



# SHREE PRECOATED STEELS LIMITED

3

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ANNUAL REPORT 2009-2011



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## SHREE PRECOATED STEELS LIMITED

### **BOARD OF DIRECTORS**

|                                |                              |
|--------------------------------|------------------------------|
| <b>Shri Chhotalal S Ajmera</b> | Chairman & Managing Director |
| <b>Shri Rajnikant S Ajmera</b> | Managing Director            |
| <b>Shri Ishwarlal S Ajmera</b> | Director                     |
| <b>Shri Jagdish J. Doshi</b>   | Director                     |
| <b>Shri Ambalal C. Patel</b>   | Director                     |
| <b>Shri Nilesh Sarvaiya</b>    | Director*                    |

(\*appointed as on 30th January, 2010)

### **ASST. COMPANY SECRETARY**

**Ms. Harshini D. Ajmera**

### **BANKERS**

Dena Bank  
Axis Bank Ltd.

### **AUDITORS**

M/s. V. Parekh & Associates  
Chartered Accountants  
37, Hamam Street, 2nd Floor, Fort,  
Mumbai - 400 001.

### **SOLICITORS**

M/s. K. Ashar & Company

### **REGISTERED OFFICE**

Rehman Building, 2<sup>nd</sup> Flr. Mezzanine,  
24 Veer Nriman Road, Fort,  
Mumbai-400 001  
www.spsl.com  
E-mail-investors.spsl@ajmera.com

### **REGISTRAR & SHARE TRANSFER AGENT**

Sharex Dynamic (India) Pvt Limited,  
Branch Office : Unit 1, Luthra Industrial Premises  
Andheri Kuria Road, Safed Pool, Sakinaka,  
Andheri (E), Mumbai - 400 072.

### **THIRD ANNUAL GENERAL MEETING**

|                     |   |
|---------------------|---|
| <b>Date</b>         | : 15th July, 2011   |
| <b>Day</b>          | : Friday  |
| <b>Time</b>         | : 11.30 A.M   |
| <b>Place</b>        | : Activity Hall, Ground Floor,<br>Juhu Vile Parle Gymkhana Club,<br>N. S. Road, JVPD Scheme,<br>Vile Parle (W), Mumbai - 400 049. |
| <b>Book Closure</b> | : Saturday, 9th July, 2011 to<br>Friday 15th, July 2011<br>(Both days inclusive)  |



## NOTICE

**NOTICE** is hereby given that the Third Annual General Meeting of the shareholders of Shree Precoated Steels Limited will be held on Friday, the 15th July, 2011 at 11.30 A.M. at Activity Hall, Ground Floor, Juhu Vile Parle Gymkhana Club, N. S. Road, J.V.P.D. Scheme, Vile Parle (W), Mumbai-400049 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet for the period of 18 (Eighteen) months ended on 31st March, 2011 and the Profit and Loss Account ended on that date and the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Ishwarlal S Ajmera, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Chhotalal S Ajmera, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an Ordinary Resolution:

“**RESOLVED THAT** M/s. V Parekh & Associates, Chartered Accountants, Mumbai, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration to be decided by the Board in addition to out of expenses as may be incurred by them during the course of the Audit.”

### **SPECIAL BUSINESS**

5. **Appointment of Shri Nilesh Sarvaiya as Director of the Company:**

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

“**RESOLVED THAT** pursuant to the section 260 of the Companies Act, 1956, read with Article 98 of the Articles of Association of the Company, Shri Nilesh Sarvaiya who was appointed as an Additional Director of the Company, and holds office until date of the Annual General Meeting and in respect of whom the Company has received notice from member pursuant to section 257 of the Companies Act, 1956, proposing his candidature, be and his hereby appointed as a Director of the Company liable to retire by rotation.”

6. **Alteration of Articles of Association :**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“**RESOLVED** that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 for the time being in force, the Articles of Association of the Company be and is hereby amended in a manner provided herein as under:

a Re-numbering the existing Article 111 as 111 (1) and inserting the following new Article to be numbered as 111(2) after the Article 111 (1):

111 (2) The Board Meeting can also be held by means of video conferencing, telephonic presence, teleconferencing, online communication or any other electronic mode as per the prevailing law for the time being in force.”

7. **Commencement of New Business:**

To consider and if thought fit to pass with or without modification following resolution as a **special resolution**

“**RESOLVED THAT** pursuant to Section 149 (2-A) and other applicable provisions, if any, of the Companies Act, 1956, consent is hereby given to the Board of Directors to commence and continue to commence any or all of the business activities specified in the Clause 43 and Clause 44 of the Other Object Clause IIIC of the Memorandum of Association of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution and to settle any questions or disputes that may arise in relation thereto.”

By Order of the Board of Directors  
For **SHREE PRECOATED STEELS LTD.**

Sd/-  
**Rajnikant S. Ajmera**  
Managing Director

Place : Mumbai  
Date : 25th May, 2011

**Registered Office:**  
Rehman Building, 2nd Floor, Mezzanine,  
24 Veer Nariman Road, Fort, Mumbai - 400 001.



## SHREE PRECOATED STEELS LIMITED

Notice

NOTE:

- I. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF OR HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- II. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- III. **The Register of Members and Share Transfer Books of the Company will remain closed for Seven days from the 9th day of July, 2011 to the 15th day, of July, 2011 (both days inclusive).**
- IV. The relative Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of resolution as set out against Item No.: 5, 6 & 7 of the notice is annexed hereto.
- V. All documents referred to in the accompanying Notice and the Explanatory Statement is open for inspection at the Registered Office of the Company during the office hours on all working days except Sundays between 11.00 a. m. and 1.00 p. m., up to the date of the ensuing Annual General Meeting.
- VI. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
- VII. Members are requested:
  - a to notify any change in their addresses to their Depository Participants (DPs) in respect of their electronic share accounts, quoting Client ID no. and to the Sharex Dynamics (India) Private Limited – Registrar and Transfer Agent (RTA) or to the Company and in respect of their physical shares quoting their folio numbers;
  - b to write to RTA to enable them to consolidate their holdings in one folio, who are not opting for depository and are holding Shares in identical order of names in more than one folio;
  - c to write to the Company at least 7 days before so as to enable the Management to keep information ready, who are desiring any information as regard to accounts,.
  - d to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting, who hold Shares in dematerialized form;
  - e to bring their copies of the Annual Reports to the Meeting.
- VIII. In terms of Section 109A of the Companies Act, 1956, the Share holder(s) of the Company may nominate a person on whom the Shares held by him/them shall vest in the event of his/their death. Share(s) desirous of availing this facility may submit nomination in Form 2B.
- IX. The annual report of the company circulated to the members will be made available on the Company's website at [www.spsl.com](http://www.spsl.com)
- X. The Company proposes to implement the "Green Initiative" as per circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of Notices / Documents and Annual Reports to the Shareholders. Hence forth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website [www.spsl.com](http://www.spsl.com) of the company and the other requirements of the aforesaid MCA circular will be duly complied with. A brief note on the "Green Initiative" is given at the end of the Report.

**EXPLANATORY STATEMENT**

As required by Section 173 (2) of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to the business under Item Nos. 5, 6 & 7 of the accompanying Notice dated 25th May, 2011.

**Item No. 5**

- a. Shri Nilesh Sarvaiya has been appointed as an Additional Directors of the Company at the Board Meeting held on 30th January, 2010.
- b. As per Section 260 of the Companies Act, 1956, he shall hold office only up to the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 from a Member proposing Nilesh Sarvaiya for appointment to the Office of Directors along with a deposit of Rs. 500/-, proposing his candidature.
- c. Shri Nilesh Sarvaiya is a Commerce Graduate and DBM from Mumbai. He is having a vast experience in the trading Electrical equipments for the last 15 years.
- d. Your Directors recommend for the appointments of Shri Nilesh Sarvaiya as Directors on the Board of your Company.
- e. Except Shri Nilesh Sarvaiya, none of the Director is concerned or interested in this Resolution.

**ITEM NO. 6**

This enabling provision is proposed to be incorporated in the Articles of Association so that as and when the law permits, the Board can hold the meeting through tele and video conferencing.

**ITEM NO. 7**

Your company intends to commence the business as real estate developers, general construction contractors, trading in land development rights, FSI and developing rights in general including other activities in terms of Clause no 43 and Clause 44 of the Other Object Clause (III-C) of Memorandum of Association. For commencement of new business/activities, provisions of Section 149(2A) of the Companies Act, 1956 require approval of shareholders by way of Special Resolution.

Your Directors recommend Special Resolution at Item No.7 for your approval.

None of the Directors of the Company is in any way deemed to be concerned or interested in the resolution.

