed by the Court had approved the scheme by an overwhelming majority of 94.29%, whereupon a petition for sanction of the scheme has been filed, duly admitted and pending for hearing and further orders of the Court. The details of the scheme are available at the Company's website.

#### 12. STATUTORY INFORMATION (As required under Section 217 of the Act)

- 217(l)(e) : Conservation of energy, R.&D., Absorption of Technology and Foreign Exchange Earnings and Outgoes:- The required information is NIL as the Company's Plant is closed down from April, 1995.
- 217(2A) : There are no employees in the Company during the year falling under this description..
- 217(2AA) : Directors' Responsibility Statement:- Separately given in Sr. No. 9 of this report.
- 217(2B) : Buyback of Shares:- There was no scheme of buyback of share of the Company during the year under review.

#### 13. ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record their gratitude for the assistance and guidelines extended by the Government and other statutory agencies all along. The Directors also place on record their appreciation to the employees for their support and co-operation.

**By Order of the Board of Directors**

Sd/-

**Prithviraj S. Parikh**

Chairman & Executive Director

Place : **Mumbai**

Date : **1<sup>st</sup> December, 2012**

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on code of governance is aimed at assisting the board of directors in efficient conduct of the business and in meeting its obligations to stakeholders. The Company has adopted a codified corporate governance charter, *inter alia*, to discharge its corporate responsibilities and achieve its financial objectives.

### 2. BOARD OF DIRECTORS:

The strength of Company's board is 8 (Eight) directors. Mr. Prithviraj S. Parikh is the Chairman and Executive Director. The information on composition, category and attendance of directors at the board meetings held during the year ended March 31, 2012 and at the last Annual General Meeting of the Company and their directorship/ committee membership in other public companies is as under:

Name of Director	Category	No. of Board Meetings		Attendance at last AGM	Other directorships in public companies	Committee position held in other Public Companies		Number of shares held as on 31-03-2012
		Held	Attended			Member	Chairman	
Mr. Prithviraj S. Parikh	Executive Non Independent	5	5	Y	1	-	-	71174
Mr. Nalin S. Parikh	Non-Executive Non Independent	5	5	N	-	-	-	8250
Mr. Rajendra R. Chaturvedi	Non-Executive Independent	5	0	N	1	-	-	0
Mr. P.K.R.K. Menon	Non-Executive Non Independent	5	4	Y	1	-	-	1100
*Mr. Vilas K. Shah	Non-Executive Independent	5	4	Y	1	-	1	1700
Mr. Prem Ratan Damani	Non-Executive Independent	5	2	N	2	-	-	0
Mr. Ojas K. Parikh	Non-Executive Non Independent	5	1	N	-	-	-	17424
Mr. Pradeep B. Chinai	Non-Executive Independent	5	4	N	1	-	-	0

\*Mr. Vilas K. Shah has since expired on 17<sup>th</sup> October, 2012

#### **Note:**

- (1) The Board of Directors of the Company has laid down a **Code of Conduct** for all its members and senior management personnel, which they are bound to observe in the course of conduct of business of the Company. These codes of conduct have also been posted on the website of the Company, [www.eastcoaststeel.com](http://www.eastcoaststeel.com). Each of the directors and senior managerial personnel including all functional heads, to whom the code is applicable, have affirmed their compliance with the code.



- (2) The directors have constituted committees for the efficient management and adherence to the corporate norms. Accordingly, an Audit committee and Shareholders'/ Investors' Grievance Committee have been formed.
- (3) During the year ended March 31, 2012, 5 (Five) meetings of the Board of Directors were held on 13/05/2011, 12/08/2011, 30/09/2011, 11/11/2011 and 10/02/2012.

### 3. AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Vilas K. Shah, Mr. Rajendra R. Chaturvedi and Mr. Pradeep B. Chinai. Mr. P.K.R.K. Menon, being a Company Secretary, has acted as a secretary to the committee. Mr. Vilas K. Shah is the Chairman of the Committee, who is a Chartered Accountant (C.A.) by profession and he is a Non-Executive Independent director of the company. The terms of reference and powers of the Audit Committee are those prescribed under Clause 49 of the Listing Agreement. The information on meetings of and attendance at the audit committee meetings held during the year ended 31<sup>st</sup> March, 2012 is as under:

Name of Director	No. of meetings	
	Held	Attended
Mr. Vilas K. Shah	4	4
Mr. Rajendra R. Chaturvedi	4	0
Mr. P.K.R.K. Menon (Secretary)	4	4
Mr. Pradeep B. Chinai	4	4

#### Note:

- (1) During the year ended March 31, 2012, 4 (Four) meetings of the Audit Committee were held on 13/05/2011, 12/08/2011, 11/11/2011 and 10/02/2012.
- (2) The necessary quorum was present at the meetings.
- (3) The minutes of Audit Committee were discussed and noted by the Board of Directors at board meetings.

### 4. REMUNERATION COMMITTEE:

#### (i) Non-executive Director:

Since the closure of the Company's plant in April 1995, the non-executive directors are only paid sitting fees for attending meetings of the Board and Committee(s) thereof except, Mr. P.K.R.K. Menon, who is being paid remuneration of Rs.4,20,000/- per annum plus Bonus of Rs.35,000/- plus Medical Expenses of Rs.15,000/- per annum for the services rendered as a Company Secretary.

