

EASTCOAST STEEL LIMITED

28TH

ANNUAL REPORT

2010-2011

EASTCOAST STEEL LIMITED

<u>Board of Directors:</u>	Mr. Prithviraj S. Parikh	Chairman & Executive Director
	Mr. Nalin S. Parikh	Director
	Mr. Rajendra Chaturvedi	Director
	Mr. Vilas K. Shah	Director
	Mr. Pradeep B. Chinai	Director
	Mr. Premratan Damani	Director
	Mr. Ojas K. Parikh	Director
	Mr. P.K.R.K. Menon	Director & Co. Secretary
<u>Auditors:</u>	M/s. Chaturvedi & Shah Chartered Accountants Mumbai	
<u>Bankers:</u>	State Bank of India Central Bank of India	
<u>Registered Office & Plant:</u>	Cuddalore Road, Pillayarkuppam Post, Bahour Commune, Pondicherry- 607 402	
<u>Corporate Office:</u>	Mittal Tower, 'A' Wing, 16 th Floor, Nariman Point, Mumbai- 400 021	
<u>Registrar & Share Transfer Agents:</u>	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078 Tel: 022- 2594 6970 Fax: 022- 2594 6969 E-Mail: rnt.helpdesk@linkintime.co.in	
<u>Depository Services:</u>	National Securities Depository Ltd. Trade World, 4 th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013	
<u>ISIN No: (Demat)</u>	INE 315F 01013	

NOTICE

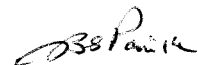
Notice is hereby given that the **Twenty Eighth** Annual General Meeting of the members of **EASTCOAST STEEL LIMITED** will be held at the Registered office of the Company at Cuddalore Road, Pillayarkuppam Post, Bahour Commune, Pondicherry- 607 402 on Saturday, 24th September 2011 at 12:00 noon to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2011, the Profit & Loss A/c for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vilas K. Shah who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajendra R. Chaturvedi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nalin S. Parikh who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Mr. Pradeep B. Chinai as a Regular Director who was earlier appointed as an Additional Director at the board meeting held on 14-02-2011.
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 2011-12 as the board may think fit in consultation with the auditors.”

By order of the Board of Directors



Prithviraj S. Parikh
Chairman &
Executive Director

Place: **Mumbai**

Date: **12th August 2011**

NOTES:

1. Mr. Pradeep B. Chinai was earlier appointed as an additional director on the board at the meeting of board of directors held on 14-02-2011. The other directors are of the opinion that the experience and services rendered by Mr. Chinai will be beneficial in future and it is in the interest of the company to continue his services as a director on 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 16th September 2011 to 24th September 2011 (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 re-appointment is given hereunder:

- **Mr. Vilas K. Shah**

Mr. Vilas K. Shah, aged 67, has done his post graduation in commerce. He is also a Law graduate and Fellow of the Institute of Chartered Accountants of India, New Delhi. He is a senior Chartered Accountant practicing in Mumbai for more than three decades. He has a vast wxperience in the fields of Taxation and Management consultancy services. Mr. Vilas Shah is on the board of the company since December 29, 2005.

Mr. Vilas K. Shah is holding directorship in following company:

1. Organic Coatings Ltd.

Mr. Vilas K. Shah holds 1,700 equity shares in the company.

- **Mr. Rajendra R. Chaturvedi**

Mr. Rajendra R. Chaturvedi, aged 64, has done his diploma in Taxtile Technology from the British Technology, London. After completion of his diploma, he joined the family business in 1980 and has been managing the business affairs of the family group of Companies for over three decades. Mr. Rajendra Chaturvedi has proven talents in administration and management. Mr. Chaturvedi is on the board of directors of the company since October 23, 2003.

Mr. Rajendra Chaturvedi is also holding directorship in following companies:

1. Western Ministil Limited
2. Girdhar Morari Agro Research Pvt. Ltd.

Mr. Rajendra Chaturvedi does not hold any shares in the company.

- **Mr. Nalin S. Parikh**

Mr. Nalin S. Parikh aged 77, 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 good insight in international trade, particularly in steel & foreign trade of iron & steel products and has been the principal 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 following companies:

1. WRM Private Limited
2. K. Parikh Agencies Private Limited
3. Fleurette Investments Private Limited
4. Asta India Pvt. Ltd.
5. Metmin Exploration Private Limited
6. Metmin Finance & Holdings Private Limited
7. Metmin Investment & Trading Private Limited
8. Anjana Fincap Private Limited
9. MetTube India Private Limited
10. Gayatri Arcade Pvt. Ltd.
11. Ishan Arcade Pvt. Ltd.

Mr. Nalin S. Parikh holds 1,100 equity shares in the company.

By order of the Board of Directors



Prithviraj S. Parikh
Chairman &
Executive Director

Place: **Mumbai**
Date: **12th August 2011**

DIRECTORS' REPORT

1. Your Directors are presenting herewith the Twenty Eighth Annual Report together with the Audited Accounts for the year ended 31st March 2011.

2. FINANCIAL RESULTS

	(Amount in Rupees)	
	<u>2010-11</u>	<u>2009-10</u>
Other Income	5,87,700	6,54,244
Profit/ (Loss) before Interest & Depreciation	(34,55,113)	(35,98,450)
Finance Charges	18,87,008	12,04,417
Depreciation	3,99,582	3,39,222
Profit/ (Loss) before Tax	(57,41,703)	(51,42,089)
Taxation	5,158	14,170
Balance in P&L A/c carried forward	(57,46,861)	(51,56,259)
Debit Balance in P&L A/c	<u>(11,26,64,206)</u>	<u>(10,75,07,947)</u>
Balance carried forward to Balance Sheet	<u>(11,84,11,067)</u>	<u>(11,26,64,206)</u>

3. DIVIDEND

In view of the losses carried forward of Rs. 11,84,11,067/- as at 31-03-2011, the Board of Directors regret their inability to propose any dividend for the year under review.