By Order of the Board of Directors  
For **SHREE PRECOATED STEELS LTD.**

Sd/-  
**Rajnikant S. Ajmera**  
Managing Director

Place : Mumbai  
Date : 25th May, 2011

**Registered Office:**  
Rehman Building, 2nd Floor, Mezzanine,  
24 Veer Nariman Road, Fort, Mumbai - 400 001.



## SHREE PRECOATED STEELS LIMITED

### INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing agreement, the particulars of Director who are proposed to be appointed / re-appointed are given below:

Notice

|  |  |
|--|--|
| <b>Name</b>  | <b>Shri Ishwarlal S. Ajmera</b>  |
| Date of Birth  | 30th October, 1925   |
| Date of Appointment / Period   | 15th October, 2007   |
| Expertise in specific functional area  | Industrialist having 55 years over all experience in various fields including Constructions with more than 41 years experience in Real Estate Development. |
| Qualifications   | Higher Secondary   |
| Listed / Unlisted Public Companies in which outside Directorship held as on 31st March, 2011                             | Ajmera Steels Strips Limited<br>Shree Ram Estates Limited<br>Ajmera Realty & Infra India Limited   |
| Chairman / Member of the Committees of the Board of the other Companies on which he is a Director as on 31st March, 2011 | One  |

|  |  |
|--|--|
| <b>Name</b>  | <b>Shri Chhotalal S. Ajmera</b>  |
| Date of Birth  | 9th September 1937   |
| Date of Appointment / Period   | 1st May, 2009 – 30th April, 2014   |
| Expertise in specific functional area  | Industrialist having 50 years over all experience in various fields including Constructions with more than 41 years experience in Real Estate Development. |
| Qualifications   | Higher Secondary   |
| Listed / Unlisted Public Companies in which outside Directorship held as on 31st March, 2011                             | Ajmera Steels Strips Limited<br>Gujarat Fun World Limited<br>Ajmera Realty & Infra India Limited   |
| Chairman / Member of the Committees of the Board of the other Companies on which he is a Director as on 31st March, 2011 | Nil  |

|   |                                  |
|---|----------------------------------|
| <b>Name</b>   | <b>Shri Nilesh Sarvaiya</b>      |
| Date of Birth   | 7th April, 1969                  |
| Date of Appointment / Period  | 30th January, 2010               |
| Expertise in specific functional area   | Trading in Electrical Equipments |
| Qualifications  | B.Com, DBM, Mumbai               |
| Listed / Unlisted Public Companies in which outside Directorship held as on 31st March 2011                             | NIL                              |
| Chairman / Member of the Committees of the Board of the other Companies on which he is a Director as on 31st March 2011 | NIL                              |





## DIRECTORS' REPORT

To,  
The Members,

Your Board of Directors have pleasure in presenting the **THIRD ANNUAL REPORT AND AUDITED ACCOUNTS** of the Company for the Eighteen months period ended on 31st March, 2011.

### FINANCIAL HIGHLIGHTS:

(Rs. in Lacs)

|  | For Period of eighteen months ended as on 31st March, 2011 | For Period of eighteen months ended as on 30th September, 2009 |
|--|--|--|
| <b>Turnover Gross</b>                                      | <b>15625.01</b>  | <b>231162.44</b>   |
| <b>Profit before interest, Depreciation &amp; Taxation</b> | <b>717.69</b>  | <b>2450.85</b>   |
| Less: Interest   | 578.35   | 14432.76   |
| Profit/(Loss) before Depreciation & Taxation               | 139.34   | (11981.91)   |
| Less: Depreciation   | 422.58   | 5626.94  |
| Loss before Taxation                                       | 283.24   | 17608.85   |
| Provision for Taxation                                     | 2328.36  | 2290.05  |
| Net Loss   | 2611.60  | 15318.80   |
| Add: Debit Balance in P & L Account B/F                    | 15318.80   | -  |
| Balance available for appropriation                        | N.A  | N.A  |
| Appropriations   | -  | -  |
| Transfer to General Reserve                                | -  | -  |
| Proposed Dividend on Equity Shares                         | -  | -  |
| Dividend Distribution Tax                                  | -  | -  |
| Loss Carried to Balance Sheet                              | 17930.40   | 15318.80   |

### **BUSINESS RESULTS**

During the period under review, on the Sales Turnover of Rs. 15,625 Lacs and the Company incurred Loss of Rs. 2611.60 Lacs. The Business operations has been scaled down substantially due to sale of steel business of the company in the month of October, 2009.

Mr. Chhotalal S. Ajmera, Chairman and Managing Director and Shri Ishwarlal S. Ajmera, Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

### **LISTING**

#### **DIVIDEND**

In view of the losses incurred during the period, your Directors do not recommend payment of Dividend.

The Equity Shares of the Company are listed with Bombay Stock Exchange (533110) and National Stock Exchange (SHPRE).

#### **DIRECTORS**

The Board of directors has been broad-based to comply with the Listing requirements.

### **SALE OF BUSINESS**

The Board of Directors appointed Mr. Nilesh Sarvaiya as Independent Director at its board meeting held on 30th January, 2010. He shall hold office until the ensuing Annual General Meeting. Notice has been received from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for appointment as director of the Company liable to retire by rotation.

During the year, your Company sold its Steel Business as a going concern and on a slump sale basis. Consequently, all the Business Assets and Business Liabilities were taken over by Essar except certain identified Current Assets and Current Liabilities which were retained in the Company. Your Directors approved the sale of business in the Board Meeting held on 23rd July, 2009 and your consent was received u/s 293(1)(a) at the Extra Ordinary General Meeting held on 7th September, 2009.



# SHREE PRECOATED STEELS LIMITED

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to Clause 49(IV) (B) & (F) of the Listing Agreement your directors wish to report as follows:

### **1. Industry Structure and Development**

Due to global meltdown only integrated units having control over the raw materials could survive. Accordingly globally all the Steel Majors are consolidating and taking over the units which are not competitively placed and India was no exception.

The phase of consolidation in India is quite visible and apparent. Locally, the Steel Majors controlling Raw Materials are better placed and are taking over the units which are not competitively placed. Since we were largely dependent for Raw materials it was difficult to curtail the input cost and value addition not being so large it eroded the margin, compelling either to exit from the sector or join hands with Majors. In view of this macro scenario with your consent, the Steel Undertaking was disposed off. After the sale of assets, your Directors are looking for sound business opportunities to enter the new line of activities wherein we have core competence. Your Directors have identified two sectors namely Steel Service Centre, Construction related activities and trading in Steel Products.

### **2. Opportunities and Threats**

The promoters have rich experience of over two decades in the steel and Real Estate business and have developed and established excellent business relationship with international steel players and realty developers which can be helpful to the Company to form a strategic alliance with them in the future. The goodwill of the promoters in the domestic market is a major strength.

However there exists a threat in the form of unstable global economic environment, Government and Regulatory framework, volatility in the Economy and Exchange rates and impact of international events on the Indian Economy.

### **3. Segment - wise Performance**

Since your Company operates only in one Segment, segment-wise or product wise analysis or performance is not applicable.

### **4. Future Outlook**

Your Director's are exploring various possibilities of setting up Steel Processing centre to cater the specific requirements of customer. Service Centres is the new format of distribution in the steel sector which was not so

popular in India. Globally this sector handles about 40% of steel trade whereas in India it is conventional trader who are responsible for the distribution indicating large opportunity. Based on the experience gained by the promoters in the Steel Industry, venturing into Steel Service Centre will be beneficial for the company. Globally most of the firms buy a large portion of their metal requirements from service centers. Service centers add value and help manufacturers remain internationally competitive by inventorying metals and processing them to specific sizes, shapes and strengths. We want to seek the advantage of early entrant in the market over other players.

Similarly due to large spending on mega infrastructure projects, there exist vast opportunity in construction related sector.

### **5. Risks and Concerns**

Your Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in our business.

### **6. Internal Controls and System**

The company has implemented adequate internal control system enduring proper management information system and integration of various operations and functions of the organisation – all under one umbrella. This has resulted in harmonious monitoring and regulation of operations in a systemised manner in each and every activity of the Company. Correct use of funds, proper budgeting, efficient monitoring and its regulation by due approval and authorization policy enforcement have resulted in the use of funds in the most profitable and correct manner. All these have been implemented in every area commencing from raw materials, project implementation, and project monitoring, quality control and logistics.

### **7. The Internal Audit Program**

All the actions taken last year by Internal Audit Program conducted by the external agency for self-assessment audit guides for conformity to the Indian Accounting Standards, prevailing Laws and Company Policies have been implemented and continue to be implemented. The Audit Committee appointed by the Board selectively reviews its adequacy, addresses the significant findings, and follow up needs on such issues, which are given top priority and implemented ceremoniously.

### **8. Cautionary Statement**

Statement made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual result could differ



from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws and other statutes and other incidental factors.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the operating management, confirm that :-

- I. in the preparation of the annual accounts for the Period ended 31st March, 2011, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- II. the Directors had 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 Profit & Loss of the Company for the year ended under review;
- III. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing & detecting;
- IV. the Directors have prepared the accounts on a going concern basis.

#### **CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with BSE & NSE, Management Discussion and Analysis, Corporate Governance Report, Auditors' Certificate regarding compliance of conditions of Corporate Governance and CEO Certificate on Code of Conduct is made as a part of the Annual Report.

#### **AUDITORS:**

The Company's Auditors, M/s. V. Parekh & Associates, Chartered Accountants, retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have indicated their willingness to accept reappointment and have further furnished necessary Certificate in terms of Section 224 (1B) of the Companies Act, 1956.

The Audit Committee has considered and recommended

the reappointment of M/s. V. Parekh & Associates, Chartered Accountants, Mumbai, as Statutory Auditors of the Company, to the Board of Directors. Your Directors have accepted the recommendation and recommend to the shareholders the re-appointment of M/s. V. Parekh & Associates, Chartered Accountants, Mumbai as the Statutory Auditors of the Company.

#### **AUDITORS' REPORT:**

The observations made by the Auditors in their Report referring to the Notes forming part of the Accounts are self-explanatory and therefore, do not require any further comments under Section 217(3) of the Companies Act, 1956.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange inflow & outgo for the period ended 31st March 2011 is given in the **Annexure 1** forming part of this Report.

