

EASTCOAST
STEEL LIMITED

31st Annual Report
2013 - 2014

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

EASTCOAST STEEL LIMITED

Board of Directors:	Mr. Prithviraj S. Parikh	Chairman & Executive Director
	Mr. Nalin S. Parikh	Director
	Mr. Rajendra Chaturvedi	Director
	Mr. Ojas K. Parikh	Director
	Mr. P.K.R.K. Menon	Director & Co. Secretary
	Mr. Anand Sethuprakasem	Director
Auditors:	M/s. Chaturvedi & Shah	
	Chartered Accountants	
	Mumbai	
Bankers:	State Bank of India	
	Central Bank of India	
	HDFC Bank	
Registered Office & Plant:	Cuddalore Road, Pillayarkuppam Post, Bahour Commune, Pondicherry- 607 402.	
Registrar & Share Transfer Agents :	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078 Tel: 022- 2596 3838 Fax: 022- 2594 6969 E-Mail: rnt.helpdesk@linkintime.co.in	
Depository Services:	National Securities Depository Ltd. Trade World, 4th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013	
ISIN (Demat)	INE 315F 01013	
CIN	L27109PY1982PLC000199	

NOTICE

Notice is hereby given that the **Thirty First 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, 27th September, 2014 at 10 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2014, the statement of Profit & Loss 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 (DIN : 00106727) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ojas K. Parikh (DIN : 00116975) who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 139 of the Companies Act, 2013, M/s. Chaturvedi & Shah (101720W), 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 37th (Thirty Seventh) Annual General Meeting and to fix their remuneration for the financial year 2014-15 as the board may think fit in consultation with the auditors.”

SPECIAL BUSINESS:

5. **Appointment of Mr. Rajendra Chaturvedi as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 as amended from time to time, Mr. Rajendra Chaturvedi (DIN : 01140882), a Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for a period of five (5) consecutive years to hold the office from the conclusion of 31st (Thirty First) Annual General Meeting (AGM) till the conclusion of the 36th (Thirty Sixth) AGM of the Company and that he shall not be liable to retire by rotation.”

6. **Appointment of Mr. Anand Sethuprakasem as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 as amended from time to time, Mr. Anand

Sethuprakasem (DIN : 00582677), a Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for a period of five (5) consecutive years to hold the office from the conclusion of 31st (Thirty First) Annual General Meeting (AGM) till the conclusion of the 36th (Thirty Sixth) AGM of the Company and that he shall not be liable to retire by rotation.”

By order of the Board of Directors

Sd/-

Prithviraj S. Parikh

Chairman & Executive Director

Place: Mumbai

Date : 5th August, 2014

NOTES:

1. The Statement setting out the material facts relating to Special Business at the meeting pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. **A member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy must be filled, stamped and duly signed and deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.**
3. Bodies Corporate who are members of the Company are requested to send duly certified copy of the Board resolution authorising their representatives to attend and vote at the Meeting.
4. Members are requested to bring their Attendance Slip while attending the Meeting. Members holding shares in demat form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their Folio Numbers on the attendance slip for attending the meeting.
5. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (“MCA”), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated 21st April, 2011 and 29th April, 2011 respectively has allowed companies to send official documents through electronic mode.

In spirit of the above circulars and as part of the Company's Green Initiative, the Company may propose to send documents like Notice convening the general meetings, Financial Statements, Director's Report etc. to the e-mail address provided by the members.

Members are requested to support the Green Initiative by the Government and get their email addresses registered with their Depository Participants in case of shares held in demat form or with Link Intime India Private Limited (Registrars) in case of shares held in physical form.

6. Annual Report copies will not be distributed at the Meeting. Members are therefore requested to bring their copies of the Annual Report.
7. As required by clause 49 IV (G) of the Listing Agreement, a brief profile of Directors seeking appointment or re-appointment at ensuing Annual General Meeting is given.
8. In case of joint holders attending the Meeting, joint holder ranked higher in the order of names will be entitled to vote at the meeting.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from 20th September, 2014 to 27th September, 2014 (both days inclusive).
10. Members holding shares in demat (electronic) account are requested to notify changes, if any, in their address, e-mail address, bank mandate, etc. to their respective Depository Participants (DPs). Members holding shares in physical form are requested to intimate the changes to the Company's Registrars.
11. Facility of nomination is now available and members are requested to make use of the same by contacting the Registrars in case of physical holding and DPs in case of demat holdings.
12. For any assistance or information about shares, dividend, etc., members may contact the Company or the Registrars.
13. Members are requested to quote their Folio Number / Demat Account Number and contact details such as email address, contact number and complete address in all correspondences with the Company or its Registrars.
14. Members who hold shares in multiple folios and in identical names are requested to contact the Registrars for consolidating their holdings into a single folio.
15. Member desirous of getting any information, on the accounts and operations of the company, may please forward their queries to the Company at least seven days prior to the Meeting so as to enable the Company to provide appropriate response thereto at the Meeting.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are having demat accounts. Members holding shares in physical form are requested to submit PAN details to the Company/Registrar.
17. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is providing its members with the option of voting by electronic means.
 - (a) **The e-voting period commences at 9.00 a.m. on Wednesday, 17th September, 2014 and ends at 6.00 p.m. on Friday, 19th September, 2014. The e-voting module shall also be disabled by CDSL for voting thereafter.**
 - (b) Once the vote on a resolution is cast by the shareholder, the shareholder shall

not be allowed to change it subsequently.

- (c) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the date of dispatch of notice.
- (d) The Board of Directors at their meeting has appointed M/s. JM Associates, Company Secretaries as the scrutinizer to conduct the e-voting process in a fair and transparent manner.
- (e) **Instructions for e-voting**

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

Log on to the e-voting website www.evotingindia.com

- (i) Click on “Shareholders” tab.
- (ii) Now, select “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iii) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (v) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN filed.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the record date in the Dividend Bank details filed.
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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password filed. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.co.in and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user id who

would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

General Instructions:

- a. The voting period begins on Wednesday, the 17th September, 2014 at 9.00 a.m. and ends on Friday, the 19th September, 2014 at 6.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the Book Closure date i.e. August 08, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those who failed to cast their vote electronically may only cast their vote at the Extraordinary General Meeting.
- b. CS Soy Joseph of M/s. JM Associates, Practicing Company Secretary (Membership No. 33826), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- d. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 8th August, 2014.
- e. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.sharyans.com and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company on 27th September, 2014 and communicate to the NSE & BSE.