The details of sitting fees paid to the Non-executive directors during the year ended 31<sup>st</sup> March, 2012 are as under:

Name of Director	Sitting Fees (₹)
Mr. Nalin S. Parikh	Nil
Mr. Rajendra Chaturvedi	Nil
Mr. P.K.R.K. Menon	Nil
Mr. Vilas K. Shah	40000/-
Mr. Prem Ratan Damani	Nil

Mr. Ojas K. Parikh	Nil
Mr. Pradeep B. Chinai	Nil
<b>Total</b>	<b>40000/-</b>

**(ii) Executive Director**

Mr. Prithviraj S. Parikh is the executive director of the company. There was no remuneration paid to him during the financial year 2011-12.

**Note:**

- (1) Considering the current financial position of the Company, Mr. Prithviraj S. Parikh, executive director, is neither paid any remuneration nor other benefits during the financial year 2011-12.

**5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**

The Company has constituted the Shareholders' / Investors' Grievance Committee. Mr. Pradeep B. Chinai, was appointed as a chairman and member of the committee, as on 14/02/2011, has conducted the committee meetings held on 13/05/2011, 12/08/2011, 11/11/2011 and 10/02/2012. Mr. Prithviraj S. Parikh and Mr. Nalin S. Parikh are another members of the committee. Mr. P.K.R.K. Menon, Company Secretary, is a compliance officer. The Complaints received from the investors are being regularly attended to and are resolved to their satisfaction. The status of the Investors Complaints is reviewed by the Investors Grievance Committee. During the year ended March 31, 2012 the Company has received 7(Seven) grievances from the Investors and the same have been resolved to the satisfaction of the investors. For 19,140 equity shares transfer received in physical form during the year have been processed before the end of the year.

**6. MANAGEMENT DISCUSSION AND ANALYSIS:**

**(i) Industry Structure & development:**

Steel Industry in general did perform fairly well. However, the large Companies with integrated steel making facilities alone stole the lime light. The demand throughout the year firmed up both in domestic & international market.

**(ii) Segment-wise or Product-wise performance:**

The company's activities stood at a standstill throughout the year & therefore, no details to report in terms of performance.

**(iii) Outlook:**

The company is no longer engaged in steel making. The proposal for diversification is under consideration although not finalized.

**(iv) Opportunities & Threats:**

Although the company's activities have remained suspended since April 1995, it has considerable possibilities to diversify in view of the strategic location at Pondicherry. No imminent threats are foreseen as of now to remain afloat till diversified activities take root.

**(v) Risks & Concern:**

In view of the company having not undertaken any activity, the risk & concern factor has not been of much significance.

**(vi) Internal Control:**

The present internal control system is adequate enough to meet the requirements.

**(vii) Financial performance with respect to operations, etc.:**

As reported earlier, there have been no operations during the year. However, the maintenance, housekeeping, statutory corporate expenses, etc. have been kept low to the minimum as far as possible.

**(viii) Material developments in human resources, industrial relations, etc.:**

After the closure of the plant, the company has kept minimum number of employees for obvious reasons of watch & ward, maintenance, etc. However, the management is aware of its social responsibility and shall endeavor to fulfill the obligations, when operations restart and revenue earned in due course.

**7. GENERAL BODY MEETINGS:**

The last three General Body Meetings were held at registered office of the Company at Cuddalore Road, Pillayarkuppam Post, Bahour Commune, Pondicherry-607 402.

The details of last three Annual General Meetings held of the Company are as follows:-

Meeting	Date	Time	Special Resolutions Passed
28 <sup>th</sup> AGM	24/09/2011	10.00 am	No Special Resolution was passed
27 <sup>th</sup> AGM	29/09/2010	10.00 am	No Special Resolution was passed
26 <sup>th</sup> AGM	29/09/2009	10.00 am	<ul style="list-style-type: none"> <li>• For ratification of re-issue of 25,376 equity shares forfeited earlier.</li> <li>• For issue of Right Equity Shares to the existing shareholders.</li> </ul>

During the financial year 2011-12 there was no postal ballot conducted.

**8. DISCLOSURES:**

- (i) Scheme of Amalgamation and Arrangement of Mind Factory Entertainment Private Limited with the company is being approved by the Board of Directors of the Company on 11/11/2011 and the same is being amended on 10/02/2012 and the said scheme is filed with Hon'ble High Court of Judicature at Madras.
- (ii) The Company has not entered in to any materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) To the best of the Company's knowledge, there has been no incidence of non-compliance with laws governing capital market during the last three years. During the last three years, no penalty or strictures have been imposed on the Company by the stock exchanges, SEBI or any statutory authority on any matter related to capital market.
- (iv) The Company has a Whistle Blower Policy in place, but nothing untoward has been reported during the year under review.
- (v) Details of Compliance with mandatory requirements of clause 49 of the listing agreement and status on non-mandatory requirement are set out in this report.

**9. MEANS OF COMMUNICATION:**

The quarterly / half yearly unaudited financial results along with Notes appended thereto and notice for the board and annual general meeting, were published

in “Trinity Mirror & Makkal Kural” circulating in and around Pondicherry. The company’s website can also be accessed at [www.eastcoaststeel.com](http://www.eastcoaststeel.com)

#### 10. GENERAL SHAREHOLDER’S INFORMATION:

- (i) **Registered Office** : Cuddalore Road, Pillayarkuppam Post,  
Bahour Commune, Pondicherry- 607 402.  
Phone: 0413- 2611 117; Fax: 0413- 2611 423.
- (ii) **Annual General Meeting** : Date: 29<sup>th</sup> December, 2012 at 10 A.M.  
Venue: At the Registered office as above.
- (iii) **Date of Book Closure** : 21st December, 2012 to 29<sup>th</sup> December, 2012  
(Both days inclusive)
- (iv) **Dividend Payment Date** : Not Applicable
- (v) **Listing on Stock Exchanges** : **Madras Stock Exchange Ltd.,**  
Exchange Building, Post Box No 183,  
11, Second Line Beach, Madras,  
Chennai– 600 001  
&  
**Bombay Stock Exchange Ltd.,**  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai - 400 001.  
(Scrip Code: 520081)
- (vi) **Demat ISIN Number in NSDL:** INE315F01013
- (vii) **Market Price Data at Bombay Stock Exchange**