#### **INDUSTRIAL/HUMAN RELATIONS:**

During the year employee relations continued to be cordial and harmonious at all levels and in all divisions of the Company. There was a total understanding of the Management objectives by the workers. The Company has consistently tried to improve its HR policies and processes so as to acquire, retain & nurture the best of the available talent in the Industry.

#### **PARTICULARS OF THE EMPLOYEES:**

During the year, no employee of the Company was in receipt of remuneration exceeding the sum prescribed under Section 217 (2A) of the Companies Act, 1956. Hence, furnishing of particulars under the Companies (Particulars of employees) Rules, 1975 does not arise.

#### **FIXED DEPOSITS:**

During the period under review, your company has not accepted or renewed any fixed Deposit from the public.

#### **CAUTIONARY STATEMENT :**

Statements made in the Report, includes those stated under the caption "Management Discussion Analysis" describing the Company's plans, projections and



## SHREE PRECOATED STEELS LIMITED

expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

### ACKNOWLEDGMENT :

The Board of Directors wishes to thank the Central Government, State Government, Reserve Bank of India (RBI), Securities Exchange Board of India (SEBI), The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd. (NSE) for their cooperation in various spheres of your Company's functions. The Board of Directors express its gratitude for the cooperation extended by the Bankers i.e. Dena Bank and Axis Bank Limited for their support.

Your Directors thanks all its shareholders, clients and investors for their support during the year and looks forward to their continued support in the years to come.

Your Company has also gained considerably from the sincere and devoted services rendered by its employees at all levels. The Board of Directors wishes to place on record its appreciation of their efforts in enhancing the image of your Company in the global market.

**By order of the Board of Directors**  
For SHREE PREOATED STEELS LD.

Sd/-

**Date : 25th April, 2011**                      **Chhotalal S. Ajmera**  
**Place : Mumbai**                      **Chairman & Managing Director**

### PARTICULARS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

#### A) CONSERVATION OF ENERGY :

The operations of your company involve low energy consumption. However, adequate measures have been taken to conserve the energy consumption by using energy efficient computers and equipments.

#### Form - A

#### ENERGY CONSUMPTION PER TONNE OF PRODUCTION

| Sr. No. | Prod. Unit-MT | KWH/MT |
|---------|---------------|--------|
| 1       | Pickling Line | 6.56   |
| 2       | Mill 1        | 104.18 |
| 3       | Mill 2        | 113.36 |
| 4       | Mill 3        | 88.36  |
| 5       | CGL 1         | 62.44  |
| 6       | CGL 2         | 88.31  |
| 7       | CCL 1         | 54.36  |
| 8       | CCL 2         | 255.91 |

#### B) TECHNOLOGY ABSORPTION :

The Company has not imported any technology. However, the Company's core activity, necessitates the knowledge level in the Company to be in the forefront of the technological developments in various segments of the industry it operates in. Towards this, the Company has established partnership with various Software Tool Vendors for imparting training, providing know how and providing developmental kits on an ongoing basis to the engineers in the Company.

**C) FOREIGN EXCHANGE EARNING AND OUTGO :** During the period, Company had an foreign exchange inflow of Rs. 9251.59 lacs. (Previous year - Rs. 142432.88 lacs) .The foreign exchange outgo during the period was Rs. 988.40 lacs. (Previous year - Rs. 36466.16 lacs).

(Rs. in Lacs)

| Sr. No. | Particulars   | For 18 month period ended 31st March 2011 | For 18 month period ended 30th September 2009 |
|---------|---|---|---|
| (I)     | <b>Value of Import on C.I.F. basis during the period in respect of:</b> |   |   |
|         | Raw materials   | 746.54                                    | 35320.73                                      |
|         | Capital Goods   | -   | 376.44  |
|         | Stores & Spares   | 241.86                                    | 768.99  |
| (II)    | <b>Earning in Foreign Exchange:</b>                                     |   |   |
|         | Export of goods on F.O.B. basis   | 9,251.59                                  | 142432.88                                     |
| (III)   | <b>Expenditure in Foreign Currency on account of :</b>                  |   |   |
|         | (a) Traveling   | -   | 205.27  |
|         | (b ) Legal charges  | 11.12                                     | -   |
|         | (c ) Sales Commission   | 19.79                                     | 576.77  |

#### D) ENVIRONMENT:

Your Company is glad to report that it continues to ensure that the air, water, and other environmental standards are achieved as per the prescribed norms.



## CORPORATE GOVERNANCE REPORT

**A. Company's philosophy on Code of Governance:-**

The Company firmly believes that maintaining the highest standards of Corporate Governance is imperative in our pursuit of excellence. We believe that Good Governance is a pre-requisite for establishing a relationship of trust between the Company and all its stakeholders. The Company further believes that the quest for excellence in performance rests on unflinching adherence to the core values of honesty, transparency and accountability in all business transactions.

These beliefs are based on a rich legacy of fair and ethical business practices, steadfast commitment to corporate social responsibility and adherence to the basic tenets of upholding professional integrity, maintaining human values and protecting individual dignity.

The Board of Directors performs the pivotal role in the governance system and they are primarily responsible for corporate governance of the Company. The Board has formed several Committees to assist them in specific areas resulting in sharper focus on Good Governance in order to ensure that the endeavour to maximise value for the entire spectrum of its stakeholders leads to long term benefits to society at large.

**B. Board of Directors:-****i. Composition & category of Directors:-**

As at 31.03.2011, the Board of Shree Precoated Steels Limited comprises of an Executive Chairman, two Executive Directors and three Non-Executive Independent Directors. The composition and category of Directors is as follows:

| Name of Directors        | Designation                  | Category                    | Appointed Date   |
|--------------------------|------------------------------|-----------------------------|------------------|
| Shri Chhotalal S. Ajmera | Chairman & Managing Director | Promoter & Executive        | October 15, 2007 |
| Shri Rajnikant S. Ajmera | Managing Director            | Promoter & Executive        | October 15, 2007 |
| Shri Ishwarlal S. Ajmera | Director                     | Promoter & Executive        | October 15, 2007 |
| Shri Jagdish J. Doshi    | Director                     | Independent & Non-Executive | May 1, 2009      |
| Shri Ambalal C. Patel    | Director                     | Independent & Non-Executive | May 1, 2009      |
| Shri Nilesh Sarvaiya     | Director                     | Independent & Non-Executive | January 30, 2010 |

Apart from sitting fees paid for attending Board / Committee Meetings, the Non-executive Directors did not have any pecuniary relationship or transactions with the Company, during the period ended on 31.03.2011. All non-executive Directors with their diverse knowledge, experience and expertise provide valuable contribution in the deliberations and decisions of the Board.

TABLE - 1

**ii. Attendance at the Board Meeting for the period ended 31st March, 2011 & the last Annual General Meeting and other directorship & Memberships in other Boards and Board Committees:-**

| Name of Directors        | Attendance     |          | Directorship in other Public Limited Companies |          | Memberships / Chairmanships in Committees |
|--------------------------|----------------|----------|--|----------|---|
|                          | Board Meetings | Last AGM | Listed   | Unlisted |   |
| Shri Chhotalal S. Ajmera | 9              | No       | 1  | 3        | -   |
| Shri Rajnikant S. Ajmera | 10             | Yes      | 1  | 4        | 1   |
| Shri Ishwarlal S. Ajmera | 10             | Yes      | 1  | 3        | 1   |
| Shri Jagdish J. Doshi    | 8              | Yes      | 1  | 2        | 1   |
| Shri Ambalal C. Patel    | 7              | Yes      | 9  | 3        | 1   |
| Shri Nilesh Sarvaiya*    | 4              | No       | -  | -        | -   |

\* Appointed as an additional director in the meeting of Board of Directors held on 30th January, 2010.

None of the Directors were a Member in more than 10 Committees or a Chairman in more than five Committees across all Companies in which he was a Director.



# SHREE PRECOATED STEELS LIMITED

### iii. Number of Board Meetings held:-

During the period ending 31<sup>st</sup> March, 2011, 10 (Ten) Board Meetings were held on the following dates:

| Date of Meeting                  | Directors Present |
|----------------------------------|-------------------|
| 20 <sup>th</sup> November, 2009  | 3                 |
| 19 <sup>th</sup> December, 2009  | 5                 |
| 30 <sup>th</sup> January, 2010   | 5                 |
| 29 <sup>th</sup> April, 2010     | 6                 |
| 30 <sup>th</sup> July, 2010      | 6                 |
| 27 <sup>th</sup> September, 2010 | 5                 |
| 15 <sup>th</sup> October, 2010   | 3                 |
| 20 <sup>th</sup> October, 2010   | 6                 |
| 22 <sup>nd</sup> November, 2010  | 3                 |
| 29 <sup>th</sup> January, 2011   | 6                 |

### C. AUDIT COMMITTEE

#### Constitution and Composition:-

Shree Precoated Steels Limited continued to derive immense benefits from the deliberation & valuable advices of the Audit Committee. Shri Jagdish Doshi is the Chairman of the Committee and Shri Ambalal C. Patel and Shri Rajnikant S. Ajmera are the Members of the Committee. The Composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee are:-