18. Detailed profiles of Directors seeking appointment in the Annual General Meeting scheduled on Saturday, the 27th September, 2014 (Pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement)

Name of Director	Mr. Prithviraj S. Parikh	Mr. Ojas K. Parikh
Date of Birth	19 th February, 1946	07 th December, 1973
Date of Appointment	08 th January, 1987	28 th January, 2010
Expertise in Specific Functional area	Has completed his Masters in Engineering in U.S. Returning to India he joined owned business of manufacturing steel. He has over four decades in management of Steel Plants & allied activities, international trade, etc.	He has been associated with the private equity business, Commodity Trading, Sales & Distribution and Organised Retail for 8-9 Years. This wide exposure gives him a strong insight into businesses and their various functionalities.
Qualification	MS., M.E. from New York University	Graduate in Commerce & Masters in Business Administration.
Board Membership of other Public Companies (excluding Foreign, Private & Sec.25 Companies) as on 31 st March, 2014	<ol style="list-style-type: none"> 1. WRM Pvt. Ltd. 2. Bombay Warehousing Co. Pvt Ltd. 3. Wist Overseas Pvt. Ltd. 4. Gunjar Finance & Investment Pvt. Ltd. 5. Western India Steel Co. Pvt. Ltd. 6. Aspher Foods Pvt. Ltd. 7. Western Ministil Ltd. 8. Satori Realty Pvt. Ltd. 9. Anagha Enterprises Pvt. Ltd. 10. R and A Foods Pvt. Ltd. 	WRM Pvt. Ltd.
Chairman /Member of the Committee as on 31 st March, 2014 (Includes only Audit and Shareholders' Grievance Committee)	N.A	N.A
Number of shares held as on 31 st March, 2014	7,150 (0.13%)	NIL

Name of Director	Mr. Rajendra Chaturvedi	Mr. Anand Sethuprakasem
Date of Birth	16 th February, 1947	1 st July, 1978
Date of Appointment	23 rd October, 2003	15 th April, 2013
Expertise in Specific Functional area	After completing his diploma in Textile Technology from British Institute, London, he joined family business in 1980. Has been managing business affairs of the family group of Companies for over three decades. He has proven talents in administration and management.	After completing Bachelor's in Architecture, he joined is family business in 2002 and is involved in managing the business affairs of the family group of companies. His involvement in various functionalities of the family business in Manufacturing, Retail and Real Estate gives him strong insight into businesses
Qualification	Diploma in Textile Technology.	Bachelor's in Architecture
Board Membership of other Public Companies as on 31 st March, 2014	<ol style="list-style-type: none"> 1. Girdhar Morari Agro Research Pvt. Ltd. 2. Western Ministil Ltd. 3. G R N Finsec Pvt. Ltd. 4. G R N Energy Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Tropic Computers Pvt. Ltd. 2. Fertilemind Technologies Pvt. Ltd. 3. Hallmark Infrastructure Pvt. Ltd. 4. Silicon Oyster Technologies Pvt. Ltd. 5. Win Win Developers Pvt. Ltd. 6. Hallmark Energy Ltd. 7. Wayne – Burt Aerospace Pvt. Ltd. 8. SEA Hydrosystems India Pvt. Ltd. 9. Tam sand and Aggregates Pvt. Ltd. 10. Rockfort Motohub Pvt Ltd.
Chairman / Member of the Committee as on 31 st March, 2014 (Includes only Audit and Shareholders' Grievance Committee)	N.A.	N.A.
Number of Shares held as on 31 st March, 2014	NIL	NIL

Statement pursuant to Section 102 (1) of the Companies Act, 2013**Item No. 4****Appointment of Auditors**

This explanatory statement is provided though strictly no required as per Section 102 of the Companies Act, 2013.

M/s. Chaturvedi & Shah (C&S), Chartered Accountants are currently the Statutory Auditors of the Company. They have been the auditors of the Company since F. Y. 2010-11 till date.

As per Section 139 of the Companies Act, 2013 no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. However, a period of 3 years has been given under Section 139(2) of the Companies Act, 2013 to comply with the said requirement.

Since C&S have been the Statutory Auditors of the Company for an aggregate period of 4 years, the Company would be required to appoint an audit firm other than C&S within a period of next 6 years.

In view of the above C&S being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 05th August, 2014 proposed the appointment of C&S as the Statutory Auditors of the Company for a period of 6 (Six) years to hold the office from the conclusion of this AGM till the conclusion of 37th (Thirty Seventh) AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution at Item No.4 for approval by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors of KMP is concerned or interested in the Resolution at Item No.4 of the accompanying Notice.

Item Nos. 5 & 6**Appointment of Independent Directors of the Company:**

Mr. Rajendra Chaturvedi and Mr. Anand Sethuprasem were liable to retire by rotation as per the erstwhile Companies Act, 1956. However, Section 149 of the Companies Act, 2013 requires every listed Company to have at least one-third of the total number of Directors as Independent Directors (IDs) and that the same are not liable to retire by rotation.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 5th August, 2014 appointed the following Directors as Independent Directors of the Company for a period of 5 years -

1. Mr. Rajendra Chaturvedi (Date of appointment as ID – 23rd October, 2003)
2. Mr. Anand Sethuprasem (Date of Appointment as ID - 15th April, 2013)

The Company has received declarations pursuant to sub section (7) of Section 149 of the Companies Act, 2013 from the above Independent Directors confirming that they meet the criteria of Independence.

As required by the Proviso to sub section (5) of Section 152 the Companies Act, 2013, the Board of Directors of the Company are also of the opinion that both the Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder and that the proposed Directors are independent of the management.

Accordingly, the resolutions have been put up for your approval.

No director, key managerial personnel or their relatives are interested or concerned in the resolution, except the appointee himself in his respective appointment.
The Board recommends the resolution set forth in Item nos. 5 and 6 for the approval of the members.