4. OPERATING RESULTS

The Company had suspended production at its Pondicherry plant owing to uneconomical operation and since then the activities are at a standstill. The current year's operations have therefore resulted in a loss of Rs. 57,41,703/- (previous year loss Rs. 51,42,089/-).

5. FINANCE

The Company has not accepted any deposits from the public during the year under review. However, borrowings on account of unsecured loans have increased from Rs.1,36,34,617/- (Previous year) to Rs.1,90,49,908/- during the year under review.

6. INDUSTRIAL RELATIONS

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

7. CORPORATE GOVERNANCE

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

8. BOARD OF DIRECTORS

Mr. Vilas K. Shah, Mr. Rajendra R. Chaturvedi & Mr. Nalin S. Parikh will retire by rotation at the forthcoming 28th Annual General Meeting of the Company. Being eligible, they have offered themselves for re-election. The Board proposes that these persons, in the interest and benefit of the company, be continued as directors of the Company. The personal profile of these Directors is given hereunder, for information of members.

Data	Mr. Vilas K. Shah	Mr. Rajendra R. Chaturvedi
(a) Brief Resume	Born on 01-12-1943. M.Com, L.L.B, F.C.A. (Chartered Accountant)	Born on 16-02-1947 Diploma in Textile Technology
(b) Experience	Senior Chartered Accountant practicing in Mumbai for more than three decades. Has a vast experience in Taxation & Management Consultancy Services.	After completing his diploma in textile technology from British Institute, London, he joined the family business in 1980. Has been managing business affairs of family group of companies for 3 decades. Proven talents in administration and management.
(c) Name of Companies in which he holds directorship and Membership in their Committee	1.Organic Coatings Ltd.- (Chairman- Audit Committee)	1.Western Ministil Ltd. 2.Girdhar Morari Agro Research Pvt. Ltd.

Data	Mr. Nalin S. Parikh
(a) Brief Resume	Born on 02-02-1935. B.Com, B.A., LL.B., M.B.A.
(b) Experience	Over 50 years of vast experience as an administrator. Travelled widely and has a good insight in international trade, more particularly in steel and foreign trade of Iron & Steel products. Has been the principal importer for steel in special applications in automobiles, engineering and other industries.
(c) Name of Companies in which he holds directorship and Membership in their Committee	1.Asta India Pvt. Ltd. 2.K. Parikh Agencies Pvt. Ltd. 3.Metmin Exploration Pvt. Ltd. 4.Metmin Finance & Holdings Pvt. Ltd. 5.Metmin Investment & Trading Pvt. Ltd. 6.WRM Pvt. Ltd. 7.Anjana Fincap Pvt. Ltd 8.Fleurette Investments Pvt. Ltd. 9.MetTube India Pvt. Ltd. 10.Gayatri Arcade Pvt. Ltd. 11.Ishan Arcade Pvt. Ltd.

None of these directors is paid any remuneration except sitting fees.

9. **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:-

- i) in the preparation of the accounts for the financial year ended 31st March 2011 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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;
- iii) 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

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) the Directors have prepared the annual accounts for the financial year ended 31st March 2011 on a "going concern" basis.

10. AUDITORS

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

11. NOTICE OF DISCLOURE

The S.L.P. filed by Pondicherry Electricity Department against the Company in 2002 is still pending for disposal. It may be recalled that the petitioners were not granted any relief at the time of admission by the Supreme Court of India, New Delhi. The Company has however, moved an application to refer the matter for mediation with LOK ADALAT in February 2009, which is being granted and the matter is pending before the said forum for hearing and disposal. Attention is drawn to the Note No. 9 (a) of Schedule 11 of the Notes annexed to and forming part of the Accounts, in which the matter has been dealt with in greater details.

The Govt. of Puducherry has issued a notification under G.O.Ms.No.58 dtd. 31-03-2010 that an area of approximately 4.00 Acres of land, most of which belongs to the company, be acquired for housing. The acquisition proceedings initiated by the Govt. of Puducherry have since been withdrawn.

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

217(1)(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 were 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 shares of the Company during the year under review.

13. ACKNOWLEDGEMENTS

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

By Order of the Board of Directors


Prithviraj S. Parikh
Chairman &
Executive Director

Place: Mumbai
Date: 12th August 2011

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, 2011 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 31-03-2011
		Held	Attended			Member	Chairman	
Mr. Prithviraj S. Parikh	Executive Non Independent	5	5	Y	1	-	-	64,830
Mr. Nalin S. Parikh	Non-Executive Non Independent	5	5	-	-	-	-	8,250
Mr. Rajendra R. Chaturvedi	Non-Executive Independent	5	4	-	1	-	-	0
*Dr. P. K. Mohanty	Non-Executive Independent	5	0	-	-	-	-	0
Mr. P.K.R.K. Menon	Non-Executive Non Independent	5	5	Y	1	-	-	1,100
Mr. Vilas K. Shah	Non-Executive Independent	5	5	Y	1	-	1	1,700
Mr. Prem Ratan Damani	Non-Executive Independent	5	3	-	4	3	-	0
Mr. Ojas K. Parikh	Non-Executive Non Independent	5	3	-	-	-	-	6,780
**Mr. Pradeep B. Chinai	Non-Executive Independent	5	1	-	1	-	-	0

* Dr. P. K. Mohanty resigned on 27th July, 2010.

** Mr. Pradeep B. Chinai has been appointed as an additional director on 14th February, 2011.

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 March 31, 2011, 5 (Five) meetings of the Board of Directors were held on 29/04/2010, 29/07/2010, 07/09/2010, 15/11/2010 and 14/02/2011.

3. AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Vilas K. Shah and Mr. Rajendra R. Chaturvedi. Mr. P.K.R.K. Menon, being a Company Secretary, has acted as a secretary to the committee. Mr. Vilas K. Shah is the Chairman of the Committee, who is a Chartered Accountant (C.A.) by profession and he is a Non-Executive Independent director of the company. The terms of reference and powers of the Audit Committee are those prescribed under Clause 49 of the Listing Agreement. The information on meetings of and attendance at the audit committee meetings held during the year ended 31st March, 2011 is as under:

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

* Dr. P. K. Mohanty resigned on 27th July 2010.

** Mr. Pradeep B. Chinai has been appointed as an additional director at the meeting of board of directors held on 14th February, 2011. He has been elected as the member of Audit Committee in the same board meeting.

Note:

- (1) During the year ended March 31, 2011, 4 (Four) meetings of the Audit Committee were held on 29/04/2010, 29/07/2010, 15/11/2010 and 14/02/2011.
- (2) The necessary quorum was present at the meetings.
- (3) The minutes of Audit Committee were discussed and noted by the Board of Directors at board meetings.

4. REMUNERATION COMMITTEE:

(i) Non-executive Director:

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

The details of sitting fees paid to the Non-executive directors during the year ended 31st March, 2011 are as under:

Name of Director	Sitting Fees (Rs.)
Mr. Nalin S. Parikh	5,000/-
Mr. Rajendra Chaturvedi	20,000/-
Dr. P. K. Mohanty	Nil

Mr. P.K.R.K. Menon	Nil
Mr. Vilas K. Shah	42,500/-
Mr. Prem Ratan Damani	7,500/-
Mr. Ojas K. Parikh	Nil
Mr. Pradeep B. Chinai	2,500/-
Total	77,500/-

(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 2010-11 except, sitting fees, the details are as under:

Name of the Director	Sitting Fees (Rs.)
Mr. Prithviraj S. Parikh	5,000/-

Note:

- (1) Considering the current financial position of the Company, Mr. Prithviraj S. Parikh, executive director, has accepted only sitting fees. He is neither paid any remuneration nor other benefits during the financial year 2010-11.
- (2) The board of directors at their meeting held on 15th November 2010 has resolved to pay sitting fees only to Independent Directors and no other directors shall be paid sitting fees, with retrospective effect from 29th July, 2010. The Board of Directors shall unanimously decide the amount of sitting fees to be paid from time to time, based on the authority granted by the Articles of Association of the Company.

5. SHAREHOLDERS'/INVESTORS'GRIEVANCE COMMITTEE

The Company has constituted the Shareholders' / Investors' Grievance Committee. Dr. P. K. Mohanty, chairman of the committee, has given his resignation on 27th July, 2010. In his absence, Mr. Prithviraj S. Parikh, Executive Director, who is one of the member of the committee, has conducted the committee meetings held on 29/04/2010, 29/07/2010, 15/11/2010 and 14/02/2011 as the Chairman of the Committee. Mr. Nalin S. Parikh is another member of the committee. Mr. P.K.R.K. Menon, Company Secretary, is a compliance officer. The Complaints received from the investors are being regularly attended to and are resolved to their satisfaction. The status of the Investors Complaints is reviewed by the Investors Grievance Committee. During the year ended March 31, 2011 the Company has received 1(One) grievances from the Investors and the same have been resolved to the satisfaction of the investors. The 27,450 share transfers received in physical form during the year have been processed before the end of the year.

6. MANAGEMENT DISCUSSION AND ANALYSIS:**(i) Industry Structure & development:**

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

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

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

(iii) Outlook:

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

(iv) Opportunities & Threats:

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

(v) Risks & Concern:

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

(vi) Internal Control:

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

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

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

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

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

7. GENERAL BODY MEETINGS:

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

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

Meeting	Date	Time	Special Resolutions Passed
27 th AGM	29/09/2010	10.00 am	No Special Resolution was passed
26 th AGM	29/09/2009	10.00 am	<ul style="list-style-type: none"> • For ratification of re-issue of 25,376 equity shares forfeited earlier. • For issue of Right Equity Shares to the existing shareholders.
25 th AGM	15/09/2008	10.00 am	No Special Resolution was passed

During the financial year 2010-11 there was no postal ballot conducted.

8. DISCLOSURES:

- (i) 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.
- (ii) 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.
- (iii) The Company has a Whistle Blower Policy in place, but nothing untoward has been reported during the year under review.
- (iv) 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- 607 402.
Phone: 0413- 2611 117; Fax: 0413- 2611 423.
- (ii) **Annual General Meeting** : Date: 24th September, 2011 at 12.00 noon
Venue: At the Registered office as above.
- (iii) **Date of Book Closure** : 16th September, 2011 to 24th September, 2011
(Both days inclusive)
- (iv) **Dividend Payment Date** : Not Applicable
- (v) **Listing on Stock Exchanges** : **Madras Stock Exchange Ltd.,**
Exchange Building, Post Box No 183,
11, Second Line Beach, Madras,
Chennai- 600 001
&
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai - 400 001.
(Scrip Code: 520081)

(vi) **Demat ISIN Number in NSDL** : INE315F01013

(vii) Market Price Data at Bombay Stock Exchange

Month	High (Rs.)	Low (Rs.)
April- 2010	5.29	4.80
May- 2010	5.30	5.00
June- 2010	5.45	4.95
July- 2010	5.40	4.45
August-2010	4.50	3.71
September-2010	4.73	3.55
October- 2010	4.96	4.09
November-2010	3.89	3.36
December- 2010	4.45	3.87
January -2011	5.78	4.22
February- 2011	9.72	6.06
March- 2011	11.80	6.94

Note: No transaction has been quoted on the Madras Stock Exchange during the year April 2010 to March 2011.