- To review the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To recommend to the Board, the appointment, re-appointment of the statutory auditor, fixation of audit fees and approval of payment to statutory auditors for any other services rendered by the statutory auditors along with reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- To review, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act, 1956;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in the draft audit report.
- To review, with the management, the quarterly financial statements before submission to the board for approval.
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of internal audit and to periodically interact with internal auditors, any significant findings and follow up there on.
- To review the findings of any internal investigations

by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

#### Meetings and attendances:-

During the period ended as on 31<sup>st</sup> March, 2011, 6 ( Six) Audit Committee Meeting were held. The Meetings were scheduled well in advance. The Meeting was also attended by the Head of Finance , the Statutory Auditors of the Company and those executives of the Company whose presence were considered necessary. The Company Secretary acted as the Secretary to the Audit Committee.

| Name of Directors        | No. of Meetings attended |
|--------------------------|--------------------------|
| Shri Jagdish J. Doshi    | 6                        |
| Shri Ambalal C. Patel    | 6                        |
| Shri Rajnikant S. Ajmera | 6                        |

#### Remuneration to directors:-

- No remuneration was paid to the Managing Director/ Executive Director of the Company.
- Sitting fees was paid to the Non-Executive Directors as following:

| Name of Director      | Sitting Fees (in Rs.) |
|-----------------------|-----------------------|
| Shri Jagdish J. Doshi | 72,500                |
| Shri Ambalal C. Patel | 67,500                |
| Shri Nilesh Sarvaiya  | 20,000                |
| <b>TOTAL</b>          | <b>160,000</b>        |

- No commission or fixed components & performance linked incentives have been paid to the Non-Executive Directors.
- The Company has not yet introduced any stock options for its Directors/Employees.
- All the Executive Directors have a contract period of 5 years and either party is entitled to terminate the Contract by giving not less than six months notice in writing to the other party.
- No severance fees is payable to any of the aforementioned Executive Directors.

### D. SHARE HOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholders Grievance Committee of the Company comprises of three Directors viz. Shri Jagdish Doshi as Chairman, Shri Rajnikant S. Ajmera, Shri Ishwarlal S.Ajmera as Members. Ms. Harshini Ajmera, Asst. Company Secretary has been nominated as the Compliance Officer to ensure the due compliance of SEBI requirements and to look into shareholders' grievances on a day-to-day basis and to liaise with SEBI in the matter of investors' complaints.

The term of reference of the Committee includes attending to requests received for transfer, split, Consolidation as well as issue of duplicate share certificates, and other allied matters like dematerialization of Shares etc. and completing the process the dispatches of share certificates well with in the stipulated time.



During the period ended 31st March, 2011 the Committee met 36 (Thirty Six) times. The composition and the Meetings attended by the Members are as under:-

| Name of Director         | No. of Meetings attended |
|--------------------------|--------------------------|
| Shri Rajnikant S. Ajmera | 36                       |
| Shri Jagdish J. Doshi    | 36                       |
| Shri Ishwarlal S. Ajmera | 36                       |

Share transfers / transmissions etc. as approved by the Committee are notified to the Board at regular intervals and are taken on record by the Board at their Meetings.

|   |     |
|---|-----|
| Number of complaints received from the shareholders during the period 1st October, 2009 to 31st March, 2011     | 76  |
| Number of Complaints solved to the satisfaction of the Shareholders as on 1st October, 2009 to 31st March, 2011 | 76  |
| Number of pending complaints / share transfers as on 31st March, 2011   | NIL |

**Name, designation & address of Compliance Officer:-**  
**Ms. Harshini Ajmera**

**Assistant Company Secretary**  
**Rehman Building, 2<sup>nd</sup> Floor, Mezzanine,**  
24 Veer Nariman Road, Fort  
Mumbai-400 001  
Tel.: 91-022-22841777  
Fax: 91-022-26325902

**E. CODE OF CONDUCT**

Pursuant amended Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for Director and Senior Management of the Company. The Code, while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following philosophy:

**Philosophy:**

"Shree Precoated Steels Limited" (SPSL) is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, officer and employee is expected to comply with the letter and spirit of this Code.

The directors, officers and employees of the Company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management"

A Copy of the Code has been put on the Company's website [www.spsl.com](http://www.spsl.com)

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

**A Declaration signed by the Managing Director is given below:**

**I hereby confirm that:**

**The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct and ethics for the Director and Senior Management in respect of the Financial period ended on 31<sup>st</sup> March, 2011.**

**Sd/-**  
**Rajnikant S. Ajmera**  
**Managing Director**

**F SHAREHOLDERS**

**i. Disclosure regarding appointment or reappointment of Directors:-**

Shri Ishwarlal S. Ajmera is retiring by rotation and is eligible for reappointment. Being eligible, he has offered himself for reappointment. His attendance in the Board/General Meeting has been given in Table 1.

Shri. Ishwarlal S. Ajmera holds Directorship in following companies in addition to his Directorship in Shree Precoated Steels Limited:-

- 1 AG Estates Private Limited.
- 2 Ajmera Cements Private Limited.
- 3 Ajmera Steel Strips Limited.
- 4 Ajmera Water 'N' Amusement Park Private Limited.
- 5 Shree Ram Estates Limited.
- 6 Yogi Nagar Vasahat Private Limited.
- 7 Jolly Brothers Private Limited
- 8 Ajmera Biofuel Limited.
- 9 Ajmera Estates (Karnataka) Private Limited
- 10 Ajmera Builder (Bangalore) Private Limited.
- 11 Ajmera Citi Developers Private Limited
- 12 Ajmera Realty Venture Private Limited.
- 13 Ajmera Realcon Private Limited
- 14 Ajmera Realty & Infra India Limited

Shri Chhotalal S. Ajmera is retiring by rotation and is eligible for reappointment. Being eligible, he has offered himself for reappointment. His attendance in the Board/General Meeting has been given in Table 1.

Shri Chhotalal S. Ajmera holds Directorship in following companies in addition to his Directorship in Shree Precoated Steels Limited:-

- 1 AG Estates Private Limited.
- 2 Ajmera Cements Private Limited.
- 3 Ajmera Steel Strips Limited.
- 4 Ajmera Water 'N' Amusement Park Private Limited.
- 5 Bombay Freezco Private Limited.
- 6 Gujarat Funworld Limited.
- 7 Rushabh Investment Private Limited.
- 8 Yogi Nagar Vasahat Private Limited.
- 9 Jolly Brothers Private Limited
- 10 Rush Ink & Consumable Private Limited
- 11 Ajmera Boifuel Limited.
- 12 Ajmera Estates (Karnataka) Private Limited
- 13 Ajmera Builder (Banglore) Pvt Ltd.
- 14 Ajmera Citi Developers Pvt. Ltd
- 15 Ajmera Realcon Pvt. Ltd.
- 16 Ajmera Realty Ventures Pvt. Ltd.
- 17 Ajmera Realty & Infra India Ltd.



## SHREE PRECOATED STEELS LIMITED

### ii. Communication to shareholders:-

- a. Shree Precoated Steels Limited recognizes communication as a key element of the overall Corporate Governance framework, and therefore emphasizes continuous, efficient, and relevant communications to all external constituents. The corporate communications and investor relation functions are accorded the highest level of importance within the Company, with active ongoing monitoring by, and involvement of, the top management.
- b. The annual, half-yearly and quarterly results are regularly posted by the Company on its website, [www.spsl.com](http://www.spsl.com). These are also submitted to The Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd (NSE) in accordance with the Listing Agreement.
- c. Your Company's quarterly, half-yearly and annual financial results are published in the Business Standard (in English) and Lakshadweep (in Marathi).
- d. Shree Precoated Steels Limited communicates corporate financial and product information, online, on its Website, [www.spsl.com](http://www.spsl.com).

### G. SHARE HOLDERS INFORMATION

#### (i) General Body Meetings:

The details of the last Annual General Meetings held is as follows:

| Period                | Date and Time of AGM                        | Venue  | No. of Special Resolutions passed |
|-----------------------|---|--|-----------------------------------|
| 17/09/2007-31/03/2008 | 26th September, 2008 at 12.30 p.m.          | "CitiMall", 3rd Floor, Andheri New Link Road, Mumbai-400 053             | 01                                |
| 01/04/2008-30/09/2009 | 30 <sup>th</sup> January, 2010 at 11.30 a.m | "CitiMall", 3 <sup>rd</sup> Floor, Andheri New Link Road, Mumbai-400 053 | 01                                |

The company was incorporated on 17th September, 2007. Since then two Annual General Meeting have been held.

#### EXTRA ORDINARY GENERAL MEETING:

The company did not hold any Extra Ordinary General Meetings during the period ended as on 31st March, 2011.

#### (ii) Disclosures:

- a. The Company has not entered into any related party transactions. No penalties / structures have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during the last two years.

#### (iii) General Information:-

1. Annual General Meeting:-
  - a. Day, Date and Time **Friday, 15th July, 2011 at 11.30 A.M.**
  - b. Venue **Activity Hall, Ground Floor, Juhu Vile Parle Gymkhana Club, N. S. Road, JVPD Scheme, Vile Parle (W), Mumbai - 400049.**
2. Financial Calendar (Tentative):-
  - a. Period Ending 31st March, 2012
  - b. Annual General Meeting On or before 30th September, 2012
  - c. Board Meeting for considering unaudited Results of the Company for the Financial Year as 31st March, 2012. Within 45 days from the end of the Financial Year
  - d. Audited Results of the Company for the Financial Year as on 31st March, 2012. Within 3 Months from the Financial Year end.
3. Book Closure Date 9th July, 2011 to 15th July, 2011 (both days inclusive)
4. Listing on Stock Exchanges The Bombay Stock Exchange Ltd. (BSE)  
National Stock Exchange of India Ltd. (NSE)  
533110
5. a. Stock Code in the Bombay Stock Exchange, Mumbai – (BSE) SHPRE  
b. Stock Code in the National Stock Exchange – (NSE)  
c. Demat in ISIN numbers in NSDL & CDSL for Equity Shares ISIN No. INE-318K01017

During the period under review, the Company has paid the Annual Listing fees payable to the Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE), in full.