Month	High (₹)	Low (₹)
April- 2011	7.00	6.00
May- 2011	7.28	6.02
June- 2011	9.30	7.13
July- 2011	9.18	6.25
August-2011	9.58	7.45
September-2011	9.78	7.43
October- 2011	9.45	8.37
November-2011	8.50	7.60
December- 2011	8.29	5.46
January -2012	5.40	4.70
February- 2012	6.89	5.17
March- 2012	10.86	7.23

**Note:** No transaction has been quoted on the Madras Stock Exchange during the year April 2011 to March 2012.

- (viii) **Financial Calendar** : From 1<sup>st</sup> April to 31<sup>st</sup> March.

Financial reporting for:

- The quarter ending June 30,2011 : last week of July 2011
- The quarter ending September 30,2011 : 2<sup>nd</sup> week of November 2011
- The quarter ending December 31,2011 : 2<sup>nd</sup> week of February 2012
- The quarter ending March 31,2012 : 2<sup>nd</sup> Week of May 2012

**(ix) Registrars and Share Transfer Agents:**

Link Intime India Private Limited.  
C-13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup- (W), Mumbai- 400 078.  
Ph: 2594 6970; Fax: 2594 6969  
E-Mail: rnt.helpdesk@linkintime.co.in

**(x) Share Transfer System:**

The transfer of shares in physical form is processed and completed by Link Intime India Private Limited, the Registrar & Transfer Agents of the Company, within a period of fifteen days from the date of receipt thereof. In case of shares in electronics form, the transfers are processed by NSDL through the respective Depository Participants.

**(xi) Distribution of Shareholding (as on 31/03/2012):**

Range	No. of shares	% of Shareholder	Share Amount (Rs)	% of Amount
1 to 500	11,59,785	89.8184	1,15,97,850	23.6862
501 to 1000	3,88,795	6.1115	38,87,950	7.9403
1001 to 2000	2,72,488	2.1415	27,24,880	5.5650
2001 to 3000	1,13,520	0.5385	11,35,200	2.3184
3001 to 4000	88,220	0.3131	8,82,200	1.8017
4001 to 5000	60,050	0.1628	6,00,500	1.2264
5001 to 10,000	2,51,166	0.4258	25,11,660	5.1295
10,001 and above	25,62,444	0.4884	2,56,24,440	52.3325
<b>Total</b>	<b>48,96,468</b>	<b>100.00</b>	<b>4,89,64,680</b>	<b>100.00</b>

**(xii) Dematerializations of Shares and Liquidity (as on 31/03/2012)**

Category	No. of Shares	% of Total Capital
Electronic Form	34,03,989	69.52
Physical Form	14,92,479	30.48
<b>Total</b>	<b>48,96,468</b>	<b>100.00</b>

**(xiii) Outstanding GDR/ Warrants and Convertible Bonds, conversion date and likely impact on equity:** Not Applicable**(xiv) Factory Location (Where the erstwhile mini steel plant was located):**

Cuddalore Road, Pillayarkuppam Post,  
Bahour Commune, Pondicherry- 607 402.

**(xv) Investor Correspondence:** Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai- 400 078.  
Ph: 2594 6970; Fax: 2594 6969  
E-Mail: rnt.helpdesk@linkintime.co.in

**11. NON-MANDATORY REQUIREMENTS:** None, in particular, is required to be stated.

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### **DECLARATION**

As provided under clause 49 of the listing agreement with the stock exchanges, all the members of the Board & Senior management personnel have affirmed compliance to the code of conduct of the company for the year ended 31<sup>st</sup> March, 2012.

**By Order of the Board of Directors**

**Sd/-**

**Prithviraj S. Parikh**  
**Chairman & Executive Director**

Place: **Mumbai**

Date: **1<sup>st</sup> December, 2012**

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### **CERTIFICATE**

#### **On Corporate Governance to the members of Eastcoast Steel Limited**

We have examined the compliance of conditions of Corporate Governance by Eastcoast Steel Limited ("the Company") for the year ended on 31<sup>st</sup> March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ashish Bhatt & Associates**  
Company Secretaries

**Sd/-**

**Ashish Bhatt**  
Membership No. 4650  
CP No. 2956

Place: **Thane**

Date: **1<sup>st</sup> December, 2012**

**AUDITOR'S REPORT****To****The Members****EASTCOAST STEEL LIMITED**

1. We have audited the attached Balance Sheet of **EASTCOAST STEEL LIMITED** (“the Company”) as at 31<sup>st</sup> March 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements prepared are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor’s Report) Order, 2003 (“Order”) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (a) We have obtained all the information & explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
  - (c) The Balance Sheet, Statement of Profit and Loss and the Cash flow dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash flow dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) On the basis of written representation received from the directors as on 31<sup>st</sup> March 2012, and taken on the record by the board of directors, we report that none of the directors are disqualified as at 31<sup>st</sup> March, 2012 from being appointed as a director u/s 274 (1) (g) of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the significant accounting policies and notes thereof give the information required by the Companies Act, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:-
    - i. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2012;
    - ii. In the case of Statement of Profit and Loss, of the “Loss” for the year ended on that date; and-
    - iii. In the case of Cash flow Statement, of the cash flows for the year ended on that date.