By order of the Board of Directors

Sd/-

Prithviraj S. Parikh

Chairman & Executive Director

Place: Mumbai

Date : 5th August, 2014

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the **Thirty First (31st)** Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

	(Amount in ₹)	
	<u>2013-14</u>	<u>2012-13</u>
Other Income	2,053,669	2,018,094
Profit / (Loss) before Interest & Depreciation	(3,160,874)	(4,901,536)
Finance Charges	1,827	7,572
Depreciation	335,361	401,432
Profit / (Loss) before Tax	(3,498,062)	(5,310,540)
Taxation	-	-
Balance in P&L A/c carried forward	(3,498,062)	(5,310,540)
Debit Balance in P&L A/c.	(125,452,749)	(120,142,209)
Balance carried forward to Balance Sheet	(128,950,811)	(125,452,749)

2. DIVIDEND

In view of the losses carried forward and incurred during the year under review, the Board of Directors regret their inability to propose any dividend for the financial year 2013-14.

3. OPERATING RESULTS

The Company having had stopped production at its Pondicherry Plant owing to uneconomical operations since 1995, the activities have remained at a standstill. The current year's operations have therefore resulted in a loss of ₹ 3,498,062/- (Loss of ₹ 5,310,540/- in the previous year).

4. CAPITAL & FINANCE

The Company has raised the capital by preferential issue of 500,000 equity shares @ Rs.60/- each inclusive of a premium of ₹ 50/- per share, in order to arrest the erosion of net worth and to facilitate restructuring its operations at the appropriate time. Accordingly, the shares have been allotted to Mr. Ashok Kumar Dalmia jointly with Mrs. Veena Dalmia ranking *PariPassu* with other existing equity shares for consideration received in cash on 7th November 2013, with the result the paid-up capital of the Company stands increased from ₹ 4,89,64,680/- to ₹ 5,39,64,680/- The share premium account has also increased to ₹ 94,323,634/-, after reducing Share issue expenses ₹ 137,766/-.

The aforesaid issue of new equity shares on preferential basis has been carried out in accordance with and under Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and obtaining the requisite approval of shareholders and / or other agencies / institutions where the script has been listed.

The infusion of funds out of the proceeds realized from the issue of equity shares has considerably improved the financial position and net worth, but for which it would not have been possible for the company to meet statutory obligations and commitments to keep its corporate status alive intact.

5. 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.

6. CORPORATE GOVERNANCE

The Company believes in good corporate governance as 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.

7. BOARD OF DIRECTORS

The Company appreciates and places on record the excellent services rendered and guidance provided by Mr. Pradeep B. Chinai (DIN. 00128368) and Mr. Premratan B. Damani (DIN : 00030400) (resigned w.e.f. 10th July, 2014) during their tenure as Director of the Company.

In accordance with the provisions of the Companies Act, 2013 and that of Article 98 of the Articles of Association of the Company and/or the terms of appointment, Mr. Prithviraj S. Parikh and Mr. Ojas K. Parikh, are liable to retire at the ensuing Annual General Meeting. Mr. Prithviraj S. Parikh and Mr. Ojas K. Parikh, being eligible, has offered himself for re-appointment.

It has been proposed to make the composition of the Board in line with Section 152 of the Companies Act, 2013 on account of provisions of Section 152(6) of the Companies Act, 2013. Accordingly Independent Directors are being reappointed for a period of 5 years from the date of AGM and they will not be liable to retire by rotation.

In compliance with Clause 49 IV (G) of the Listing Agreement, brief resume and other details of Directors proposed to be appointed / re-appointed are attached along with the Notice of the ensuing Annual General Meeting.

8. DIRECTORS' 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 31st March, 2014, 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 31st March, 2014 on a 'going concern' basis.

9. AUDITORS

The statutory auditors M/s. Chaturvedi & Shah, Chartered Accountants, (Firm Registration No. – 101720W) Mumbai, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for six years and to hold office from the conclusion of this AGM till the conclusion of the Thirty Seventh AGM to be held in the year 2020 subject to ratification of their appointment at every AGM. M/s Chaturvedi & Shah, Chartered Accountants have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder furnished a certificate of their eligibility and consent for re-appointment.

10. NOTICE OF DISCLOSURE

- a. The Electricity Dept. Pondicherry has filed a special leave petition before the Supreme Court of India, challenging the findings of the Madras High Court in respect of demand towards Electricity Charges of ₹ 177,851,077 (includes interest of ₹ 121,085,645/- since converted into a civil Application. Subsequently the matter has been referred to Supreme Court, LokAdalat, where it had remained pending for hearing and disposal. However, when the matter had come up last on 23rd November 2013, the same was reverted back to the Supreme Court. The Company has been legally advised that the case can be successfully contested/defended and hence no provision is made. Moreover, the matter being sub-judice, the liabilities if any has not been crystallised. Attention is drawn to the Note No. 21 (a) annexed to and forming part of the Accounts, in which the matter has been dealt with in greater detail.
- b. The Company has not provided in the Accounts disputed claim of ₹ 13,400,000/- towards demurrage charges (in addition to interest on the said claim) relating to import of scrap for which the appeal before the Supreme Court is pending disposal. The Company has been advised that no liability will be fastened on the Company, based on the facts and circumstances of the case. However, an amount (along with interest over the years) of ₹ 8,653,116/- is lying deposited with HDFC in accordance with the directions of the Supreme Court vide order dated 18th November, 2008 Attention is drawn to the Note No.21(b)annexed to and forming part of the Accounts, in which the matter has been dealt with in greater detail.

- c. C.P.No. 56 of 2013 has been adjourned by the Company Low Board, Chennai Bench to 8th August, 2014 as the petitioners have filed an Application for amendment on 25th March, 2014.

11. 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.

12. ACKNOWLEDGEMENTS

The Board of Directors do 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 all the stakeholders for their support and co-operation.