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

Financial reporting for:

- The quarter ending June 30,2010 : last week of July 2010
- The quarter ending September 30,2010: 2nd week of November 2010
- The quarter ending December 31,2010 : 2nd week of February 2011
- The quarter ending March 31,2011 : 2nd Week of May 2011

(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 31/03/2011):

Range	No. of shares	% of Shareholder	Share Amount (Rs)	% of Amount
1 to 500	11,83,745	89.5733	1,18,37,450	24.18
501 to 1000	4,04,975	6.2339	40,49,750	8.27
1001 to 2000	2,91,068	2.2378	29,10,680	5.94
2001 to 3000	1,26,155	0.5902	12,61,550	2.58
3001 to 4000	97,720	0.3443	9,77,200	1.99
4001 to 5000	69,870	0.1844	6,98,700	1.43
5001 to 10,000	2,47,288	0.4180	24,72,880	5.05
10,001 and above	24,75,647	0.4180	2,47,56,470	50.56
Total	48,96,468	100.0000	4,89,64,680	100.00

(xii) Dematerializations of Shares and Liquidity (as on 31/03/2011)

Category	No. of Shares	% of Total Capital
Electronic Form	32,86,016	67.11
Physical Form	16,10,452	32.89
Total	48,96,468	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, is 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, 2011.

For East Coast Steel Limited



Prithviraj S. Parikh
Chairman &
Executive Director

Place: **Mumbai**
Date: **12th August, 2011**

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 2011, 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


Ashish Bhatt
Membership No 4650
CP No 2956

Place: **Thane**
Date: **12th August, 2011**

AUDITOR'S REPORT

To

The Members
EASTCOAST STEEL LIMITED

1. We have audited the attached Balance Sheet of **EASTCOAST STEEL LIMITED** ("the Company") as at 31st March 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements prepared are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information & explanations, which to the best of our knowledge & belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) The Balance Sheet, Profit & Loss Account and the Cash flow dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss account and Cash flow dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;



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Office: 814 - 815, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: +91 22 3021 8500 • Fax: 91 22 2284 0892

Branches: Ahmedabad | Bengaluru | Delhi | Jamnagar | Kolkata

- (e) On the basis of written representation received from the directors as on 31st March 2011, and taken on the record by the board of directors , we report that none of the directors are disqualified as at 31st March, 2011 from belong appointed as a director u/s 274 (1) (g) of the companies Act 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the significant accounting policies and notes thereof required by the Companies 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, 2011; and
- ii. In the case of Profit & Loss Account, of the Loss for the year ended on that date.
- iii. In the case of Cash flow Statement, of the cash flows for the year ended on that date.

For Chaturvedi and Shah
Firm Registration No. 101720W
Chartered Accountants

Amit Chaturvedi

Amit Chaturvedi
Partner
Membership No.103141



Place: Mumbai
Date : 12th August, 2011

ANNEXURE TO THE AUDITOR'S REPORT

Re : Eastcoast Steel Limited

Referred in Paragraph (3) of our Report of even date

1. In respect of Fixed Assets:

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

2. In respect of Inventory :

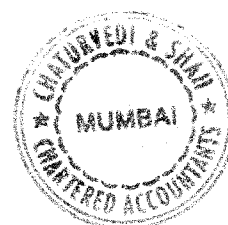
The Company does not hold any physical inventories. Thus provision of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

3. In respect of the loans secured or unsecured, granted or taken by company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

- (a) The Company has not given any loan during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, the requirement of clause (iii) (b) (c) and clause (iii) (d) of the paragraph 4 of the order are not applicable.
- (b) The Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956. In respect of the said loan, the maximum amount outstanding at any time during the year is Rs. 1,90,49,908/- and the year-end balance is Rs.1,90,49,908/-.
- (c) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions of the loan taken by the Company, are not prima facie prejudicial to the interest of the Company.
- (d) The principal amounts are payable on demand and there is no repayment schedule. The interest is payable on demand.
- (e) In respect of the said loan, the same are repayable on demand and therefore the question of overdue amount does not arise.



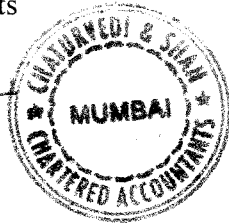
4. The Company has not carried on any activities during the year. Hence in our opinion clause (iv) and (v) of the companies (Auditor Report) order, 2003 not applicable to the Company.
5. In our opinion and according to information and explanation given to us ,the Company has not accepted any deposits from the public within the meaning of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules,1975.
6. The Company does not have a formal internal audit system, commensurate with size of the Company and nature of its business, management does not think necessary, establishing an internal audit system in view of suspension of production. However, according to information and explanation given to us, its internal control systems provide reasonable internal checking of its financial transactions.
7. The Company has not carried on any manufacturing operation during the year. Hence the question of cost record required to be maintained under section 209 (1) (d) of companies act does not arise.
8. In case of Statutory dues:
 - (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, customs duty, and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no statutory dues outstanding on account of disputes.
9. The accumulated loss of the Company at close of the year is more than 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
10. The Company has not borrowed any money by way of loan from financial Institutions, banks and debenture holders; hence there is no question of repayments of dues or default on this account.
11. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of 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 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 the Order are not applicable to the Company.
15. The Company has not taken any term loans during the year .Therefore, the provision of clause (xvi) of the order are not applicable to the Company.
16. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, the funds raised on short-term basis have not been used for long-term investment.
17. The Company has not made any preferential allotment of shares to any party listed in the register maintained under Section 301 of the Companies Act, 1956.
18. The Company has not issued any secured debentures during the year covered by our audit.
19. The Company has not raised any money by way of public issue during the year.
20. According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For Chaturvedi and Shah
Firm Registration No. 101720 W
Chartered Accountants

Amit Chaturvedi



Amit Chaturvedi
Partner
Membership No.103141
Place: Mumbai
Date: 12th August, 2011

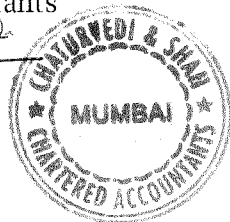
EASTCOAST STEEL LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