**For Chaturvedi and Shah**

Firm Registration No. 101720W

Chartered Accountants

Sd/-

**Amit Chaturvedi****Partner**Place: **Mumbai**Date : **1<sup>st</sup> December, 2012**

Membership No.103141

**ANNEXURE TO THE AUDITOR'S REPORT**  
**RE : EASTCOAST STEEL LIMITED**  
**REFERRED IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE**

1. In respect of Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified by the management during the year. No material discrepancies were noticed during such verification.
  - (c) The Company has not disposed off significant amount of fixed assets during the year and therefore do not affect the going concern status of the Company.
2. In respect of Inventory :

The Company does not hold any physical inventories. Thus provision of clause (ii) of paragraph 4 of the Order is not applicable .
3. In respect of the loans, secured or unsecured, granted or taken by company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
  - (a) The Company has not given any loan during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, the requirement of clause (iii) (b) (c) and clause (iii) (d) of the paragraph 4 of the Order are not applicable.
  - (b) The Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956. In respect of the said loan, the maximum amount outstanding at any time during the year and the year end balance is Rs.2,25,40,313/-.
  - (c) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions of the loan taken by the Company, are not prima facie prejudicial to the interest of the Company.
  - (d) The principal amounts are payable over the period of three to five years, where the interest is payable annually at the discretion of the company, However company has able to obtain waiver of interest for current and previous financial year.
4. The Company has not carried on any activities during the year. Hence in our opinion clause (iv) and (v) of the paragraph 4 of the Order are not applicable.
5. In our opinion and according to information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit ) Rules, 1975.
6. The Company does not have a formal internal audit system, Management does not think necessary, establishing an internal audit system in view of suspension of production. However, according to information and explanation given to us, its internal control systems provide reasonable internal checking of its financial transactions.
7. The Company has not carried on any manufacturing operation during the year. Hence the question of cost record required to be maintained under section 209 (1) (d) of Companies Act, 1956 does not arise.
8. In case of Statutory dues:
  - (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund,



employees' state insurance, income-tax, sales tax, customs duty, and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues outstanding on account of disputes.
9. The accumulated loss of the Company at close of the year is more than fifty percent of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
  10. The Company has not borrowed any money by way of loan from financial Institutions, banks and debenture holders; hence there is no question of repayments of dues or default on this account.
  11. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  12. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable.
  13. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable.
  14. According to information and explanation given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause (xv) of paragraph 4 of the Order are not applicable.
  15. The Company has not taken any term loans during the year .Therefore, the provision of clause (xvi) of paragraph 4 of the order are not applicable.
  16. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, the funds raised on short-term basis have not been used for long-term investment.
  17. The Company has not made any preferential allotment of shares to any party listed in the register maintained under Section 301 of the Companies Act, 1956.
  18. The Company has not issued any secured debentures during the year covered by our audit.
  19. The Company has not raised any money by way of public issue during the year.
  20. According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**For Chaturvedi and Shah**

Firm Registration No. 101720 W

Chartered Accountants

Sd/-

**Amit Chaturvedi**

**Partner**

Membership No.103141

Place : **Mumbai**

Date : **1<sup>st</sup> December, 2012**

## BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

	Note	As at 31/03/2012	As at 31/03/ 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	48,964,680	48,964,680
(b) Reserves and Surplus	3	(48,179,809)	(46,448,667)
		<b>784,871</b>	<b>2,516,013</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	22,540,313	19,049,908
(b) Long Term Provisions	5	1,427,298	1,398,822
		<b>23,967,611</b>	<b>20,448,730</b>
<b>(3) Current Liabilities:</b>			
(a) Trade Payables	6	78,633	261,186
(b) Other Current Liabilities	7	325,002	221,837
(c) Short Term Provisions	8	88,351	88,178
		<b>491,986</b>	<b>571,201</b>
<b>TOTAL</b>		<b>25,244,468</b>	<b>23,535,944</b>
<b>II. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		13,043,031	13,203,953
(b) Non - Current Investments	10	56,475	56,475
(c) Long Term Loans and Advances	11	8,658,220	8,917,409
(d) Other Non- Current Assets	12	988,071	453,624
		<b>22,745,797</b>	<b>22,631,461</b>
<b>(2) Current Assets:</b>			
(a) Cash and Cash Equivalents	13	949,398	747,308
(b) Short Term Loans and advances	14	1,549,273	157,175
		<b>2,498,671</b>	<b>904,483</b>
<b>TOTAL</b>		<b>25,244,468</b>	<b>23,535,944</b>

Significant Accounting Policies and  
Notes on Financial Statements

1 to 28

As per our Report of even dated

For **Chaturvedi & Shah**

Firm Registration No. 101720W

Chartered Accountants

Sd/-

**Amit Chaturvedi**

Partner

Membership No. 103141

For and on behalf of the Board of Directors

Sd/-

**Prithviraj S. Parikh**

Chairman &amp;

Executive Director

Sd/-

**Nalin S. Parikh**

Director

Place: **Mumbai**Date: **1st December, 2012**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012**

(Amount in ₹)

<b>I INCOME</b>	<b>Note</b>	<b>2011-12</b>	<b>2010-11</b>
I Income From Operation		-	-
Other Income	<b>15</b>	2,514,201	587,700
<b>Total Revenue</b>		<u>2,514,201</u>	<u>587,700</u>
<b>II EXPENSES :</b>			
a) Employee Benefits Expense	<b>16</b>	1,829,657	2,031,564
b) Finance Costs	<b>17</b>	-	1,887,008
c) Depreciation and Amortisation Expense		399,997	399,582
d) Other Expenses	<b>18</b>	<u>2,015,690</u>	<u>2,011,249</u>
<b>Total Expenses</b>		<u>4,245,344</u>	<u>6,329,403</u>
III Profit / (Loss) Before Tax (I-II)		(1,731,142)	(5,741,703)
IV Tax Expenses			
a) Current tax		-	-
b) Prior year tax adjustment		-	5,158
V Profit / (Loss) for the Year		<u>(1,731,142)</u>	<u>(5,746,861)</u>
VI Earnings per equity share of Face Value of Rs. 10 Each Basic and Diluted ( In Rs.)	<b>24</b>	(0.35)	(1.17)