By Order of the Board of Directors

Sd/-

Prithviraj S. Parikh

Chairman

Place : Mumbai

Date : 5th August, 2014

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, 2014 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 31-03-2014
		Held	Attended			Member	Chairman	
Mr. Prithviraj S. Parikh	Executive Non Independent	5	4	Y	1	-	-	7150
Mr. Nalin S. Parikh	Non-Executive Non Independent	5	5	N	0	-	-	0
Mr. Rajendra R. Chaturvedi	Non-Executive Independent	5	2	N	1	-	-	0
Mr. P.K.R.K. Menon	Non-Executive Non Independent	5	5	Y	1	-	-	0
Mr. Prem Ratan Damani	Non-Executive Independent	5	1	N	2	-	-	0
Mr. Ojas K. Parikh	Non-Executive Non Independent	5	1	N	0	-	-	0
Mr. Pradeep B. Chinai	Non-Executive Independent	5	5	N	1	-	-	0
*Mr. Anand Sethuprakasem	Non-Executive Independent	5	2	Y	0	-	-	0

* Mr. Anand Sethuprakasem was appointed as an additional director on 15th April, 2013, has been retained on the Board as a Director at the 30th AGM held on 12th September, 2013.

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. 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 31st March, 2014, 5 (Five) meetings of the Board of Directors were held on 20/05/2013, 08/08/2013, 07/11/2013, 14/11/2013 and 13/02/2014.

3. AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Pradeep B. Chinai, Mr. Nalin S. Parikh and Mr. Rajendra R. Chaturvedi and Mr. P.K.R.K. Menon, being a Company Secretary, has acted as a secretary to the committee. Mr. Anand Sethuprasem is the Chairman of the Committee, who 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 31st March, 2014 is as under :

Name of Director	No. of meetings	
	Held	Attended
Mr. Anand Sethuprasem	4	2
Mr. Pradeep B. Chinai	4	1
Mr. Nalin S. Parikh	4	3
Mr. Rajendra R. Chaturvedi	4	2
Mr. P.K.R.K. Menon (Secretary)	4	4

Note:

- (1) During the year ended 31st March, 2014, 4 (Four) meetings of the Audit Committee were held on 20/05/2013, 08/08/2013, 14/11/2013 and 13/02/2014.
- (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:

No sitting fees is paid to any of the directors of the company for attending meetings of the Board and Committee(s) there of Mr. P.K.R.K. Menon is being paid remuneration of ₹ 6,00,000/- per annum plus Bonus of ₹ 35,000/- along with Medical Expenses of ₹ 15,000/- per annum and Leave Salary ₹ 2,00,000/- for the services rendered as a Company Secretary.

The details of sitting fees paid to the Non-executive directors during the year ended 31st March, 2014 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. Prem Ratan Damani	Nil
Mr. Ojas K. Parikh	Nil
Mr. Pradeep B. Chinai	Nil
Mr. Anand Sethuprasem	Nil
Total	Nil

(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 2013-14.

Note:

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 2013-14.

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted the Shareholders' / Investors' Grievance Committee. Mr. Pradeep B. Chinai is the Chairman of the committee and is Non executive Independent Director. Mr. Prithviraj S. Parikh and Mr. Nalin S. Parikh are other members of the committee. Mr. P.K.R.K. Menon, Company Secretary, is the compliance officer. During the year ended 31st March, 2014, 5 (Five) meetings of the committee were held on 20/05/2013, 08/08/2013, 07/11/2013, 14/11/2013 and 13/02/2014. 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 31st March, 2014 the Company has received 8 (Eight) grievances from the Investors and the same have been resolved to the satisfaction of the investors. For 110,620 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 not perform well during the year under review. Large Companies with integrated steel making facilities alone could maintain the performance in terms of productivity. The demand throughout the year did not however stabilise both in domestic and international market.

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

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

(iii) Outlook:

The Company is no longer engaged in steel making. The proposal for diversification would much depend upon the restructuring of the Company.

(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
30 th AGM	12/09/2013	10.00 am	*One Special Resolution was passed
29 th AGM	29/12/2012	10.00 am	No Special Resolution was passed
28 th AGM	24/09/2011	10.00 am	No Special Resolution was passed

*Special resolution was passed under section 81(1A) of the Companies Act, 1956 for preferential allotment of 500,000 equity shares of the Company.

During the financial year 2013-14 there was no postal ballot conducted.

8. DISCLOSURES:

- (i) Interim order Dated 12/09/2013 in the Company Petition No. 56 of 2013 filed by certain shareholder U/S 397 & 398 of the Companies Act, 1956 before the C.L.B, Chennai Bench, having been vacated on 06/11/2013, the Company has completed the allotment of 500,000 Equity shares to Mr. Ashok Kumar Dalmia jointly with Mrs. Veena Dalmia on Preferential basis, in accordance with the Special Resolution passed at its 30th Annual General Meeting held on 12/09/2013. However, the Petitioners have filed an application for amendment of the petition which is pending for hearing and disposal. The matter stands adjourned to 19/08/2014.
- (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

10. GENERAL SHAREHOLDER'S INFORMATION:

- (i) **Registered Office** : Cuddalore Road, Pillayarkuppam Post, Bahour Commune, Pondicherry-607402. Phone:0413-2611117; Fax:0413-2611423.
- (ii) **Annual General Meeting** : Date : September 27, 2014 at 10.00 A.M. Venue: At the Registered office as above.
- (iii) **Date of Book Closure** : September 20, 2014 to September 27, 2014 (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 in NSDL** : INE315F01013.

(vii) Market Price Data at Bombay Stock Exchange:

Month	High (₹)	Low (₹)
April - 2013	43.20	35.85
May - 2013	67.10	41.80
June - 2013	60.00	48.00
July - 2013	67.10	43.80
August - 2013	68.10	52.60
September - 2013	89.00	69.00
October - 2013	-	-
November - 2013	81.00	57.05
December - 2013	77.00	59.55
January - 2014	68.70	55.05
February - 2014	67.00	59.50
March - 2014	66.80	56.95

Note : No transaction has been quoted on the Madras Stock Exchange during the year April 2013 to March 2014.

(viii) Financial Calendar : From 1st April to 31st March.