		Schedule	31-03-2011	31-03-2010
			(Amount in Rupees)	
I. SOURCE OF FUNDS:				
SHAREHOLDERS' FUNDS:				
Share Capital		1	48,964,680	48,964,680
Reserves & Surplus		2	71,962,400	71,962,400
			120,927,080	120,927,080
LOANS :				
Unsecured Loans		3	19,049,908	13,634,617
	TOTAL		139,976,988	134,561,697
II. APPLICATION OF FUNDS:				
FIXED ASSETS:		4		
Gross Block			20,722,941	20,722,941
Less: Accumulated Depreciation			7,518,988	7,119,406
			13,203,953	13,603,534
INVESTMENTS:		5	56,475	56,475
CURRENT ASSETS, LOANS & ADVANCES:		6		
Cash & Bank Balances			747,308	741,018
Loans & Advances			9,528,208	9,214,641
	(I)		10,275,516	9,955,659
LESS: CURRENT LIABILITIES & PROVISIONS		7		
Current Liabilities			483,023	438,177
Provisions			1,487,000	1,280,000
	(II)		1,970,023	1,718,177
Net Current Assets (I - II)			8,305,493	8,237,481
DEBIT BALANCE IN PROFIT & LOSS ACCOUNT			118,411,067	112,664,206
	TOTAL		139,976,988	134,561,697
Significant Accounting Policy & Notes forming part of Accounts		11		

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants

Amit Chaturvedi
Amit Chaturvedi
Partner



For & on behalf of the Board of Directors

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

Nalin S. Parikh
Nalin S. Parikh
Director

Place: Mumbai

Date: 12th August, 2011

EASTCOAST STEEL LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	31-03-2011 31-03-2010 (Amount in Rupees)	
		31-03-2011	31-03-2010
INCOME:			
Other Income	8	587,700	654,244
		587,700	654,244
EXPENDITURE:			
Establishment Administrative & Other Expenses	9	4,021,583	4,251,737
Financial Charges	10	1,908,238	1,205,374
		5,929,821	5,457,111
PROFIT/(LOSS) BEFORE DEPRECIATION		(5,342,121)	(4,802,867)
Depreciation	4	399,582	339,222
PROFIT/(LOSS) AFTER DEPRECIATION		(5,741,703)	(5,142,089)
Current Tax		-	-
Short/ (Excess) Payment of Earlier Year Taxes		5,158	14,170
PROFIT/(LOSS) AFTER TAX		(5,746,861)	(5,156,259)
BALANCE LOSS BROUGHT FORWARD		(112,664,206)	(107,507,947)
BALANCE CARRIED TO BALANCE SHEET		(118,411,067)	(112,664,206)
Basic & Diluted Earnings Per Share (in Rupees) (Refer Note No 15 of Schedule 11)		(1.17)	(1.05)
Significant Accounting Policy & Notes forming part of Accounts	11		

As per our Report of even date

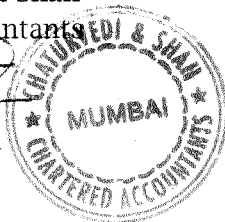
For Chaturvedi & Shah

Chartered Accountants

Amit Chaturvedi

Amit Chaturvedi

Partner



For & on behalf of the Board of Directors

Prithviraj S. Parikh

Prithviraj S. Parikh

Chairman & Executive Director

Nalin S. Parikh

Nalin S. Parikh

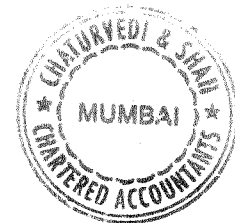
Director

Place: Mumbai

Date: 12th August, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2011	As at 31-03-2010
	(Amount in Rupees)	
SCHEDULE 1:		
SHARE CAPITAL		
<u>Authorised:</u>		
1,00,00,000 Equity Shares of Rs.10/- each (Previous year 1,00,00,000 Equity Shares of Rs.10/- each)	100,000,000	100,000,000
<u>Issued, Subscribed and Paid-Up:</u>		
48,96,468 Equity Shares of Rs.10/- each (Previous year 48,96,468 Equity Shares of Rs.10/- each)	48,964,680	48,964,680
	48,964,680	48,964,680
SCHEDULE 2:		
RESERVES AND SURPLUS		
(A) Capital Reserve		
(i) Subsidy received from Central Government	2,500,000	2,500,000
(ii) Securities Premium Account	69,462,400	69,462,400
	71,962,400	71,962,400
SCHEDULE 3:		
UNSECURED LOANS		
From a Corporate Entity	19,049,908	13,634,617
SCHEDULE 5:		
INVESTMENTS (Long Term Unquoted- at cost)		
National Savings Certificates (Pledged with Pondicherry State Electricity Board and Commercial Tax Authorities)	56,475	56,475



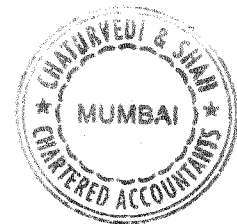
**SCHEDULE 4:
FIXED ASSETS**
(Amount in Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	BALANCE AS ON 01.04.2010	ADDITIONS	DELETIONS	BALANCE AS ON 31.03.2011	UPTO 01.04.2010	FOR THE ADJUSTMENTS DURING THE YEAR	TOTAL UPTO 31.03.2011	W.D.V. AS ON 31.03.2011	W.D.V. AS ON 31.03.2010
FREE HOLD LAND	2,832,179	0	0	2,832,179	0	0	0	2,832,179	2,832,179
OFFICE BUILDING	13,924,924	0	0	13,924,924	3,890,825	226,977	4,117,802	9,807,122	10,034,099
FURNITURE & FIXTURES	1,278,841	0	0	1,278,841	1,278,840	0	1,278,840	1	1
OFFICE EQUIPMENT	1,978,392	0	0	1,978,392	1,695,753	93,974	1,789,727	188,665	282,639
VEHICLES	540,000	0	0	540,000	186,929	51,300	238,229	301,771	353,071
COMPUTER	168,605	0	0	168,605	67,059	27,331	94,390	74,215	101,546
TOTAL	20,722,941	0	0	20,722,941	7,119,406	399,582	7,518,988	13,203,953	13,603,535
PREVIOUS YEAR FIGURES	20,722,941	0	0	20,722,941	6,780,184	398,982	7,119,406	13,603,535	13,942,757