Significant Accounting Policies and Notes on **1 to 28**  
Financial Statements

As per our Report of even dated

For **Chaturvedi & Shah**  
Firm Registration No. 101720W  
Chartered Accountants  
Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No. 103141

For and on behalf of the Board of Directors

Sd/-  
**Prithviraj S. Parikh**  
Chairman &  
Executive Director

Sd/-  
**Nalin S. Parikh**  
Director

Place: **Mumbai**

Date: **1st December, 2012**

## CASH FLOW STATEMENT FOR THE YEAR 2011-12

(Amount in ₹)

	2011-12	2010-11
<b>A. Cash flow from Operating Activities:</b>		
<b>Net Profit/(Loss) before tax as per statement of Profit and Loss</b>	(1,731,142)	(5,741,703)
Adjustment for:		
Deprecation and Amortisation Expense	399,997	399,582
Finance Costs	-	1,887,008
Reversal of Interest Expense of earlier year	(1,887,008)	-
Interest Income	(598,964)	(555,895)
Interest on Income Tax Refund	-	(31,805)
Operating Profit/(loss) before Working Capital changes	(3,817,118)	(4,042,813)
Adjustments for:		
Loan and Advance	(1,608,928)	(257,977)
Current Liabilities	(50,739)	251,846
<b>Cash Generated From Operation</b>	<b>(5,476,784)</b>	<b>(4,048,944)</b>
Taxes paid	(58,428)	(60,748)
<b>B. Cash flow from Operating Activities</b>	<b>(5,535,212)</b>	<b>(4,109,692)</b>
<b>Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(239,075)	-
Interest Received	598,964	555,895
Interest on Income Tax Refund	-	31,805
<b>C. Net cash generated from Investing Activities</b>	<b>359,889</b>	<b>587,700</b>
<b>Cash Flow from Finance Activities:</b>		
Proceeds from Borrowings	5,377,413	5,415,291
Interest & Finance Charges paid	-	(1,887,008)
<b>Net Cash flow from Finance Activities</b>	<b>5,377,413</b>	<b>3,528,283</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>202,090</b>	<b>6,291</b>
Cash & Cash Equivalents as on 31.03.2011	747,308	741,018
<b>Cash &amp; Cash Equivalents as on 31.03.2012</b>	<b>949,398</b>	<b>747,308</b>

As per our Report of even dated

For **Chaturvedi & Shah**  
 Firm Registration No. 101720W  
 Chartered Accountants  
 Sd/-  
**Amit Chaturvedi**  
 Partner  
 Membership No. 103141

For and on behalf of the Board of Directors

Sd/-  
**Prithviraj S. Parikh**  
 Chairman &  
 Executive Director

Sd/-  
**Nalin S. Parikh**  
 Director

Place: **Mumbai**  
 Date: **1st December, 2012**

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED  
31ST MARCH, 2012****1 SIGNIFICANT ACCOUNTING POLICIES:****1.1 Basis of Accounting:**

The financial statements are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles in India and provisions of Companies Act, 1956 .

**1.2 Use of Estimates:**

The preparation of financial statement requires estimates and assumptions to be made and that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

**1.3 Fixed Assets and Depreciation:**

- a) Fixed Assets are stated at cost of acquisition or installation and includes erection and construction expenses.
- b) Depreciation has been provided on the basis of straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

**1.4 Investment:**

Investment are stated at cost.

**1.5 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**1.6 Reteriment Benefits**

Retirement benefits are accounted for on accrual basis as per Revised Accounting Standard -15 on the basis of actuarial valuation.

**1.7 Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange Difference arising on foreign currency transactions other than fixed assets are recognized as income or expense in the Statement of Profit and Loss. Exchange Differences on unpaid liability arising on foreign currency transactions for fixed assets are adjusted to the Cost of fixed assets.

**1.8 Taxes**

Income tax expense comprises current tax, deferred tax charge or credit. The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognized using the tax rates that have been enacted or substantially enacted on the Balance Sheet date.

Deferred Tax assets arising from unabsorbed depreciation or carry forward losses are recognized only if there is virtual certainty of realization of such amounts. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

### 1.9 Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess whether there is any indication of impairment of the carrying amount of such assets of the company. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
<b>2 SHARE CAPITAL</b>		(Amount in ₹)
<b>Authorised Share Capital:</b>		
100,00,000 Equity Shares of Rs. 10/- each (100,00,000)	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, Subscribed and Paid-up :</b>		
48,96,468 Equity shares of Rs.10/- each fully paid up (48,96,468)	48,964,680	48,964,680
<b>TOTAL</b>	<u><b>48,964,680</b></u>	<u><b>48,964,680</b></u>

### 2.1 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	<b>As at</b>		<b>As at</b>	
	<b>31st March, 2012</b>	<b>% held</b>	<b>31st March, 2011</b>	<b>% held</b>
<b>North Malabar Tours</b>				
Private Limited	500,000	10.21	500,000	10.21
Anagha Properties Private Limited	450,000	9.19	450,000	9.19

### 2.2 The Reconciliation of Number of shares outstanding is set out below:

Particulars	<b>As at</b>	<b>As at</b>
	<b>31st March, 2012</b>	<b>31st March, 2011</b>
	No. of Shares	No. of Shares
Equity Share at the beginning of the year	4,896,468	4,896,468
Add: Share issued during the year	-	-
Equity Share at the end of the year	<u>4,896,468</u>	<u>4,896,468</u>

**2.3 Terms :** The company has only one class of equity shares having face value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. Equity shareholders are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts which shall be in proportion to the number of shares held by the Shareholders.