Financial reporting for:

- The quarter ending June 30,2013 : 2nd Week of August 2013
- The quarter ending September 30,2013 : 3rd Week of November 2013
- The quarter ending December 31,2013 : 3rd Week of February 2014
- The quarter ending March 31,2014 : 3rd Week of May 2014

(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 31/03/2014):

Range	No. of shares	% of Shareholder	Share Amount (₹)	% of Amount
1 to 500	10,56,114	92.0274	1,05,61,140	19.5705
501 to 1000	2,97,840	5.1507	29,78,400	5.5192
1001 to 2000	1,66,650	1.4795	16,66,500	3.0881
2001 to 3000	78,235	0.4110	7,82,350	1.4497
3001 to 4000	72,900	0.2877	7,29,000	1.3509
4001 to 5000	37,850	0.1096	3,78,500	0.7014
5001 to 10,000	1,05,673	0.1918	10,56,730	1.9582
10,001 & above	35,81,206	0.3425	3,58,12,060	66.3620
Total	53,96,468	100.00	5,39,64,680	100.00

(xii) Dematerializations of Shares and Liquidity (as on 31/03/2014):

Category	No. of Shares	% of Total Capital
Electronic Form	41,52,464	76.95
Physical Form	12,44,004	23.05
Total	53,96,468	100.00

(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 are required to be stated.

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 31st March, 2014.

For East Coast Steel Limited

Sd/-

Prithviraj S. Parikh

Chairman & Executive Director

Place: **Mumbai**

Date : **5th August 2014**

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 31st March 2014, 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 : **5th August 2014**

INDEPENDENT AUDITOR'S REPORT

To

The Members

EASTCOAST STEEL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Eastcoast Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required, and give 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 31st March, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by sub-section (3) of section 227 of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Sd/-
Amit Chaturvedi
Partner
Membership No.: 103141

Place : Mumbai
Date : 12th May, 2014

Annexure referred to in paragraph 1 under the heading of Report on other legal and regulatory requirements of our Report of even date

Re: Eastcoast Steel Limited (“the Company”)

1. In respect of its Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management in a phased periodical manner as per regular programme of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) There are no substantial disposals of fixed assets during the year.
2. In respect of its Inventory:

The Company does not hold any physical inventories. Thus, provision of clause(ii) of paragraph 4 of the Order is not applicable to the Company.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Act:
 - (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 requirements of Clauses (iii) (a) to (iii) (e) of paragraph 4 of the Order are not applicable
 - (b) The Company has taken interest free unsecured loans from two companies 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 is ₹ 29,816,393/- and the year-end balance is ₹ 25,541,393/-.
 - (c) In our opinion and according to the information and explanation given to us, 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. In respect of the said loans, there are no overdue amounts.
4. The Company has not carried on any activity during the year. Hence, in our opinion clause (iv) and (v) of the paragraph 4 of the Order is not applicable to the Company.
5. In our opinion and according to the 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 the Companies Act, 1956 does not arise.
8. In respect of statutory dues:
 - (a) According to the information and explanations given and records produced and examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees’ state insurance, income-tax,

professional tax, sales-tax, wealth-tax, service tax, customs duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, professional tax, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues were outstanding, as at 31st March, 2014 for a period of more than six months from the date they become payable.

- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, wealth tax, service tax, custom duty, excise duty and Cess which have not been deposited on account of any dispute.
9. The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and immediately preceding financial year.
 10. The Company has not borrowed any money by way of loan from Financial Institutions, Banks, Debenture holders; hence there is no question of repayments of dues or default on this account.
 11. According to the information and explanations given to us and based on the documents and records produced to us, 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 to the Company.
 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 to the Company.
 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 to the Company.
 15. The Company has not taken any term loan during the year. Therefore, the provisions of clause (xvi) of paragraph 4 of the Order are not applicable to the Company.
 16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
 17. The Company has not made any preferential allotment of shares to parties and companies covered under Register maintained under section 301 of the Act.
 18. The Company did not have any outstanding debenture during the year.
 19. The Company has not raised any monies by way of public issue during the year.
 20. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the year.

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

Sd/-

Amit Chaturvedi

Partner

Membership No.: 103141

Place : Mumbai
Date : 12th May, 2014

BALANCE SHEET AS AT 31st MARCH, 2014

(Amount in ₹)

Note As at 31st March, 2014 As at 31st March, 2013**Source of Funds****I EQUITY & LIABILITIES****1. Shareholders Funds:**

(a) Share Capital	2	53,964,680		48,964,680	
(b) Reserves and Surplus	3	(32,127,177)	21,837,503	(53,490,349)	(4,525,669)

2. Non Current Liabilities

(a) Long Term Borrowings	4	25,541,393		25,541,393	
(b) Long Term Provisions	5	976,846	26,518,239	1,497,888	27,039,281

3. Current Liabilities

(a) Trade Payables	6	6,568		294,364	
(b) Other Current Liabilities	7	386,615		1,232,708	
(c) Short Term Provisions	8	561,058	954,241	92,761	1,619,833

TOTAL**49,309,983** **24,133,445****APPLICATION OF FUNDS****II ASSETS****1. Non - Current Assets**

(a) Fixed Assets					
(i) Tangible Assets	9	12,306,239		12,641,599	
(b) Non Current Investments	10	56,475		56,475	
(c) Long Term Loans and Advances	11	10,478,492		8,720,564	
(d) Other Non Current Assets	12	809,205	23,650,411	1,549,163	22,967,801

2. Current Assets

(a) Current Investments	13	1,711,257		-	
(b) Trade Receivables	14	-		75,000	
(c) Cash and Cash Equivalents	15	354,823		583,030	
(d) Short Term Loans and Advances	16	23,593,492	25,659,572	507,614	1,165,644

TOTAL**49,309,983** **24,133,445**Significant Accounting Policies Notes 1 to 28
on Financial Statements

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
Director

Sd/-

Nalin S.Parikh
Director

Sd/-

P. K. R. K. Menon
Company Secretary

Place : Mumbai

Date : 12th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014
(Amount in ₹)

	Note	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operations		-	-
Other Income	17	2,053,669	2,018,094
		2,053,669	2,018,094
EXPENDITURE			
Employee Benefit Expenses	18	2,336,433	1,862,373
Finance Charges	19	1,827	7,572
Depreciation & Amortization Cost	9	335,361	401,432
Other Expenses	20	2,878,110	5,057,257
		5,551,731	7,328,634
Profit/(Loss) Before Tax		(3,498,062)	(5,310,540)
Provision for Current Tax		-	-
Profit/(Loss) for the year		(3,498,062)	(5,310,540)
Basic and Diluted Earnings per Share (in ₹) (Face Value ₹ 10)		(0.69)	(1.08)

