

NOTICE

Notice is hereby given that the **Thirtieth 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 Thursday, 12th September, 2013 at 10 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013, 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 Mr.Anand Sethuprakasem as Regular Director who was earlier appointed as an Additional Director by the board.
3. To appoint a Director in place of Mr. Nalin S. Parikh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. K. R. K. Menon who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Pradeep B. Chinai who retires by rotation and being eligible, offers himself for re-appointment.
6. 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 2013-14 as the board may think fit in consultation with the auditors.”

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a special Resolution :

“RESOLVED THAT subject to the approval of the members in general meeting, and pursuant to Section 81(1A) of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), and in accordance with the Memorandum and the Article of the Association of the Company, and in compliance with the Chapter VII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (SEBI-ICDR), the provisions of the Listing Agreement with the Stock Exchanges and other rules and regulations and subject to such other approvals / consents / permissions of such authorities including Reserve Bank of India, Government of India, as may be required for the purpose, approval of the Board of Directors of the Company be and is hereby accorded to offer, issue and allot, from time to time, equity shares (hereinafter referred to as the “Issue Shares”) to Mr. Ashokkumar Dalmia, by way of preferential issue through offer letter and / or circular and / or information memorandum and / or such other documents / writings, in such a manner and on such terms and

conditions as may be determined by the Company, provided that the equity shares that will be issued pursuant to this resolution shall be at an issue price (including premium) higher of the price computed and calculated in accordance with the provisions of SEBI-ICDR, provided however that the aggregate number of equity shares of ₹10/- each of the Company to be issued in this regard shall not exceed 5,00,000 (Five Lakh only)."

"RESOLVED FURTHER THAT any of the Directors and or the Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds, matters and things, as may be deemed necessary or expedient for giving effect to this resolution."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as an special Resolution :

"RESOLVED THAT, pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the company with the Stock Exchange(s) where the shares of the company are listed, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 hereafter referred to as 'the SEBI-ICDR' and subject to such applicable rules / regulations / guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India (GOI), the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) or any other relevant authority (hereinafter referred to as 'Appropriate Authorities') from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed by such authorities while granting such approvals, consents, permissions and sanctions (hereinafter referred to as 'requisite approvals'), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to an aggregate of 5,00,000 (Five Lakh only) Equity Shares of Rs.10 each (each an 'Equity Share' and collectively as 'Issue Shares') at a such price including the Premium, if any, at a price higher of the following:

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

to Mr. Ashok Kumar Dalmia (the 'Investor') on preferential allotment basis, at such time or times and on such terms and conditions and in such manner as may be decided by the Board in this connection.

RESOLVED FURTHER THAT the Issue Shares shall be issued and allotted by the Company to the above-mentioned Investor, inter-alia, subject to the following:

- The Issue Shares shall be allotted within a period of 15 days from the date of passing of this resolution, provided that where the allotment of the said Issue Shares is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval; and
- The Issue Shares to be issued and allotted in the manner aforesaid shall rank *pari passu* with the existing equity shares of the Company in all respects and be listed on the Stock Exchanges where the equity shares of the Company are listed.

RESOLVED FURTHER THAT the price of the Issue Shares shall be calculated in accordance with the applicable provisions of the SEBI ICDR Regulations for preferential allotment and the 'Relevant Date' for the purpose of calculating the price of the Issue Shares is the date 30 days prior to the date of this meeting i.e. 13th August 2013.

RESOLVED FURTHER THAT, for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all such actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Issue Shares and listing thereof with the stock exchange(s) as appropriate including without limitations issuing clarifications, resolving any difficulties, effecting any modifications to the foregoing (including modifications to the terms of the issue), utilisation of the issue proceeds, preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, entering into contracts, agreements, memoranda, documents for appointment of agencies for managing, to appoint such consultants, legal advisors, advisors and such other agencies as may be required for the issuance of the Issue Shares without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to a Committee of Directors or any other Director(s) or any officer(s) of the Company and to generally to do such acts, deeds and things as may be necessary to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT all actions taken by the Board or Committees duly constituted for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors
Prithviraj S. Parikh
Chairman & Executive Director

Place: **Mumbai**

Date : **8th August, 2013**

NOTES:

1. Mr. Anand Sethuprakasem was earlier appointed as an additional director on the board at the meeting of board of director held on 15-04-2013. The other directors are of the opinion that the experience and services rendered by Mr. Anand Sethuprakasem will be beneficial in future and it is in the interest of the company to continue his services as a director on the board of the company. The board recommends his appointment as regular director on the board.
2. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 5th September, 2013 to 12th September, 2013 (both days inclusive).
4. 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.
5. Members/ proxies should bring duly filled-in attendance slips attached herewith for attending the meeting along with their copies of the Annual Report.
6. A Brief Profile of Directors seeking Appointment / re-appointment is given hereunder:

❖ Mr. Anand Sethuprakasem

Mr. Anand Sethuprakasem, aged 35, After completing Bachelor's in Architecture, He joined is family business in 2002 and his 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. Mr.Anand Sethuprakasem is on the board of directors of the company since April 15, 2013.