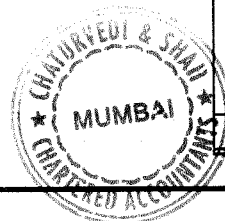
SCHEDULES FORMING PART OF THE BALANCE SHEET

	<u>As at</u> <u>31-03-2011</u>	<u>As at</u> <u>31-03-2010</u>
	(Amount in Rupees)	
SCHEDULE 6:		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
Cash & Bank Balances:		
Cash on hand	62,174	143,153
Balances with Banks : in Current Accounts	685,134	597,864
	747,308	741,018
LOANS AND ADVANCES : (Unsecured, Considered good)		
Interest accrued on Deposits with HDFC LTD	453,624	1,018,177
Deposit with HDFC LTD *	7,064,858	6,000,000
Advances recoverable in cash or in kind or for value to be received	1,569,160	1,755,897
Deposits	440,567	440,567
	9,528,208	9,214,641
* indicates that the amount has been deposited in accordance with the order dated 18-11-2008 of the High Court of Madras. The matter is however still pending final disposal before the Supreme Court. (Refer. Point No.9 (b) of Schedule 11)		
SCHEDULE 7:		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors for Expenses	261,186	262,316
Statutory dues	221,837	175,861
	483,023	438,177
Provisions:		
Provision for Gratuity	1,122,000	904,000
Provision for Leave Encashment	365,000	376,000
	1,487,000	1,280,000



SCHEDULES FORMING PART OF THE PROFIT & LOSS A/c

	<u>As at</u> <u>31-03-2011</u>	<u>As at</u> <u>31-03-2010</u>
	(Amount in Rupees)	
SCHEDULE 8:		
OTHER INCOME :		
Interest Receipts (TDS Rs.55,590/-) (Previous year TDS Rs.11,880/-)	555,895	654,244
Interest on Income Tax Refund	31,805	-
	587,700	654,244
SCHEDULE 9:		
ESTABLISHMENT,ADMINISTRATIVE AND OTHER EXPENSES :		
Salaries & Wages	1,461,952	1,245,121
Bonus & Ex-gratia	76,403	106,280
Gratuity & Leave Encashment Benefits	264,693	21,000
Staff Welfare Expenses	14,263	10,328
Medical Expenses	49,681	46,147
Contribution of PF / ESIC	164,572	152,270
Security Charges	667,003	688,811
Power & Fuel	-	58,949
Electricity Charges	26,707	35,021
Repairs & Maintenance - Buildings	103,209	231,263
Repairs - Others	38,943	15,460
Telephone & Telex Charges	71,737	84,705
Courier/Postage	57,663	60,632
Travelling & Conveyance	144,094	288,695
Running & Maintenance of vehicles	135,652	169,423
Printing & Stationery	49,927	85,545
Rent, Rates and Taxes	82,004	225,610
Insurance Premium	11,795	26,279
Legal and Professional Charges	213,915	280,529
Remuneration to Auditors		
- Towards Audit	88,240	33,090
- " Tax Matters	-	5,515
- " Other matters	-	6,618
Share Registrar's Expenses	33,090	35,058
Directors Sitting Fees	82,500	152,500
Office Equipment Maintenance	26,296	24,911
Advertisement	53,850	67,100
Entertainment Expenses	30,309	27,301
Membership , Subscription & Conference Exp	2,000	4,345
Miscellaneous Expenses	71,085	63,233
	4,021,583	4,251,737
SCHEDULE 10:		
INTEREST AND FINANCE CHARGES :		
Interest	1,887,008	1,204,417
Bank Charges	21,230	957
	1,908,238	1,205,374



EASTCOAST STEEL LIMITED**SCHEDULE: 11****NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS:****A) ACCOUNTING POLICIES:****1. Basis of accounting:**

The financial statements are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles and provisions of Companies Act, 1956, read with the Companies (Accounting Standards) Rules, 2006.

2. Fixed Assets & Depreciation:

(a) Fixed Assets are stated at Cost of acquisition or installation and includes erection and construction expenses.

(b) Depreciation has been provided on the basis of Straight Line Method at the rates and in the manner specified in schedule XIV of the Companies Act 1956.

3. Investments:

Investments are stated at Cost.

4. Liability Recognition:

Provision is made in Accounts in respect of all liabilities relating to the year under review which have known till the date of the accounts were prepared for authentication by the Board of Directors and which have material effect on the position stated in the balance sheet Liabilities, claims and debts not acknowledged/ accepted and disputed by the Company and not provided for, are being disclosed in the Notes to the Accounts.

5. Retirements Benefits:

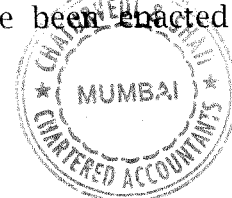
Retirement benefits are accounted as per Revised Accounting Standard- 15 on the basis of actuarial valuation.

6. Foreign Currency Transactions:

Transactions in foreign Currency are recorded at the exchange rate prevailing at the date of transaction. Exchange difference arising on foreign currency transaction other than fixed assets, are recognized as income or expense in the Profit & Loss Account. Exchange differences on unpaid long term liability arising on foreign currency transaction related to acquisition of fixed assets are adjusted with the cost of the fixed assets.

7. Taxes:

Income tax expense comprises current tax, deferred tax charge or credit and fringe benefit tax. 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.