Significant Accounting Policies Notes on Financial Statements 1 to 28

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
Director

Sd/-
Nalin S.Parikh
Director

Sd/-
P. K. R. K. Menon
Company Secretary

Place : Mumbai
Date : 12th May, 2014

CASH FLOW STATEMENT FOR THE YEAR 2013-2014

(Amount in ₹)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
A Cash Flow From Operating Activities		
Net Profit/(Loss) before tax & extraordinary Items	(3,498,062)	(5,310,540)
Adjustments For:		
Depreciation and Amortization Cost	335,361	401,432
Finance Costs	1,827	7,572
Profit on sale of investment	(11,001)	-
Dividend	(150,256)	-
Interest Income	(1,767,353)	(623,436)
Operating Profit before Working Capital Change	(5,089,484)	(5,524,972)
(Increase)/Decrease in Trade receivables	75,000	405,568
(Increase)/Decrease in Long Term Loans and Advances	(1,757,928)	-
(Increase)/Decrease in Short Term Loans and Advances	(22,909,141)	-
Increase/(Decrease) in Trade Payables	(287,796)	1,198,437
Increase/(Decrease) in Other Current Liabilities	(898,838)	-
Cash Generated From Operations	(30,868,187)	(3,920,967)
Income Tax Paid	(176,737)	(62,344)
Net Cash Flow From Operating Activities	(31,044,924)	(3,983,311)
B Cash Flow From Investing Activities		
Purchase of Investments	(25,700,000)	-
Sale of Investments	23,999,746	-
Dividend Received	150,256	-
Interest Received	2,507,310	623,436
Net Cash Flow From Investing Activities	957,312	623,436
C Cash Flow From Financing Activities		
Proceeds from issue of Equity Shares	30,000,000	-
Proceeds from Long Term Borrowings	-	3,001,080
Interest and Finance Charges Paid	(1,827)	(7,572)
Share Issue Expenses	(138,766)	-
Net Cash Flow From Financing Activities	29,859,407	2,993,508
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(228,207)	(366,368)
Cash and Cash Equivalent at the beginning of the year	583,030	949,398
Cash and Cash Equivalent at the end of the year	354,823	583,030
Increase/(Decrease)	(228,207)	(366,368)
Note:		
Cash and Cash Equivalent consists of		
i) Cash on Hand	60,895	36,003
ii) Balance with Banks	173,928	547,027
iii) Cheques on Hand	120,000	-

As per our report of even date annexed hereto

For **Chaturvedi & Shah**

(Firm Registration No.: 101720W)

Chartered Accountants

Sd/-

Amit Chaturvedi

Partner

Membership No.:103141

Place : Mumbai

Date : 12th May, 2014

For and on behalf of the Board of Directors

Sd/-

Prithviraj S. Parikh

Director

Sd/-

Nalin S.Parikh

Director

Sd/-

P. K. R. K. Menon

Company Secretary

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 Deprecation:

- 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 Investments:

Investments 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 Retirement 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.

(Amount in ₹)

As at 31st March, 2014 As at 31st March, 2013

Note 2**SHARE CAPITAL****Authorised**

10,000,000 Equity Shares (Previous year: 10,000,000 Equity Shares) of ₹ 10/- each	100,000,000	100,000,000
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1) Issued, Subscribed & Paid up

5,396,468 Equity shares (Previous year: 4,896,468 Equity shares) of ₹ 10/- each fully paid	53,964,680	48,964,680
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TOTAL	5,39,64,680	48,964,680
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2) Reconciliation of Opening and Closing number of Shares

Equity Shares outstanding at the beginning of the year	4,896,468	4,896,468
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Equity Shares issued during the year	500,000	-
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Equity Shares outstanding at the end of the year	5,396,468	4,896,468
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3) Shareholders holding more than 5% of the Equity Shares of the Company are:

Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Anagha Enterprises Private Limited	773,235	14.33%	682,245	13.93%
Ashok Kumar Dalmia	535,600	9.93%	-	-
Vigil Stocks & Shares Private Limited	527,800	9.78%	-	-
Vajradhar Leasing & Finvest Private Limited	376,000	6.97%	-	-
Suresh Kumar Jalan	338,350	6.27%	313,250	6.40%
North Malabar Tours Private Limited	300,000	5.56%	500,000	10.21%

4) Terms and Rights attached to shares:

The Company has only one class of equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Equity shares holders 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.

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Note 3		
RESERVES & SURPLUS :		
A. Capital Reserve		
Balance as per last Balance Sheet	2,500,000	2,500,000
B. Share Premium Account		
Balance as per last Balance Sheet	69,462,400	69,462,400
Add: Premium received on issue of shares	25,000,000	-
Less: Share issue expenses	138,766	-
	<u>94,323,634</u>	<u>69,462,400</u>
C. Profit & Loss Account		
Balance as per last Balance Sheet	(125,452,749)	(120,142,209)
Add: Transferred from Statement of Profit & Loss	(3,498,062)	(5,310,540)
	<u>(128,950,811)</u>	<u>(125,452,749)</u>
TOTAL	(32,127,177)	(53,490,349)

Note 4**LONG TERM BORROWINGS:****UNSECURED LOANS**

Loan from Related Parties	25,541,393	25,541,393
(Repayable over a period of 3 to 5 years)		
TOTAL	25,541,393	25,541,393

Note 5**LONG TERM PROVISIONS:**

Provision for Gratuity	700,718	994,292
Provision for Leave Encashment	276,128	244,148
Provision for Employees Benefits	-	259,448
TOTAL	976,846	1,497,888

Note 6**TRADE PAYABLES:**

Micro, Small and Medium Enterprises	-	-
Others	6,568	294,364
TOTAL	6,568	294,364

Note : The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been made.