Mr. Anand Sethuprakasem is also director in the following companies:

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 Limited
7. Wayne – Burt Aerospace Pvt. Ltd.
8. SEA Hydrosystems India Pvt. Ltd
9. Tam sand and Aggregates Pvt. Ltd
10. Rockfort Motohub Pvt Ltd.

Mr. Anand Sethuprakasem does not hold any shares in the company.

❖ Mr. Nalin S. Parikh

Mr. Nalin S. Parikh, aged 78, has completed his graduation in Commerce, Arts and Law. He has done his post graduation in MBA in finance. He has a vast experience over 50 years as an administrator. Mr. Nalin Parikh has a goos insight in international trade. Particularly in steel & foreign trade of iron & steel products and has been the principle importer for steel in special applications in automobiles, engineering and other industries. Mr. Nalin Parikh is on the board of directors of the company since January 22, 1990.

Mr. Nalin S. Parikh is also director in the following companies:

1. WRM Pvt. Ltd
2. K. Parikh Agencies Pvt. Ltd.
3. Fleurette Investment Pvt Ltd
4. Metmin Finance & holding Pvt. Ltd
5. Metmin Investment & Trading Pvt. Ltd.
6. Metmin Exploration Pvt. Ltd
7. Anjana Copper Products Pvt. Ltd
8. Met Tube India Pvt. Ltd
9. Asta Copper Products Pvt. Ltd

Mr. Nalin S. Parikh holds 50 shares in the company

❖ Mr. P.K.R.K. Menon

Mr. P.R.R.K. Menon, age 69, is a Professional Corporate Executive having over four decades of experience in administration, finance & commercial matters. Mr. Menon has Post Graduate degrees in Commerce, Law and Management. He is Fellow of The Institute of Company Secretaries of India, New Delhi. He holds the Life Membership in All India Management Association, New Delhi, Bombay Management Association and Bombay Productivity Council. He has an overall experience / exposure in General Management covering personnel, material, marketing, etc. Mr. P.K.R.K.Menon is on the board of directors of the company since October 30, 2001.

Mr. P.K.R.K. Menon is also director in the following Companies:

1. Western Ministil Ltd.
2. Western India Steel Co. Pvt. Ltd.
3. Wist Overseas Pvt. Ltd
4. Skandwil India Pvt. Ltd.

Mr. P.K.R.K. Menon holds 1,100 shares in the company

❖ Mr. Pradeep B. Chinai

Mr. Pradeep b Chinai, aged 64, has completed B.S Engineering from University Wisconsin. He has a possess vast experience of above 36 years in Automotive parts / Engineering Industries. Mr. Pradeep B. Chinai is on the board of directors of the company since February 14, 2011.

Mr. Pradeep B. Chinai is also director in the following Companies:

1. Exedy India Limited
2. Ckancil Engineering Pvt. Ltd
3. Indian Merchants Pvt Ltd.

4. Satin Engineering Pvt Ltd.
5. The States People Pvt. Ltd
6. Janmabhoomi News Paper Education Foundation

Mr. Pradeep B. Chinai does not hold any shares in the company.

ANNEXURE TO NOTICE

Explanatory Statement As Required Under Section 173 (2) Of Companies Act, 1956

The Company has suspended the production at its Pondicherry Plant owing to uneconomical operations and the activities continue to remain standstill. Further the company's net worth has become negative as a result of the accumulated losses exceeding the paid-up capital and reserves. The erosion of capital has not only to be arrested but financial health restored, so as to facilitate restructuring the company and its operations in the future. The Directors had resolved at the Board Meeting held on 20.05.2013 and again on 08.08.2013 that raising the capital by preferential issue could be resorted being the only viable proposition to overcome the current situation and recuperate the set back suffered which otherwise would pose a major hindrance and jeopardize the revival prospects.

In this regard the Board has considered the proposal for issuing new equity shares on preferential basis in accordance with and under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The proposed investment is subject to customary conditions including receipt of shareholders approval and other necessary statutory as applicable on the terms and conditions as may be mutually agreed to between the Company and the Investor. The shares allotted to the Investor shall rank *pari passu* with all other existing equity shares of the Company in all respects including dividend.