### 3 RESERVES AND SURPLUS

	As at 31st March, 2012	As at 31st March, 2011
		(Amount in ₹)
<b>Capital Reserve</b>		
Balance as per previous Balance Sheet	2,500,000	2,500,000
<b>Securities Premium Account</b>		
Balance as per previous Balance Sheet	69,462,400	69,462,400
	71,962,400	71,962,400
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>		
Balance as per previous Balance Sheet	(118,411,067)	(112,664,206)
Profit /(Loss) for the year	(1,731,142)	(5,746,861)
Deficit Carried forward	(120,142,209)	(118,411,067)
<b>TOTAL</b>	<b>(48,179,809)</b>	<b>(46,448,667)</b>

### 4 LONG TERM BORROWINGS

	As at 31st March, 2012	As at 31st March, 2011
		(Amount in ₹)
<b>Unsecured</b>		
Loans from related parties (Repayable over a period of 3 to 5 years)	22,540,313	19,049,908
<b>TOTAL</b>	<b>22,540,313</b>	<b>19,049,908</b>

### 5 LONG TERM PROVISIONS:

	As at 31st March, 2012	As at 31st March, 2011
Provision for Gratuity	1,125,733	1,055,466
Provision for Leave Encashment	301,565	343,356
<b>TOTAL</b>	<b>1,427,298</b>	<b>1,398,822</b>

	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
<b>6 TRADE PAYABLES:</b>		
Sundry Creditors for Expenses <sup>(1)</sup>	78,633	261,186
<b>TOTAL</b>	<b>78,633</b>	<b>261,186</b>
<sup>(1)</sup> Refer note no.22		
<b>7 OTHER CURRENT LIABILITIES:</b>		
Other Liabilities <sup>(1)</sup>	325,002	221,837
<b>TOTAL</b>	<b>325,002</b>	<b>221,837</b>
<sup>(1)</sup> Includes mainly statutory liabilities		
<b>8 SHORT TERM PROVISIONS:</b>		
Provision for Gratuity	70,944	66,534
Provision for Leave Encashment	17,407	21,644
<b>TOTAL</b>	<b>88,351</b>	<b>88,178</b>
<b>10 NON CURRENT INVESTMENTS :</b>		
	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
		(Amount in ₹)
<b>Unquoted - Trade (Valued at Cost)</b>		
National Saving Certificates	56,475	56,475
(Pledged with Pondicherry State Electricity Board and Commercial Tax Authorities)		
<b>TOTAL</b>	<b>56,475</b>	<b>56,475</b>
<b>11 LONG TERM LOANS &amp; ADVANCES:</b>		
	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
<b>(Unsecured and Consider Good)</b>		
Capital Advances	-	200,000
Security Deposits	438,759	440,567
Advance Income Tax (Net of Provision)	1,078,032	1,135,413
Fixed Deposit with HDFC Limited <sup>(1) and (2)</sup>	7,064,858	7,064,858
Other Receivables	76,571	76,571
<b>TOTAL</b>	<b>8,658,220</b>	<b>8,917,409</b>

(1) Indicates that the amount has been deposited in accordance with the order dated 18.11.2008 of the High Court of Chennai. The matter is however still pending for final disposal before Supreme Court. (Refer Note no.27)

(2) Maturity period of more than 12 months.



**NOTE NO 9  
FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Balance as On 01.04.2011	Additions	Deletions	Balance as On 31.03.2012	Upto 01.04.11	For the Year	Adjustments during the year	Total upto 31.03.12	W.D.V. as on 31.03.2012	W.D.V. as On 31.03.2011
<b>FREE HOLD LAND</b>	2832179	0	0	2832179	0	0	0	0	2832179	2832179
<b>OFFICE BUILDING</b>	13924924	200000	0	14124924	4117802	226985	0	4344787	9780137	9807122
<b>FURNITURE &amp; FIXTURES</b>	1278841	0	0	1278841	1278840	0	0	1278840	1	1
<b>OFFICE EQUIPMENT</b>	1978392	39075	0	2017467	1789727	94384	0	1884111	133356	188665
<b>VEHICLES</b>	540000	0	0	540000	238229	51300	0	289529	250471	301771
<b>COMPUTER</b>	168605	0	0	168605	94390	27328	0	121718	46887	74215
<b>TOTAL</b>	<b>20722941</b>	<b>239075</b>	<b>0</b>	<b>20962016</b>	<b>7518988</b>	<b>399997</b>	<b>0</b>	<b>7918985</b>	<b>13043031</b>	<b>13203953</b>
<b>PREVIOUS YEAR FIGURES</b>	<b>20722941</b>	<b>0</b>	<b>0</b>	<b>20722941</b>	<b>7119406</b>	<b>399582</b>	<b>0</b>	<b>7518988</b>	<b>13203953</b>	<b>13603553</b>

<b>12 OTHER NON- CURRENT ASSETS</b>	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
Interest Accrued on Fixed Deposit	988,070	453,624
<b>TOTAL</b>	<b>988,070</b>	<b>453,624</b>

(Amount in Rs.)