**6. Market Price Data:-**

Share Price data for the period 1st October, 2009 to 31st March, 2011

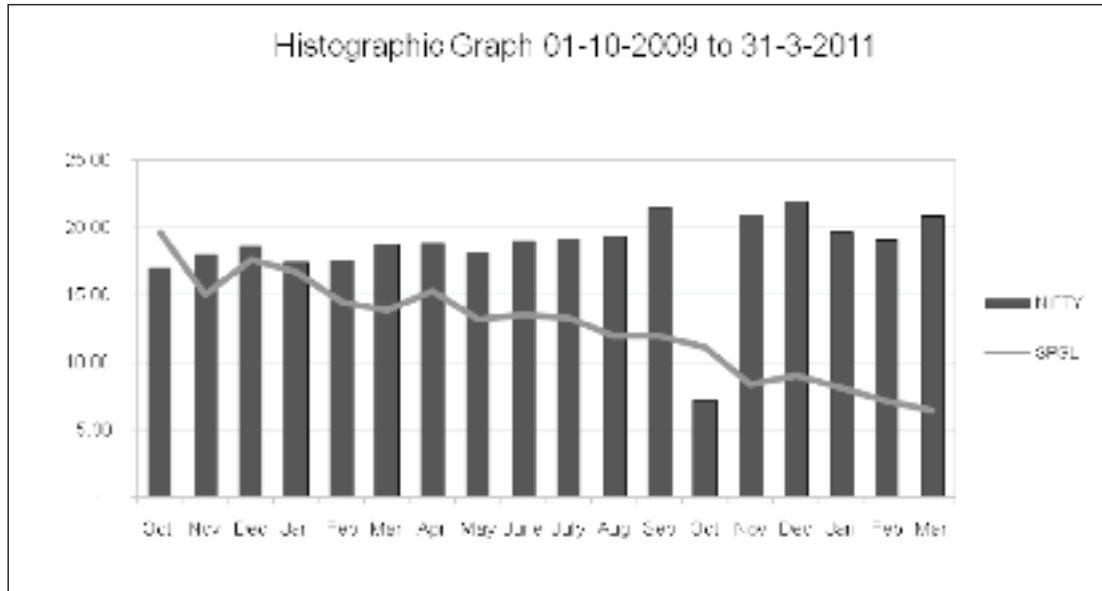
| Month        | BSE        |           |                  |                      | NSE        |           |                 |                     |
|--------------|------------|-----------|------------------|----------------------|------------|-----------|-----------------|---------------------|
|              | High Price | Low Price | SENSEX (Closing) | No. of Shares Traded | High Price | Low Price | NIFTY (Closing) | No. of Shares Trade |
| Oct, 2009    | 50.00      | 12.75     | 15,896.28        | 30892758             | 44.10      | 12.95     | 4750.55         | 21815938            |
| Nov, 2009    | 21.20      | 13.90     | 16926.22         | 10166552             | 21.55      | 13.90     | 5032.7          | 8066321             |
| Dec, 2009    | 18.4       | 14.10     | 17464.81         | 4789389              | 18.30      | 14.70     | 5201.05         | 3427443             |
| Jan, 2010    | 20.15      | 16.10     | 16357.96         | 4187193              | 19.95      | 15.80     | 4882.05         | 3142459             |
| Feb, 2010    | 17.6       | 14.10     | 16429.55         | 1953477              | 17.50      | 14.00     | 4922.3          | 914994              |
| March, 2010  | 16.90      | 13.25     | 17527.77         | 1709684              | 16.00      | 13.40     | 5249.1          | 1072366             |
| April, 2010  | 18.40      | 13.75     | 17558.71         | 3064828              | 18.30      | 13.90     | 5278            | 1554889             |
| May, 2010    | 15.95      | 13.05     | 16944.63         | 921598               | 17.50      | 13.05     | 5086.3          | 501455              |
| June, 2010   | 15.00      | 12.90     | 17700.90         | 682070               | 14.75      | 12.50     | 5312.5          | 306683              |
| July, 2010   | 14.90      | 13.01     | 17868.29         | 676276               | 15.00      | 12.90     | 5367.6          | 409481              |
| August, 2010 | 13.82      | 11.60     | 17971.12         | 662431               | 14.50      | 11.70     | 5402.4          | 395912              |
| Sept, 2010   | 13.90      | 11.72     | 20069.12         | 789893               | 13.95      | 11.10     | 6029.95         | 657983              |
| Oct, 2010    | 12.70      | 10.30     | 20032.34         | 663228               | 12.75      | 11.00     | 2017.7          | 365669              |
| Nov, 2010    | 11.60      | 8.01      | 19521.25         | 504472               | 11.50      | 7.60      | 5862.7          | 340731              |
| Dec, 2010    | 9.49       | 7.02      | 20509.09         | 465396               | 9.60       | 6.65      | 6134.5          | 301029              |
| Jan, 2011    | 9.75       | 7.30      | 18327.76         | 262413               | 10.00      | 7.45      | 5505.9          | 295592              |
| Feb, 2011    | 8.43       | 6.65      | 17823.40         | 364860               | 8.25       | 6.00      | 5333.25         | 269484              |
| March, 2011  | 7.90       | 5.65      | 19445.22         | 363326               | 7.75       | 5.40      | 5833.75         | 177987              |



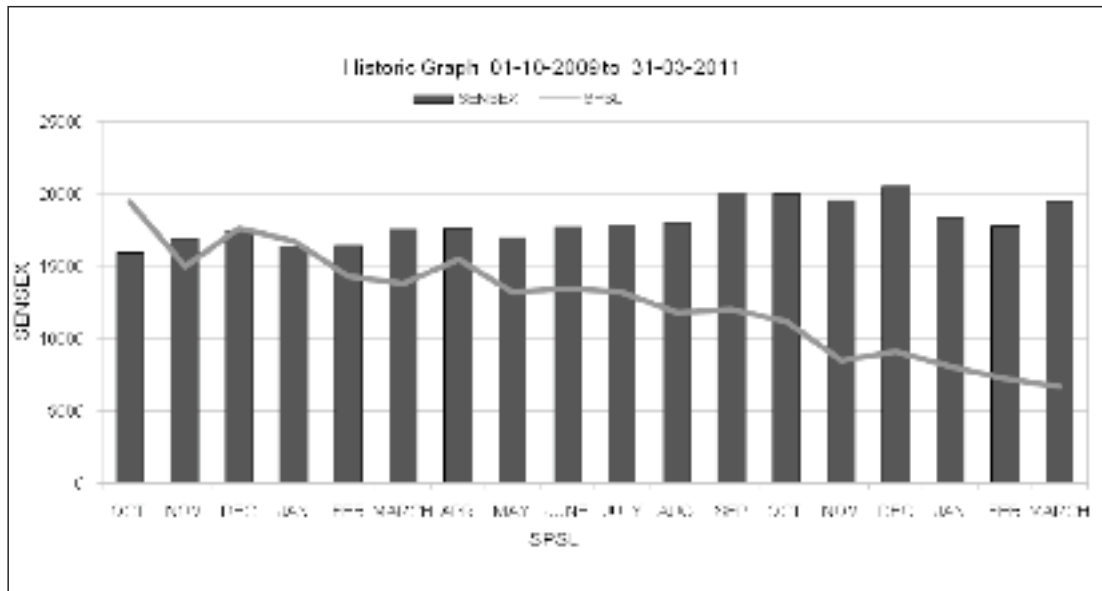
# SHREE PRECOATED STEELS LIMITED

Stock Price Performance of the Shares of the Company vis-a-vis major indices

## A. SHARE PRICE vs. NIFTY



## B. SHARE PRICE vs. SENSEX





**7. Registrar & Transfer Agent:-  
Registered Office:-**

**Sharex Dynamics (India) Pvt. Limited**  
Unit 1, Luthra Industrial Premises,  
Safed Pool, Andheri Kurla Road,  
Andheri (E), Mumbai 400 072  
Tel: 9122 2851 5606  
9122 2851 5644  
Fax: 9122 2851 2885  
Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)  
Website: [www.sharexindia.com](http://www.sharexindia.com)

**8. Share transfer system:-**

- a. To expedite the share transfer process in the physical segment, authority has been delegated to the Shareholder's / Investor's Grievance Committee. The Committee looks into redressal of investors' grievances pertaining to share transfers and other related matters concerning the Shareholders / investors.
- b. The Company is affecting the share transfer and returning the same within 21 days from the date of receipt, provided the documents are valid and complete in all respects. The Investor's Grievance Committee approves in their Meeting and sends to Registrar and Share Transfer Agent who will proceed to dispatch the share certificates, duly endorsed in favor of the purchaser / transferee.
- c. Total number of Shares transferred in physical category during 2009 –11 were 11782. Total number of Shares transferred to Demat category during 2009 – 11 were 26365