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
Note 7		
<u>OTHER CURRENT LIABILITIES:</u>		
Statutory Dues	35,235	190,994
Others	351,380	1,041,714
TOTAL	386,615	1,232,708
Note 8		
<u>SHORT TERM PROVISIONS:</u>		
Provision for Gratuity	552,410	75,354
Provision for Leave Encashment	8,648	17,407
TOTAL	561,058	92,761
Note 10		
<u>NON CURRENT INVESTMENTS:</u>		
Unquoted - Trade (at cost)		
In National Savings Security (Pledged with Pondicherry State Electricity Board and Commercial Tax Authorities)	56,475	56,475
TOTAL	56,475	56,475
Note 11		
<u>LONG TERM LOANS AND ADVANCES:</u>		
(Unsecured and Considered Good)		
Security Deposits	492,206	492,206
Advance Tax	1,317,113	1,140,376
Fixed deposit with HDFC*	8,653,116	7,064,858
Others	16,057	23,124
TOTAL	10,478,492	8,720,564

* Note 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 still pending final disposal with Supreme Court. (Refer Note: 21)

2) The maturity period is of more than 12 months.

**Note 9
FIXED ASSETS :**

	(Amount in ₹)							
	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 01.04.2013	Additions	Deductions/ Adjustments	As at 31.03.2014	For the year	Deductions/ Adjustments	As at 31.03.2014	As at 31.03.13
Land -Freehold	2,832,179	-	-	2,832,179	-	-	2,832,179	2,832,179
Office Building	14,124,924	-	-	14,124,924	226,976	-	9,326,185	9,553,161
Furniture & Fixtures	1,278,841	-	-	1,278,841	-	-	1,278,840	1
Office Equipment	2,017,467	-	-	2,017,467	37,627	-	2,017,466	37,528
Computers	168,605	-	-	168,605	19,558	-	168,604	19,559
Vehicle	540,000	-	-	540,000	51,300	-	392,129	199,171
Total	20,962,016	-	-	20,962,016	335,361	-	8,655,778	12,641,599
Previous Year	20,962,016	-	-	20,962,016	401,432	-	8,320,417	201,431,337

(Amount in ₹)

As at 31st March, 2014 As at 31st March, 2013

Note 12**OTHER NON CURRENT ASSETS:**

Interest Accrued	809,205	1,549,163
TOTAL	809,205	1,549,163

Note 13**CURRENT INVESTMENTS:****Investments in Mutual Fund-****Unquoted**

10674.169 Units (P. Y. Nil) of HDFC Cash Management Fund - Treasury Adv-Ret- Weekly Dividend	1,011,257	-
69710.647 Units (P. Y. Nil) of HDFC Cash Management Fund - Treasury Adv-DP-Ret- Weekly Dividend	700,000	-
TOTAL	1,711,257	-

Aggregate amount of unquoted investments	1,711,257	-
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Note 14**TRADE RECEIVABLES:**

(Unsecured but considered good)

Debts outstanding for more than 6 months	-	-
Others	-	75,000
TOTAL	-	75,000

Note 15**CASH AND CASH EQUIVALENTS:**

Cash on hand	60,895	36,003
Balance with Banks	173,928	547,027
Cheques in hand	120,000	-
TOTAL	354,823	583,030

(Amount in ₹)

As at 31st March, 2014 As at 31st March, 2013

Note 16**SHORT TERM LOANS AND
ADVANCES:**

(Unsecured and Considered Good)

Loan to Body Corporates	23,000,000	-
Others*	593,492	507,614
TOTAL	23,593,492	507,614

*Note: Includes Prepaid Expenses and Advance to Employees

Note 17**OTHER INCOME:**

Interest Income	1,767,353	623,436
Dividend on Current Investment	150,256	-
Sundry Balances written back	5,059	19,658
Profit on Sale of Current Investments	11,001	-
Miscellaneous Income	120,000	1,375,000
TOTAL	2,053,669	2,018,094

Note 18**EMPLOYEE BENEFIT EXPENSES:**

Salaries and Wages	1,671,031	1,825,739
Contribution to Provident and Other Funds	168,055	154,588
Gratuity and Leave Encashment	433,953	(184,448)
Employees Welfare Expenses	63,394	66,494
TOTAL	2,336,433	1,862,373

Note 19**FINANCE CHARGES:**

Interest Expense	766	7,572
Bank Charges	1,061	-
TOTAL	1,827	7,572

(Amount in ₹)

As at 31st March, 2014 As at 31st March, 2013

Note 20**OTHER EXPENSES****Administration Expenses**

Advertisement Expenses	71,850		94,200
Amalgamation Expenses written off	-		598,766
Auditor's Remuneration	89,888		89,888
Books and Periodicals	3,060		3,550
Director's Sitting Fees	-		30,000
Electricity Charges	123,191		323,252
Entertainment Expenses	29,997		34,954
Printing and Stationery	55,759		48,948
Legal and Professional Fees	586,876		2,364,415
Listing Fees	28,090		48,782
Postage and Telegram	51,767		100,643
Rent, Rates and Taxes	90,778		43,973
Repairs and Maintenance			
Building	40,509		55,313
Others	31,781	72,290	40,058
Service Tax		31,218	-
Security Charges		657,195	420,037
Subscription and Membership Fees		2,750	1,500
Sundry Balances written off		7,066	-
Share Transfer Expenses		70,143	41,701
Travelling Expenses		537,514	654,106
Others		368,678	63,171
TOTAL		2,878,110	5,057,257

Note 20.1**Payment to Auditor's**

Statutory Audit Fees	89,888	89,888
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Note 21 CONTINGENT LIABILITIES:

- a) The Electricity Dept. Pondicherry has filed a special leave petition before the Supreme Court of India, challenging the findings of the Madras High Court in respect of demand towards Electricity Charges of ₹ 1,77,851,077 (includes interest of ₹ 121,085,645/-) since converted into a civil Application. 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.
- b) The Company has not provided in the Accounts disputed claim of ₹ 13,400,000/- towards demurrage charges (in addition to interest on the said claim) relating to import of scrap for which the appeal before the Supreme Court is pending disposal. The Company has been advised that no liability will be fastened on the Company, based on the facts and circumstances of the case. However, an amount (along with Interest over the years) of ₹ 8,653,116 is lying deposited with HDFC in accordance with the directions of the Supreme Court vide order dated 18th November, 2008 (See Note 11) .