<b>13 CASH AND CASH EQUIVALENTS:</b>	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
Cash on hand	23,013	62,174
Balance with Banks	926,384	685,134
<b>Total</b>	<b>949,398</b>	<b>747,308</b>

<b>14 SHORT TERM LOANS AND ADVANCES:</b>	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
Advances given	989,098	-
Others <sup>(1)</sup>	560,175	157,175
<b>Total</b>	<b>1,549,273</b>	<b>157,175</b>

<sup>(1)</sup> Include advance to employees and prepaid Expenses

<b>15 OTHER INCOME</b>	<b>2011-12</b>	<b>2010-11</b>
Sale of Scrap	25,000	-
Interest Income	598,964	555,895
Interest on Income Tax Refund	-	31,805
Reversal of Interest expense earlier year*	1,887,008	-
Other Miscellenous income	3,229	-
<b>Total</b>	<b>2,514,201</b>	<b>587,700</b>

\*Company has been able to obtain the waiver of interest on unsecured loan for the period from 01.04.2010. Accordingly ,interest expenses accounted for the period 01-04-2010 to 31.03. 2011 of Rs. 18,87,008 in earlier year has been reversed.

<b>16 EMPLOYEES BENEFITS EXPENSE</b>	<b>2011-12</b>	<b>2010-11</b>
Salaries and Wages	1,568,960	1,538,355
Contribution to Provident and Other Funds	200,665	429,265
Staff Welfare Expenses	60,032	63,944
<b>Total</b>	<b>1,829,657</b>	<b>2,031,564</b>

<b>17 FINANCE COST:</b>	<b>2011-12</b>	<b>2010-11</b>
Interest Paid	-	1,887,008
<b>Total</b>	<b>-</b>	<b>1,887,008</b>
<b>18 OTHER EXPENSES</b>	<b>2011-12</b>	<b>2010-11</b>
		(Amount in ₹)
Directors Sitting fees	27,500	82,500
Travelling, Conveyance & Vehicle Maintenance	396,299	279,746
Electricity	22,140	26,707
Security Charges	594,945	667,003
Postage, Telegram, Telephone & Telex charges	170,207	129,400
Rates, Taxes, Fees & Insurance	44,887	79,901
Repairs & Maintenance :		
- Buildings	74,910	103,209
- Others	19,306	37,993
Legal & Consultation fees	187,594	213,915
Listing fees	48,029	24,928
Computer Maintenance	3,650	950
Office Maintenance	58,807	69,446
Printing & Stationery	117,310	49,927
Advertisement	66,100	53,850
Subscription & Membership fees	2,000	2,000
Books & Periodicals	2,303	3,839
Entertainment expenses	34,512	30,309
Share Transfer expenses	33,090	33,090
Sundry Expenses	21,679	13,066
Bank Charges	533	21,230
Audit Fees	89,888	88,240
	<b>2,015,690</b>	<b>2,011,249</b>

<b>18.1</b> Payment to Auditor As		
Statutory Audit Fees	89,888	88,240

**19** During the year ended 31st March 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However, it has significant impact on presentation and disclosure made in financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in current year.

**20** The company has not been carrying on any operations. Hence information pursuant to AS17 on Segment Reporting is not applicable to the company.

**21** The Company has suspended its operations .In view thereof and in consideration of prudence, the company has not recognised Deferred Tax Asset in respect of set off of available losses and timing differences.

- 22** The company does not owe amount to any micro, small and medium enterprises.
- 23** No provision for taxation is necessary, in view of the accumulated losses incurred over the years.

<b>24</b>	<b>Earnings per share (EPS)</b>	<b>2011-12</b>	<b>2010-11</b>
a)	Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to shareholder (Rs.)	(1,731,142)	(5,746,861)
b)	Weighted Average no. of Equity Shares and diluted EPS	4,896,468	4,896,468
c)	Basic and Diluted EPS (Rs.)	(0.35)	(1.17)
d)	Face value per equity share (Rs.)	10	10

**25 Employee Benefits Obligations:**

**Defined Contribution Plans**

The company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund cover substantially for all regular employees. Contributions are paid during the year into separate funds. While both the employees and the company pay predetermined contributions into the provident fund and pension fund, no fund has been created by the company for gratuity. The company's contribution to the provident fund and family pension fund has been charged to Statement of Profit and Loss.

**Defined Benefit Plans:**

The company offers its employees defined benefit plans in the form of gratuity (a lump sum amount). Benefits under the defined benefit plans are based on years of service and the employees last drawn salary immediately before exit. The gratuity scheme covers substantially all regular employees. However the company has not created any fund in accordance with the scheme. Commitments are actuarially determined at year end. On adoption of the revised Accounting Standard (AS 15) on "Employee Benefits" notified under the Companies (Accounting Standards) Rules, 2006, actuarial valuation is done based on "Projected Unit Credit Method". Gains and loss of changed actuarial assumptions are charged to Statement of Profit & Loss. The obligation for leave Encashment benefits is recognized in the manner similar to Gratuity.

The defined benefits as below:

Particulars	Gratuity (Non Funded)		Leave Encashment (Non Funded)	
	2011-12	2010-11	2011-12	2010-11
Obligation				
Present value of obligation	11,96,777	11,22,000	3,18,972	3,65,000
Fair Value of Plan Assets	Nil	Nil	Nil	Nil
Net Liability recognized in the Balance Sheet	11,96,777	11,22,000	3,18,972	3,65,000

Plan Assets	Gratuity (Non funded)		Leave Encashment (Non funded)	
	As at 31.03.12	As at 31.03.11	As at 31.03.12	As at 31.03.11
	Rs	Rs	Rs	Rs
Opening Balance	Nil	Nil	Nil	Nil
Expected Return	Nil	Nil	Nil	Nil
Contributions by the company	Nil	Nil	Nil	Nil
Benefits paid	Nil	Nil	Nil	Nil
Actuarial Gain	Nil	Nil	Nil	Nil
Closing balance 31.03.12	Nil	Nil	Nil	Nil

The company has not created any fund into which contributions are made. Hence furnishing of information on Return on Plan Assets does not arise.