8. 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.

NOTES ON ACCOUNTS:

9. Contingent Liabilities:

- (a) The Electricity Dept. Pondicherry had 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 Rs 17,78,51,077/- (includes interest of Rs.12,10,85,645/-), 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 Rs.1,34,00,000/- towards demurrage charges (in addition to interest on the said claim) relating to import of scrap for which the appeal before the 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 Rs.70,64,858/- is lying deposited with HDFC LTD in accordance with the directions of the Supreme Court vide order dated 26th September, 2008 (See Schedule 6)
10. No provision for taxation is necessary, in view of the accumulated losses incurred over the years.
 11. The Company does not owe amount to any Small Scale Industrial Undertaking and to micro, small and medium enterprises.
 12. The Company has not been carrying on any operations. Hence information pursuant to AS 17 on Segment Reporting is not applicable to the Company.
 13. 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 tax losses & timing differences.
 14. In the opinion of the Board, Current Assets, Loans & Advances have value on realisation in the ordinary course of business approximately the same at which these are stated in the Balance Sheet and provision for all known liabilities have been made and the same are not in excess of the amount reasonably necessary.



15. Basic and Diluted Earning per Share:

For the purpose of calculation of Basic and Diluted Earning per Share, the following amounts are considered:

(Amount in Rupees)

Particulars	As at	
	31-03-2011	31-03-2010
a) Net Profit/(Loss) after Tax	(57,46,861)	(51,56,259)
Net Profit/(Loss) available for Equity Shareholders	(57,46,861)	(51,56,259)
b) Weighted Average No. of Equity Shares (Nos.)	48,96,468	48,96,468
c) Basic and Diluted Earning per Share	(1.17)	(1.05)

16. Employee benefits Obligations:**Defined contribution plans:**

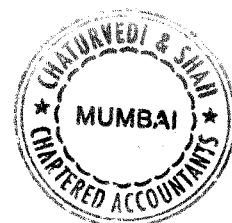
The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund substantially for all regular employees and makes contribution to the Regional Provident Fund Commissioner and ESIC to Regional Director of ESIC. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, the Company's contribution to the provident fund and family pension fund has been charged to the Profit & Loss Account.

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 Profit & Loss Account. The obligation for leave encashment benefits is recognized in the manner similar to Gratuity.

The net value of the defined benefit commitment is detailed below:

Obligation	Gratuity (Non funded)		Leave Encashment (Non funded)	
	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.
Present value of obligation	11,22,000	9,04,000	3,65,000	3,76,000
Fair Value of Plan Assets	Nil	Nil	Nil	Nil
Net Liability recognized in the Balance Sheet	11,22,000	9,04,000	3,65,000	3,76,000



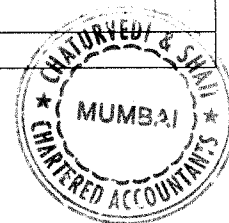
Plan Assets	Gratuity (Non funded)		Leave Encashment (Non funded)	
	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.
Opening Balance	Nil	Nil	Nil	Nil
Expected Return	Nil	Nil	Nil	Nil
Contributions by the Company	Nil	Nil	Nil	Nil
Benefits paid	Nil	Nil	Nil	Nil
Actuarial Gain	Nil	Nil	Nil	Nil
Closing balance 31.03.11	Nil	Nil	Nil	Nil

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

Expense recognized in the Profit & Loss Account	Gratuity (Non funded)		Leave Encashment (Non funded)	
	Year Ended 31-03-2011 Rs.	Year Ended 31-03-2010 Rs.	Year Ended 31-03-2011 Rs.	Year Ended 31-03-2010 Rs.
Current Service Cost	2,62,000	65,000	(7,000)	(14,000)
Interest Cost	70,000	68,000	30,000	32,000
Expected Return on Plan Assets	Nil	Nil	Nil	Nil
Benefits paid directly	Nil	Nil	Nil	Nil
Net Actuarial (Gain)/loss	(56,000)	(84,000)	(34,000)	(46,000)
Expense charged to Profit & Loss Account	2,76,000	49,000	(11,000)	(28,000)

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

	Gratuity (Non funded)	Leave Encashment (Non funded)
	Year ended 31-03-2011	Year Ended 31-03-2010
Rate of Discount applied	8.00%	8.00%
Expected Salary Escalation	9.00%	9.00%
Expected Return on plan assets	Does not arise	Does not arise
Mortality table used	LIC (1994-96) Ultimate Mortality Table	



17. Information pursuant to the provisions of paragraphs 3, 4c, 4d of schedule VI to the Companies Act, 1956.

Quantitative information in respect of	MTS	MTS
(a) Finished Goods (Mild Steel Billets)		
1. Licensed Capacity	1,50,000	1,50,000
2. Installed Capacity	NIL	NIL

18. Related Party Disclosures:

I. Relationship:- Associate Companies:-

- i) Western Ministil Limited
- ii) Western Rolling Mills Pvt. Ltd

II. Key Managerial Personnel:

1. Mr. Prithviraj S. Parikh- Executive Director (w.e.f. 30-01-2009)
(No remuneration has been paid to Mr. Prithviraj S. Parikh as an Executive Director during the year, except sitting fees paid for attending Board and Committee Meetings)

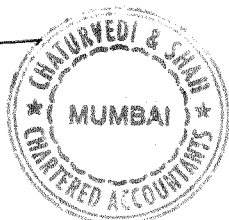
Details of transactions taken place during the year are as follows:-

No.	Particulars	(Amount in Rupees)	
		2010-11	2009-10
1	Amount due to Western Rolling Mills (P) Ltd. (Advance provided)	1,90,49,908	1,36,34,617
2	Interest paid to Western Rolling Mills (P) Ltd. (Loan provided)	18,73,038	11,99,717
3	Rent Paid to Western Rolling Mills (P) Ltd. (Office facility provided)	Nil	1,20,000
4	Director Sitting Fees to Mr. Prithviraj S. Parikh (Key Managerial Personnel)	5,000	22,500