Note 22 The Company has not been carrying on any operations. Hence information pursuant to AS-17 on "Segment Reporting" is not applicable to the Company.

Note 23 The Company has suspended its operation. 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.

Note 24 No provision for taxation is necessary, in view of the accumulated losses incurred over the years.

Note 25 RELATED PARTY DISCLOSURES:

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:

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

Name of the Related Party	Relationship
Prithviraj S. Parikh	Key Managerial Personnel (KMP)
Western Rolling Mills Private Limited	Enterprise over which relatives of KMP having control
Anagha Enterprises Private Limited	Enterprise over which KMP and Relatives of KMP are able to exercise significant influence

ii) Transactions during the year with related parties: (Amount in ₹)

Particulars	Western Rolling Mills Private Limited	Anagha Enterprises Private Limited
1) Short Term Borrowings Taken	- (-)	4,275,000 (-)
2) Short Term Borrowings Repaid	- (-)	4,275,000 (-)

iii) Balance as at 31st March, 2014: (Amount in ₹)

Particulars	Western Rolling Mills Private Limited	Anagha Enterprises Private Limited
Long Term Borrowings	25,541,393 (25,541,393)	- (-)

Note: Previous figures are indicated in brackets

Note 26 Earnings per share (EPS):

Particulars	For the Year ended	For the Year ended
	31st March, 2014	31st March, 2013
Net profit after tax attributable to Equity Shareholders	(34,98,062)	(53,10,540)
Weighted Average number of equity shares used as denominator for calculating Basic and Diluted Earnings per share (In ₹)	50,95,098	4,896,468
Basic and Diluted Earnings per share (In ₹)	(0.69)	(1.08)
Face Value per equity share (In ₹)	10	10

Note 27 Employee Benefits Obligations:

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :

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.

Contribution to Defined Contribution Plans, recognized as expense for the year is as under : (Amount in ₹)

Particulars	2013-14	2012-13
Employer's Contribution to Provident Fund	85,328	79,035
Employer's Contribution to Pension Scheme	36,409	34,225
Employer's Contribution to ESIC	30,081	26,259

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:

- i) Reconciliation of fair value of assets and obligations: (Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2013-14	2012-2013	2013-14	2012-2013
Present value of obligation	1,253,128	1,069,646	284,776	261,555
Fair Value of Plan Assets	-	-	-	-
Net Liability recognized in the Balance Sheet	1,253,128	1,069,646	284,776	261,555

- ii) Reconciliation of opening and closing balances of fair value of Plan Assets: (Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment	
	As at 31.03.14	As at 31.03.13	As at 31.03.14	As at 31.03.13
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 31.03.14	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.

iii) Expenses recognized during the year:

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	70,120	60,906	18,886	13,042
Interest Cost	85,572	95,734	20,924	25,518
Expected Return on Plan Assets	-	-	-	-
Benefits paid directly	-	-	-	-
Net Actuarial (Gain)/loss	27,790	(283,671)	(16,589)	(95,977)
Expense recognized in the Statement of Profit and Loss	183,482	(127,031)	23,221	(57,417)

iv) 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.

Particulars	Gratuity (Non Funded)		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Mortality table	IALM 2006-08	LIC 1994-96	IALM 2006-08	LIC 1994-96
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Rate of Discount applied	8.00%	8.00%	8.00%	8.00%
Expected Salary Escalation	6.00%	6.00%	6.00%	6.00%
Expected Return on plan assets	-	-	-	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

- v) Amounts recognized in current year and previous four years:

(Amount in ₹)

Particulars	31st March			
	2014	2013	2012	2011
Gratuity				
Defined benefit obligation	1,253,128	1,069,646	1,196,777	1,122,000
Fair value of planned assets	-	-	-	-
(Surplus) / Deficit in the plan	1,253,128	1,069,646	1,196,777	1,122,000
Actuarial (gain)/loss on plan liabilities	27,790	(283,671)	(95,413)	(50,000)
Actuarial gain / (loss) on plan assets	-	-	-	-

- vi) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 13-14.

Note 28 The figures of the previous year have been reworked, regrouped, rearranged and reclassified, wherever necessary to conform to the current year presentation.

As per our report of even date annexed hereto

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
Director

Sd/-
Nalin S.Parikh
Director

Sd/-
P. K. R. K. Menon
Company Secretary

Place : Mumbai
Date : 12th May, 2014

EASTCOAST STEEL LIMITED

CIN : L27109PY1982PLC000199

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

Tel. : 022-407501100, Fax No. : 022-22044801, E-mail : esl@eascoaststeel.com

ATTENDANCE SLIP FOR THE ANNUAL GENERAL MEETING

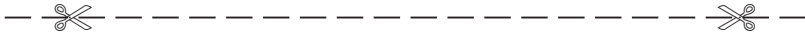
Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional Attendance Slip on request.

Name and Address of Shareholder _____

Folio No / DP ID - Client ID _____ No. of Shares held _____

I hereby record my presence at the Thirty First Annual General Meeting of EASTCOAST STEEL LIMITED on Saturday, 27th September, 2014 at 10 a.m. at Cuddalore Road, Pillaiyarkuppam Post, Bahour Commune, Pondicherry-607 402.

Signature of the Shareholder or Proxy _____

**PROXY FORM****EASTCOAST STEEL LIMITED**

CIN : L27109PY1982PLC000199

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

Tel. : 022-407501100, Fax No. : 022-22044801, E-mail : esl@eascoaststeel.com

Folio No. _____ DP ID - Client ID _____

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

of _____

failing him _____

of _____

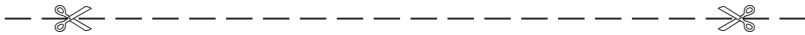
as my / our proxy to vote for me / us and on my / our behalf at the Thirty First Annual General Meeting to be held on 27th September, 2014 and at any adjournment thereof.

Signed _____ day of _____ 2014.

Affix ₹ 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.



Register Post / Speed Post / Courier

*If undelivered please return to :***EASTCOAST STEEL LIMITED**

CIN : L27109py1982PLC000199

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

Tel. : 022-407501100, Fax No. : 022-22044801, E-mail : esl@eascoaststeel.com