In CDSL 16317  
In NSDL 10048

**9. Distribution of shareholdings:-**

**Table 2: Distribution of shareholdings according to size class as on 31st March, 2011:-**

| No. of Shares     | Number of shareholders |               | Shares held in each class |               |
|-------------------|------------------------|---------------|---------------------------|---------------|
|                   | Number                 | %             | Number                    | %             |
| Up to 100         | 37167                  | 76.92         | 755970                    | .91           |
| 101 to 200        | 3111                   | 6.4           | 447969                    | 1.58          |
| 201 to 500        | 3602                   | 7.45          | 1308088                   | 1.58          |
| 501 to 1,000      | 2022                   | 4.18          | 1647991                   | 1.99          |
| 1,001 to 5,000    | 1884                   | 3.90          | 4244066                   | 5.13          |
| 5,001 to 10,000   | 243                    | .50           | 1739701                   | 2.10          |
| 10,001 to 100,000 | 220                    | .46           | 5439247                   | 6.57          |
| 100,001 to above  | 70                     | .14           | 67185288                  | 81.14         |
| <b>Total</b>      | <b>48319</b>           | <b>100.00</b> | <b>82798042</b>           | <b>100.00</b> |

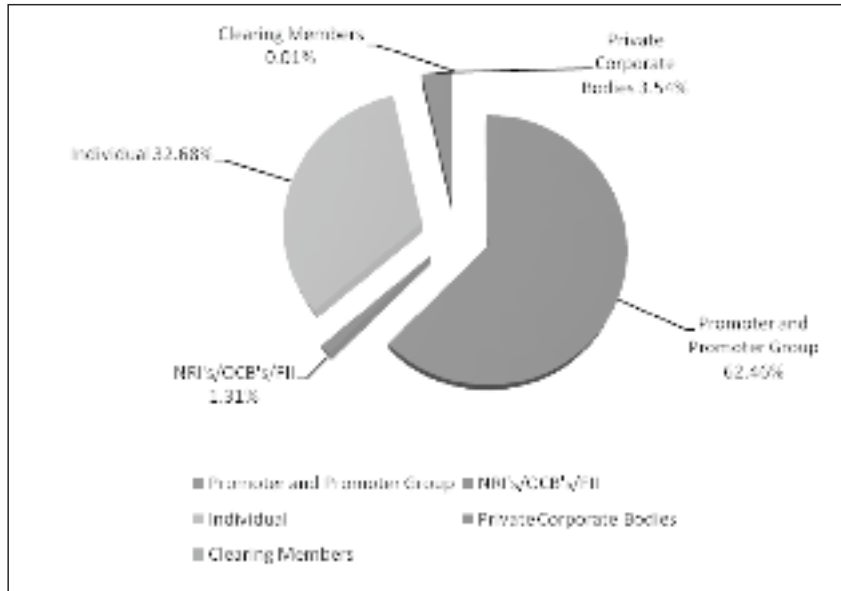
**Table 3: Distribution of shareholdings across categories as on 31st March, 2011:-**

| Sr. No | Category                    | Percentage-% |
|--------|-----------------------------|--------------|
| 1.     | Promoter and Promoter Group | 62.46        |
| 2.     | NRI's/OCB's/FII's           | 1.31         |
| 3.     | Individual                  | 32.68        |
| 4.     | Private Corporate Bodies    | 3.54         |
| 5.     | Clearing Members            | 0.01         |



## SHREE PRECOATED STEELS LIMITED

SHAREHOLDING PATTERN AS ON 31st March, 2011:-



**10. Dematerialization of shares:-**

- As on 31<sup>st</sup> March, 2011, 82511825 (99.654 % of the total number of Shares) are in dematerialized form.
- As on 31<sup>st</sup> March, 2011, the Company's Shares are traded under 'B' Category in the Bombay Stock Exchange (BSE).

**11. Outstanding GDR's / ADR's / Warrants or any convertible instruments, conversions date and likely impact on Equity.**

:- The Company has not issued GDR's / ADR's / Warrants or any convertible instruments so far.

**13. Address for correspondence for Investors**

:- **Ms. Harshini D. Ajmera**  
**Assistant Company Secretary**  
**Shree Precoated Steels Limited.**  
Rehman Building, 2nd Floor, Mezzanine,  
24, Veer Nariman Road, Fort,  
Mumbai - 400 001.

Tel.: 91-22-22841777  
Fax: 91-22-26325902  
e-mail: [investors.spsl@ajmera.com](mailto:investors.spsl@ajmera.com)  
Internet: [www.spsl.com](http://www.spsl.com)

**14. Investor Grievances**

:- The company has designated an exclusive e-mail id viz. [investors.spsl@ajmera.com](mailto:investors.spsl@ajmera.com) to enable the investors to register their grievances.



## Chief Executive Officer (CEO) Certification

CEO Certification

I, Rajnikant S. Ajmera, Managing Director of Shree Precoated Steels Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the balance sheet and profit and loss account and all its schedules and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of, the company's affairs, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of my knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct;
5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the company, and I have:
  - a) Designed such disclosure controls and procedures to ensure that material information relating to the company is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the company's disclosure, controls and procedures; and
  - d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.
6. I have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors (and persons performing the equivalent functions)
  - a) all deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data, and have identified for the company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
  - b) significant changes in internal controls during the year covered by this report;
  - c) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements and
  - d) Instances of significant fraud of which I am aware, that involves management or other employees who have a significant role in the company's internal controls system.
7. In the event of any materially significant misstatements or omissions, we will return to the company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors, as decided by the audit committee;
8. I affirm that we have not denied any personnel, access to the audit committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices.

Place: Mumbai  
Date : 25<sup>th</sup> April, 2011

Sd/-  
Rajnikant S. Ajmera  
Managing Director



## SHREE PRECOATED STEELS LIMITED

### AUDITOR'S CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

*Auditor's Certificate on Corporate Governance*

**The Members,  
Shree Precoated Steels Limited  
Mumbai.**

We have examined the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with The Stock Exchange, Mumbai (BSE) and National Stock Exchange (NSE) for the period ended 31st March 2011.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. The objective of our examination is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the Company with BSE and NSE. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company. Based on such examination, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of BSE and NSE.

We state that there are no investor's grievances pending against the Company for the period exceeding one month as at 31st March, 2011 as per the records maintained by the Shareholders/Investors Grievance Committee.

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

**For and on behalf of  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 107488W**

**Place : Mumbai  
Dated : 25th April, 2011**

**RASESH V. PAREKH - PARTNER  
Membership No. 38615**



## AUDITOR'S REPORT

The Members,  
Shree Precoated Steels Limited  
Mumbai.

1. We have audited the attached Balance Sheet of Shree Precoated Steels Limited as at 31st March 2011, the Profit & Loss Account and also the Cash Flow Statement for the 18 months period ended on that date annexed thereto. 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.
  - c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the attached Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in Sub - Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of the written representations received from the directors except nominee Director and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011 from being appointed as a director in terms of Section 274 (1) (g) of the Act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read with other notes thereon give the information required by the Act, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
    - ii. In the case of Profit and Loss Account of the Loss of the Company for the 18 months period ended on that date; and
    - iii. In the case of the Cash Flow Statement of the cash flows for the period ended on that date.
2. We have 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 are free of material misstatement. 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 the 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 Section (4A) of Section 227 of the Companies Act, 1956 of India (the "Act"), we enclose in the Annexure a statement of the matters specified in paragraph 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 and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of account.

**For and on behalf of**  
**V. PAREKH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Reg. No. 107488W**

**Place : Mumbai**  
**Dated : 25th April, 2011**

**RASESH V. PAREKH - PARTNER**  
**Membership No. 38615**



## SHREE PRECOATED STEELS LIMITED

### ANNEXURE REFERRED TO IN PARA 3 OF OUR REPORT OF EVEN DATE

- i. In respect of its Fixed Assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. The fixed assets have been physically verified by the Management at reasonable intervals. No material discrepancies were noticed during the course of such verification.
  - c. The transfer of Fixed Assets on account of sale of Steel Business has not affected as going concern.
- ii. In respect of its inventories:
  - a. The physical verification of inventories has been conducted at reasonable intervals by the Management.
  - b. In our opinion and according to the explanations given to us, the procedures for physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. In our opinion and according to the explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were observed during the course of physical verification.
- iii.
  - a. The Company has not granted any loans to any entity covered in the register maintained under Section 301 of the Act.
  - b. The Company has taken interest free unsecured loans from four promoters companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the period was Rs. 9006.73 lacs and period end balance of the loans taken from such companies was Rs. 5692.14 lacs. The loans from promoters are taken as per the stipulation of the lending institution and banks.
  - c. In our opinion and according to the information and explanations given to us, the terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
  - d. There are no stipulations as to the repayment of the loans taken as the same are repayable on demand on fulfilling of requirement of lending institutions and banks.
- iv. In our opinion, and according to the explanations given to us, the Company has adequate internal control systems commensurate with the size of the Company with regard to the purchase of inventory, fixed assets and sale of goods. During the course of our audit no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the Company to correct major weakness in internal control system.
- v.
  - a. Based on the audit procedures applied by us and according to the information and explanations provided to us by the Management, we are of the opinion that the particulars of the contract or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
  - b. According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Act have been made at prices which are reasonable having regard to prevailing market prices at relevant time.
- vi. In our opinion and according to the explanations given to us the Company has not accepted any deposits within the meaning of Section 58A and Section 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Act in respect of activities of the Company. We have broadly reviewed the accounts and records have been made and maintained. We have not, made a detailed examination of the same.
- ix.
  - a. According to the information and explanations given to us the Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, investor education fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues to the extent applicable to it.
  - b. In respect of Contingent dues on account of Sales tax, Service tax and Custom duty dues disputed by the Company including liability of the unit vested in to the company pursuant to Demerger and not being paid vis-à-vis forums where such disputes are pending are mentioned below:





| Name of Statute | Nature of Dues                            | Amount<br>(Rs. in Lacs) | Period to<br>which amount<br>relates | Forum where pending                 |
|-----------------|---|-------------------------|--------------------------------------|-------------------------------------|
| Service Tax     | GTA of Services                           | 22.85                   | 2005 -06                             | Appeal has been filed in<br>CESTAT. |
| Service Tax     | Cenvat credit on Service Tax              | 95.84                   | 2006-07 &<br>2007-08                 | Appeal has been filed in<br>CESTAT. |
| Service Tax     | Service Tax on export<br>sales commission | 47.38                   | 2004-05 &<br>2005-06                 | Commissioner of service<br>Tax      |
| Custom Act      | Fine<br>Penalty                           | 15.00<br>5.00           | 2006-07                              | Appeal has been filed in<br>CESTAT. |