19. Previous Year's figures have been regrouped, rearranged and reclassified wherever found necessary.

For Chaturvedi & Shah
Chartered Accountants

Amit Chaturvedi
Amit Chaturvedi
Partner



For and on behalf of the Board of Directors

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

Nalin S. Parikh
Nalin S. Parikh
Director

Place: Mumbai

Date: 12th August, 2011

EASTCOAST STEEL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31-03-2011	31-03-2010
	(Amount in Rupees)	
A. Cash flow from Operating Activities:		
Net Profit/(loss) before tax and extraordinary items	-5,741,703	-5,142,089
Adjustments for Depreciation	399,582	339,222
Interest and finance charges	1,908,238	1,205,374
Interest received	-555,895	-654,244
Interest on Income Tax Refund	-31,805	0
Operating Profit/(loss) before Working Capital changes	-4,021,583	-4,251,738
Adjustments for:		
Add: Decrease in Loans & Advances	-257,977	-492,681
Less: Increase/(Decrease) in Current Liabilities	251,846	-297,013
Net Changes in Working capital	-4,027,714	-5,041,432
Taxes paid	-60,748	-74,390
Cash flow from Operating Activities	-4,088,462	-5,115,822
B. Cash flow from Investing Activities		
Interest Received	555,895	654,244
Interest on Income Tax Refund	31,805	0
Net cash generated from Investing Activities	587,700	654,244
C. Cash Flow from Finance Activities:		
Proceeds from Borrowings	5,415,291	5,804,745
Interest & Finance Charges paid	-1,908,238	-1,205,374
Net Cash flow from Finance Activities	3,507,053	4,599,371
Net Increase in Cash & Cash Equivalents (A+B+C)	6,290	137,792
Cash & Cash Equivalents as on 31.03.2010	741,018	603,225
Cash & Cash Equivalents as on 31.03.2011	747,308	741,018

For Chaturvedi & Shah
Chartered Accountants

Amit Chaturvedi

Amit Chaturvedi
Partner



Place: Mumbai

Date: 12th August, 2011

For & on behalf of the Board of Directors


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

Nalin S. Parikh
Nalin S. Parikh
Director


EASTCOAST STEEL LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

	Amount in Rupees
1. REGISTRATION DETAILS	
a) Registration Number	17576 of 1989
b) State Code	18
c) Balance Sheet Date	31ST MARCH 2011
2. CAPITAL RAISED DURING THE YEAR	
a) Public Issue	Nil
b) Rights Issue	Nil
c) Bonus Issue	Nil
d) Private Placement	Nil
3. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS	
a) Total Assets	139,976,988
b) Total Liabilities	139,976,988
Source of Funds	
a) Paid-up Capital	48,964,680
b) Reserves & Surplus	71,962,400
c) Secured Loans	-
d) Unsecured Loans	19,049,908
Application of Funds	
a) Net Fixed Assets	13,203,953
b) Investments	56,475
c) Net Current Assets	8,305,493
d) Miscellaneous Expenditure	-
e) Deferred Tax Asset	-
f) Accumulated Losses	118,411,067
4. PERFORMANCE OF COMPANY	
a) Turnover & Other Income	587,700
b) Total Expenditure	6,329,403
c) Profit/(Loss) before Tax	-5,741,703
d) Profit/(Loss) after Tax	-5,746,861
e) Earnings per Share	-1.17
f) Dividend Rate	Nil
5. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)	
a) Item Code No. (ITC Code)	720719.09
Product Description	Iron & Steel

For and on behalf of the Board of Directors


Prithviraj S. Parikh

Chairman & Executive Director


Nalin S. Parikh

Director

Place: Mumbai

Date: 12th August, 2011

EASTCOAST STEEL LIMITED

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

12th August, 2011

Dear Members,

“Green Initiative in Corporate Governance”

The Ministry of Corporate Affairs (MCA) has introduced “Green Initiative” in Corporate Governance vide its circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 allowing paperless compliances/ communications by companies all important documents such as notice, including explanatory statement of General Meetings (EGM, AGM), audited financial statements, directors’ report, auditors’ report, etc. by electronic mode to all the shareholders of the company on their respective E-Mail IDs’ registered with the company and R&T Agents.

This move by the ministry is welcomed by the industry as this will reduce the paper consumption to a great extent and to improve the corporate contribution to a greener environment enhancing thereby the sustainability of the environment. This is great opportunity for us to support this Go-Green initiative and to contribute to the Corporate Social Responsibility initiated by your company.

We therefore invite all our shareholders to contribute to this cause. We request the shareholders, who wish to receive all the correspondences/ compliances by electronic mode, to register/ update their E-Mail IDs’ to enable the company to send it on their respective E-Mail IDs’:

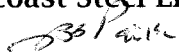
1. The shareholders, who are holding shares in DEMAT form, may please register or update their E-Mail IDs’ with their Depository Participants (DP).
2. The shareholders, who are holding shares in Physical form, may please register their E-Mail IDs’ with our R&T Agents, M/s. Link Intime India Pvt. Ltd. at their office address at ‘C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai- 400 078’ or E-Mail ID at rnt.helpdesk@linkintime.co.in

The annual report and other compliances/ communication sent electronically would also be displayed on the company’s website: www.eastcoaststeel.com. Further, please note that, as valued shareholder, you will be entitled to be furnished free of cost, a printed copy of the Annual Report of the company and other documents, that would be sent to you, upon receipt of requisition from you to this effect.

We are sure, as responsible citizens, you will support this initiative and will opt for the electronic delivery of communication. Let’s be part of this “GREEN INITIATIVE”.

Yours faithfully,

For Eastcoast Steel Limited


Prithviraj S. Parikh

Chairman & Executive Director