1. Objects of the preferential issue:

The Company's financial position needs to be improved and restored and also to arrest further erosion of further capital. The funds raised through this preferential issue shall be used for general corporate purposes for meeting the day-to-day administrative expenses and to repay part of the existing debts to reduce the interest and finance cost. Meanwhile the Board and management shall also decide on reviving the Company or restructuring the existing business.

2. Proposal of the Promoters, directors or key managerial personnel of the issuer to subscribe to the offer:

None of the Promoters, Directors or Key managerial personnel shall be subscribing to the proposed offer.

3. Shareholding pattern before and after the preferential issue:

	Pre- Issue		Post - Issue	
Particulars	No . Of Shares	%	No. of shares to be allotted	%
(A) Promoter & Promoter Group shareholding	7,22,705	14.76	7,22,705	13.39

(B) Public shareholdings				
i. Mr. Ashok Kumar Dalmia	35,600	0.73	5,35,600	9.93
ii. Others	41,38,163	84.51	41,38,163	76.68
Total Public holding (B)	41,73,763	85.24	46,73,763	86.61
Total (A) + (B)	48,96,468	100.00	53,96,468	100.00

4. Time within which the preferential issue shall be completed:

The allotment of Issue Shares shall be completed within the time prescribed under the SEBI ICDR Regulations.

5. Subscribers to the issue and identity of the allottees:

A letter of intent from Mr. Ashok Kumar Dalmia, agreeing to subscribe to the issue and offer has been received.

Percentage of post preferential issue capital that may be held by the subscribers;

Name Proposed Allottees	Belonging to Promoter / Promoter Group	Number and percentage of shares held before the preferential issue	Number and percentage of shares held after the preferential issue
Mr. Ashok Kumar Dalmia	No	36,500 – 0.73%	5,35,600 – 9.93%

There will not be any change in control or management of the Company consequent to the proposed issue.

6. Price of Securities to be offered:

The issue shares shall be issued and allotted at a price higher (including the premium) of the price determined as prescribed under the aforesaid SEBI ICDR Regulations, being the following:

- The average of the weekly high and low of the closing prices of the Company's equity shares quoted on the recognized stock exchange during the six months preceding the 'relevant date'; or
- The average of the weekly high and low of the closing prices of the Company's equity shares quoted on the recognized stock exchange during the two weeks preceding the 'relevant date';

whichever is higher.

The 'relevant date' for determining the issue price of resultant equity shares which will be allotted shall be 13th August 2013, being the date, which is 30 days prior the date of this Meeting.

7. Terms and conditions of the issue:

The entire issue price shall be payable upon the subscription and before allotment of the aforesaid equity shares. The equity shares issued and allotted under and pursuant to this resolution shall rank *pari passu* with the existing equity shares of the Company in all respects and shall be listed on the stock exchanges where the equity shares of the Company are currently listed.

The allotment of issue shares are subject to the Investor not having sold any equity shares during the six months preceding the Relevant Date (as defined herein above) and the Investor not acquiring or selling any equity shares until completion of the allotment of the Issue Shares under the proposed preferential issue.

8. Lock-in period

The equity shares issued and allotted under the proposed preferential issue shall be in accordance with the SEBI ICDR and shall be under lock-in for a period of 1 year from the date of its allotment.

The entire pre-preferential shareholding of the allottee, if any, shall be locked in from the relevant date up to a period of six months from the date of preferential allotment of the Issue Shares.

9. Undertaking to re-computed the price and the undertaking for the amount payable on account of re-computation of the price

As the Equity shares of the Company have been listed on the Stock Exchange for more than six months, the conditions relating to re-computing the price and other matters connected therewith as referred to in aforesaid SEBI ICDR Regulations are not applicable to the Company.

10. Auditors' Certificate:

The Company is in the process of obtaining the requisite certificate from M/s Chaturvedi & Shah, the Statutory Auditors of the Company, certifying that the proposed issue is being made in accordance with the requirements of the applicable SEBI Regulations and the said certificate shall be made available for inspection at the Annual General Meeting.

Pursuant to provisions of Section 81(1A) of the Companies Act, 1956, any offer or issue of shares in a Company to persons other than the holders of the equity shares of the Company or to such holders otherwise than in proportion to the capital paid-up requires approval of the shareholders in general meeting by passing a Special Resolution.

The Board commends the passing of the Special Resolution as set out in the Notice for members' approval. None of the Directors of the Company is in any way, concerned or interested in passing of this resolution.

**By order of the Board of Directors
Prithviraj S. Parikh
Chairman & Executive Director**

Place: **Mumbai**

Date: **8th August, 2013**