- x. As the company is registered for a period less than five years, hence the clauses related to accumulated losses and cash loss incurred are not applicable.
- xi. In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Society. Therefore, the provisions of clause are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of the clause are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks and institutions
- xvi. Based on the information and explanations given to us by the Management, no term Loans obtained during the period.
- xvii. According to the information and explanation given to us and on 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.
- xviii. The Company has not made any preferential allotment of shares to any of the entities/ persons covered in the register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures during the period, which required creation of security or charge.
- xx. The company has not raised any money by public issue during the period ended.
- xxi. Based on the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the period ended.

**For and on behalf of**  
**V. PAREKH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Reg. No. 107488W**

**Place : Mumbai**  
**Dated : 25th April, 2011**

**RASESH V. PAREKH - PARTNER**  
**Membership No. 38615**



# SHREE PRECOATED STEELS LIMITED

## Balance Sheet as at 31st March 2011

(Rs. in Lacs)

Balance Sheet

|  | Schedule | As at 31st March 2011 | As at 30th September 2009 |
|--|----------|-----------------------|---------------------------|
| <b>SOURCES OF FUNDS</b>                                  |          |                       |                           |
| <b>Shareholders' Funds</b>                               |          |                       |                           |
| Share Capital  | 1        | 8,279.80              | 8,279.80                  |
| Reserves and Surplus                                     | 2        | 6,333.51              | 22,028.46                 |
|  |          | 14,613.31             | 30,308.26                 |
| <b>Loan Funds</b>  |          |                       |                           |
| Secured Loans  | 3        | -                     | 46,964.00                 |
| Unsecured Loans  | 4        | 5,692.14              | 12,416.53                 |
|  |          | 5,692.14              | 59,380.53                 |
| Deferred Tax (Asset)<br>(Refer Note 12 of Schedule 17)   |          | -                     | (2,339.32)                |
| <b>TOTAL FUNDS EMPLOYED</b>                              |          | <b>20,305.45</b>      | <b>87,349.47</b>          |
| <b>APPLICATION OF FUNDS</b>                              |          |                       |                           |
| <b>Fixed Assets</b>                                      |          |                       |                           |
| Gross Block  | 5        | 197.76                | 86,356.05                 |
| Less :- Depreciation                                     |          | 107.32                | 24,827.28                 |
| Net Block  |          | 90.44                 | 61,528.77                 |
| Capital Work - in - Progress                             |          | -                     | 1,204.55                  |
|  |          | 90.44                 | 62,733.32                 |
| <b>Current Assets, Loans &amp; Advances</b>              |          |                       |                           |
| Inventories  | 6        | -                     | 36,615.61                 |
| Sundry Debtors   | 7        | 205.62                | 22,134.44                 |
| Cash and Bank Balances                                   | 8        | 257.74                | 6,911.75                  |
| Loans and Advances                                       | 9        | 2,621.22              | 10,193.91                 |
|  |          | 3,084.58              | 75,855.70                 |
| <b>Less : Current Liabilities &amp; Provisions</b>       |          |                       |                           |
| Current Liabilities                                      | 10       | 798.64                | 66,312.23                 |
| Provisions   | 11       | 1.33                  | 246.12                    |
|  |          | 799.97                | 66,558.35                 |
| Net Current Assets                                       |          | 2,284.61              | 9,297.35                  |
| <b>Debit Balance of Profit &amp; Loss Account</b>        |          | 17,930.40             | 15,318.80                 |
| <b>TOTAL FUNDS APPLIED</b>                               |          | <b>20,305.45</b>      | <b>87,349.47</b>          |
| Significant Accounting Policies and<br>Notes to Accounts | 17       |                       |                           |

As per our Audit Report of even date  
For and on behalf of  
**V. PAREKH & ASSOCIATES**  
Chartered Accountants  
Firm Registration NO. : 107488W

**RASESH V. PAREKH** PARTNER  
Membership No. 38615

Place : Mumbai  
Dated : 25th April, 2011

For and on behalf of Board  
**CHHOTALAL S. AJMERA** - CHAIRMAN & MANAGING DIRECTOR

**RAJNIKANT S. AJMERA** - MANAGING DIRECTOR

**HARSHINI D. AJMERA** - ASST. COMPANY SECRETARY

Place : Mumbai  
Dated : 25th April, 2011



Profit & Loss Account for  
the Eighteen Months period ended 31st March 2011

(Rs. in Lacs)

|   | Schedule | 18 Months period ended<br>31st March 2011 |                  | 18 Months period ended<br>30th September 2009 |                   |
|---|----------|---|------------------|---|-------------------|
| <b>INCOME</b>   |          |   |                  |   |                   |
| Sales   |          | 15,625.01                                 |                  | 231,162.44                                    |                   |
| Less: Excise Duty   |          | 957.16                                    |                  | 15,065.80                                     |                   |
|   |          |   | 14,667.85        |   | 216,096.64        |
| Other Income  | 12       |   | 110.77           |   | 1,563.83          |
| Increase/(Decrease) in Inventories  | 13       |   | 192.39           |   | (6,772.15)        |
| <b>TOTAL</b>  |          |   | <b>14,971.01</b> |   | <b>210,888.32</b> |
| <b>EXPENDITURE</b>  |          |   |                  |   |                   |
| Material Consumed   |          |   | 11,722.26        |   | 166,219.27        |
| Personnel Expenses  | 14       |   | 247.81           |   | 3,548.90          |
| Manufacturing and Other Expenses  | 15       |   | 2,283.25         |   | 37,334.51         |
| Interest  | 16       |   | 578.35           |   | 14,432.76         |
| Excise Duty on Stock of Finished goods<br>(net of opening provision considered<br>as per Demerger scheme) |          |   | -                |   | 1,334.79          |
| Depreciation  |          |   | 422.58           |   | 5,626.94          |
| <b>TOTAL</b>  |          |   | <b>15,254.25</b> |   | <b>228,497.17</b> |
| <b>Loss for the Period</b>  |          |   | <b>283.24</b>    |   | <b>17,608.85</b>  |
| Extra Ordinary Losses<br>(Refer Note No. 6 of Schedule 17)  |          | 15694.95                                  |                  | -   |                   |
| Less: Transferred from General<br>Reserve(Refer Note No.6 of Schedule 17)                                 |          | 15694.95                                  | -                | *   | -                 |
| <b>Loss for the Period before Tax</b>   |          |   | <b>283.24</b>    |   | <b>17,608.85</b>  |
| <b>Provision for Taxation</b><br>For the Current Period:  |          |   |                  |   |                   |
| - Fringe Benefit Tax  |          | (11.53)                                   |                  | 46.60   |                   |
| - Wealth Tax  |          | 0.57                                      |                  | 2.67  |                   |
|   |          |   | (10.96)          |   | 49.27             |
| <b>Loss after Tax (Before Deferred Tax)</b>   |          |   | <b>272.28</b>    |   | <b>17,658.12</b>  |
| Deferred Tax Assets written back(Refer Note 12 of<br>Schedule 17)   |          |   | 2,339.32         |   | (2,339.32)        |
| <b>Loss After Deferred Tax Assets</b>   |          |   | <b>2,611.60</b>  |   | <b>15,318.80</b>  |
| Debit Balance Brought Forward   |          |   | 15,318.80        |   | -                 |
| <b>Debit Balance carried to Balance Sheet</b>   |          |   | <b>17,930.40</b> |   | <b>15,318.80</b>  |
| <b>Earning per share :</b><br>(Refer Note 18 of Schedule 17)  |          |   |                  |   |                   |
| Basic & Diluted Earnings per share  |          |   | (3.15)           |   | (18.50)           |
| <b>Significant Accounting Policies and<br/>Notes to Accounts</b>  | 17       |   |                  |   |                   |

Profit &amp; Loss Account

As per our Audit Report of even date  
For and on behalf of  
**V. PAREKH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. : 107488W

**RASESH V. PAREKH** PARTNER  
Membership No. 38615

Place : Mumbai  
Dated : 25th April, 2011

For and on behalf of Board  
**CHHOTALAL S. AJMERA** - CHAIRMAN & MANAGING DIRECTOR