Expense recognized in the Statement of Profit and Loss	Gratuity (Non Funded)		Leave Encashment (Non Funded)	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	80,238	2,62,000	(43,731)	(7,000)
Interest Cost	89,767	70,000	29,208	30,000
Expected Return on Plan Assets	Nil	Nil	Nil	Nil
Benefits paid directly	Nil	Nil	Nil	Nil
Net Actuarial (Gain)/loss	(95,413)	(56,000)	(31,603)	(34,000)
Expense recognized in the Statement of Profit and Loss	74,592	2,76,000	(46,126)	(11,000)

Actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size.

	<b>Gratuity (Non Funded)</b>	<b>Leave Encashment (Non Funded)</b>
	<b>2011-2012</b>	<b>2010-2011</b>
Rate of Discount applied	8.00%	8.00%
Expected Salary Escalation	9.00%	9.00%
Expected Return on plan assets	Does not arise	Does not arise
Mortality table used	LIC (1994-96) Ultimate Mortality Table	

**26** As Per Accounting Standard 18 (AS- 18) "Related Party Disclosures", as notified by Companies (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

a) **Related Party with whom transactions have been taken place and relationships:**

	<b>Name of the Related Party</b>	<b>Relationship</b>
<b>i)</b>	Western Rolling Mills Private Limited	Associate Company

b) **Key Mangerial Personnel:**

1. Mr Prithviraj S Parikh – Executive Director

Details of transaction taken place during the year are as follows –

<b>Sr. No</b>	<b>Particulars</b>	<b>2011-2012</b>	<b>2010-2011</b>
1	Loan due to Western Rolling Mills Private Limited	2,25,40,313	1,90,49,908
2	Interest paid to Western Rolling Mills Private Limited	0	18,73,038
3	Reversal of Interest expense earlier year on Waiver from Western Rolling Mills Private Limited	1,887,008	0
4	Director Sitting fees paid to Privthviraj S Parikh	0	5,000

**27 Contingent Liabilities**

a) The Electricity Department Pondicherry has filed a special leave petition before the Honourable Supreme Court, challenging the findings of the Madras High Court. Accordingly raised demand towards Electricity Charges of Rs.17,78,51,077 (includes interest of Rs.12,10,85,645/- for the period from Aug'1990 till July'1994). Subsequently the matter has

been referred to Supreme Court, Lok Adalat, where it is pending for hearing and disposal. The company has been legally advised that the case can be successfully contested/defended and hence no provision is made, in the absence of any liability crystallised yet..

- b) The Company has not provided disputed claim of Rs. 1,34,00,000/- towards demurrage charges (in addition to interest on the said claim) relating to import of scrap for which the appeal before the Honourable Supreme Court is pending for disposal. The Company has been advised that no liability will be levied on the company, based on the facts and circumstances of the case. However, an amount (along with Interest over the years) of Rs. 70,64,858 is lying deposited with HDFC in accordance with the directions of the Honourable Supreme Court vide order dated 18th November, 2008 (See Note 11) .

- 28** Company petition Nos. 154 & 155 of 2012 filed to facilitate Amalgamation and Arrangements between Mind Factory Entertainment Pvt. Ltd. and the company has been admitted in the Madras High Court as per Order dtd. 16-07-2012 and now is pending for next hearing.

As per our Report of even date

For **Chaturvedi & Shah**  
Firm Registration No. 101720W  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No. 103141

Sd/-  
**Prithviraj S. Parikh**  
Chairman &  
Executive Director

Sd/-  
**Nalin S. Parikh**  
Director

Place: **Mumbai**

Date: **1st December, 2012**

**EASTCOAST STEEL LIMITED**

Regd. Office : Cuddalore Road, Pillaiyarkuppam Post, Bahour Commune, Pondicherry 607 402.

**ATTENDANCE SLIP FOR THE ANNUAL GENERAL MEETING**

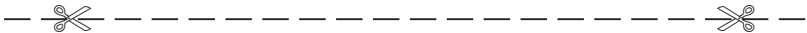
Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional Attendance Slip on request.

Name and Address of Shareholder \_\_\_\_\_

Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I hereby record my presence at the Twenty Ninth Annual General Meeting of EASTCOAST STEEL LIMITED on Saturday, 29<sup>th</sup> December, 2012 at Cuddalore Road, Pillaiyarkuppam Post, Bahour Commune, Pondicherry-607 402.

Signature of the Shareholder or Proxy \_\_\_\_\_



**PROXY FORM**

**EASTCOAST STEEL LIMITED**

Regd. Office: Cuddalore Road, Pillaiyarkuppam Post, Bahour Commune, Pondicherry-607 402.

Folio No. \_\_\_\_\_

I/We \_\_\_\_\_ being a member / members of Eastcoast Steel Limited hereby appoint \_\_\_\_\_

of \_\_\_\_\_

failing him \_\_\_\_\_

of \_\_\_\_\_

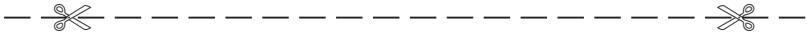
as my / our proxy to vote for me / us and on my / our behalf at the Twenty Ninth Annual General Meeting to be held on 29<sup>th</sup> December, 2012 and at any adjournment thereof.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2012

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. The proxy need not be a member of the Company.



**BOOK POST**

*If undelivered please return to :*  
EASTCOAST STEEL LIMITED

*Regd. Office :*

Cuddalore Road, Pillaiyarkuppam Post,  
Bahour Commune, Pondicherry-607 402.