**RAJNIKANT S. AJMERA** - MANAGING DIRECTOR

**HARSHINI D. AJMERA** - ASST. COMPANY SECRETARY

Place : Mumbai  
Dated : 25th April, 2011



# SHREE PRECOATED STEELS LIMITED

## Cash Flow Statement for the Eighteen Months period ended 31st March 2011

(Rs. in Lacs)

Cash Flow Statement

|  | 18 months period ended<br>31st March 2011 | 18 months period ended<br>30th September 2009 |
|--|---|---|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>  |   |   |
| Net Loss for the Period before Taxes and adjustments                                       | (283.24)                                  | (17,608.85)                                   |
| Adjustment for :   |   |   |
| Depreciation   | 422.58                                    | 5,737.45                                      |
| Interest (Net)   | 578.35                                    | 14,432.76                                     |
| Loss (Net) from Sale of Fixed Assets   | 13.36                                     | 20.15   |
| Extra Ordinary Loss  | (15,694.95)                               | -   |
| <b>Operating Profit before Working Capital Changes</b>                                     | <b>(14,963.90)</b>                        | <b>2,581.50</b>                               |
| Adjustment for :   |   |   |
| Trade and Other Receivables  | 29,501.50                                 | 1,040.35                                      |
| Inventories  | 36,615.61                                 | 2,289.54                                      |
| Trade Payable  | (65,758.38)                               | 24,595.43                                     |
| <b>Cash Generated from Operations</b>  | <b>(14,605.16)</b>                        | <b>30,506.82</b>                              |
| Interest (Net) Paid  | (578.35)                                  | (14,432.76)                                   |
| Taxes Paid   | 10.96                                     | (49.27)                                       |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>   | <b>(15,172.55)</b>                        | <b>16,024.79</b>                              |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>  |   |   |
| Increase in Fixed Assets (Including Capital Work-in-Progress)                              | -   | (15,730.15)                                   |
| Sale of Fixed Assets   | 62,206.94                                 | 1,686.69                                      |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>   | <b>62,206.94</b>                          | <b>(14,043.46)</b>                            |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>  |   |   |
| Proceeds From Long Term Borrowings   | (46,964.00)                               | 3,165.74                                      |
| Proceeds From Short Term Borrowings  | -   | 11,854.08                                     |
| Proceeds From Unsecured Loans  | (6,724.39)                                | (15,216.42)                                   |
| <b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>   | <b>(53,688.39)</b>                        | <b>(196.60)</b>                               |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS(A+B+C)</b>                       | <b>(6,654.00)</b>                         | <b>1,784.73</b>                               |
| 1) OPENING BALANCE OF CASH AND CASH EQUIVALENTS OF THE PERIOD (AS PER THE DEMERGER SCHEME) | 6,911.75                                  | 5,127.01                                      |
| 2) CLOSING BALANCE OF CASH AND CASH EQUIVALENTS OF THE PERIOD                              | 257.74                                    | 6,911.75                                      |

As per our Audit Report of even date  
For and on behalf of  
**V. PAREKH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. : 107488W

**RASESH V. PAREKH** PARTNER  
Membership No. 38615

Place : Mumbai  
Dated : 25th April, 2011

For and on behalf of Board  
**CHHOTALAL S. AJMERA** - CHAIRMAN & MANAGING DIRECTOR

**RAJNIKANT S. AJMERA** - MANAGING DIRECTOR

**HARSHINI D. AJMERA** - ASST. COMPANY SECRETARY

Place : Mumbai  
Dated : 25th April, 2011



## Schedules forming part of Balance Sheet as at 31st March 2011

(Rs. in Lacs)

|   | As at 31st March 2011 | As at 30th September 2009 |
|---|-----------------------|---------------------------|
| <b>SCHEDULE - 1 : SHARE CAPITAL.</b>  |                       |                           |
| <b>AUTHORISED</b>   |                       |                           |
| 8,50,00,000 Equity Shares of Rs. 10/- each.   | 8,500.00              | 8,500.00                  |
|   | <b>8,500.00</b>       | <b>8,500.00</b>           |
| <b>Issued, Subscribed &amp; Paid Up Capital</b>   |                       |                           |
| 8,27,98,042 Equity Shares of Rs. 10/- each fully paid-up<br>(Refer Note 4 ( c ) of Schedule 17) | 8,279.80              | 8,279.80                  |
|   | <b>8,279.80</b>       | <b>8,279.80</b>           |
| <b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>  |                       |                           |
| Capital Reserve (As per Demerger Scheme)<br>(See Note No.5 of Schedule 17)                      | 30.00                 | 30.00                     |
| General Reserve Account (As per Demerger<br>Scheme) (see note no 5 of schedule 17)              | 21,998.46             | 21,998.46                 |
| <b>Less: Transferred to Profit &amp; Loss a/c :</b>   |                       |                           |
| Extra Ordinary Loss<br>(Refer Note No. 6 of Schedule 17 )                                       | 15,694.95             | -                         |
|   | <b>6,333.51</b>       | <b>22,028.46</b>          |
| <b>SCHEDULE - 3 : SECURED LOANS</b>   |                       |                           |
| (Refer Note 8 of Schedule 17)   |                       |                           |
| <b>Term Loans</b>   |                       |                           |
| Industrial Development Bank of India Limited  | -                     | 5,406.40                  |
| Allahabad Bank  | -                     | 1,999.05                  |
| State Bank of India   | -                     | 755.93                    |
| State Bank of Indore  | -                     | 414.79                    |
| State Bank of Patiala   | -                     | 416.06                    |
| EXIM Bank   | -                     | 3,150.00                  |
| Dena Bank   | -                     | 2,850.00                  |
| Yes Bank Limited  | -                     | 1,111.11                  |
|   | -                     | 16,103.34                 |
| Working Capital from Banks  | -                     | 30,859.81                 |
| Hire Purchase Loan  | -                     | 0.85                      |
|   | -                     | <b>46,964.00</b>          |
| <b>SCHEDULE - 4 : UNSECURED LOANS</b>   |                       |                           |
| From Promoters  | 5,692.14              | 9,006.73                  |
| Sales Tax Deferment Loan<br>(Refer Note No. 9 of Schedule 17)                                   | -                     | 3,409.80                  |
|   | <b>5,692.14</b>       | <b>12,416.53</b>          |

Schedules



Schedules forming part of Balance Sheet as at 31st March 2011

(Rs. in Lacs)

| PARTICULARS            | GROSS BLOCK         |                             |                              |                             | DEPRECIATION      |                     |                   |                              | NET BLOCK                   |                   |                             |                   |
|------------------------|---------------------|-----------------------------|------------------------------|-----------------------------|-------------------|---------------------|-------------------|------------------------------|-----------------------------|-------------------|-----------------------------|-------------------|
|                        | As on 1st Oct, 2009 | Additions during the period | Deductions during the period | Transferred as per BTA(***) | As on 31 Mar 2011 | As on 1st Oct, 2009 | During the period | Deductions during the period | Transferred as per BTA(***) | As on 31 Mar 2011 | Transferred as per BTA(***) | As on 30 Sep 2009 |
| Land                   | 123.35              | -                           | -                            | 119.90                      | 3.45              | -                   | -                 | -                            | 119.90                      | 3.45              | 119.90                      | 123.35            |
| Building               | 4411.59             | -                           | -                            | 4352.24                     | 59.35             | 13.97               | -                 | 1049.39                      | 3,302.85                    | 52.44             | 3,302.85                    | 3369.26           |
| Plant and Machinery    | 80655.42            | -                           | -                            | 80655.42                    | -                 | 375.25              | -                 | 23638.88                     | 57,016.54                   | -                 | 57,016.54                   | 57391.79          |
| Vehicles               | 410.39              | -                           | 49.05                        | 226.38                      | 134.96            | 25.86               | 23.39             | 63.42                        | 162.96                      | 34.55             | 162.96                      | 249.03            |
| Furniture and Fixtures | 184.18              | -                           | 69.98                        | 114.20                      | -                 | 2.25                | 35.56             | 48.10                        | 66.10                       | -                 | 66.10                       | 102.77            |
| Office Equipment       | 201.68              | -                           | 5.10                         | 196.58                      | -                 | 0.77                | 3.65              | 68.88                        | 127.70                      | -                 | 127.70                      | 129.92            |
| Computers              | 369.44              | -                           | 16.93                        | 352.51                      | -                 | 4.48                | 12.80             | 198.47                       | 154.04                      | -                 | 154.04                      | 162.65            |
| <b>Total (A)</b>       | <b>86356.05</b>     | <b>-</b>                    | <b>141.06</b>                | <b>86017.23</b>             | <b>197.76</b>     | <b>422.58</b>       | <b>75.40</b>      | <b>25067.14</b>              | <b>60950.09</b>             | <b>90.44</b>      | <b>60950.09</b>             | <b>61528.77</b>   |
| CWIP(B)                | 1204.55             | 19.15                       | 6.25                         | 1217.45                     | -                 | -                   | -                 | -                            | 1,217.45                    | -                 | 1,217.45                    | 1204.55           |
| <b>Total (A+B)</b>     | <b>87560.60</b>     | <b>19.15</b>                | <b>147.31</b>                | <b>87234.68</b>             | <b>197.76</b>     | <b>422.58</b>       | <b>75.40</b>      | <b>25067.14</b>              | <b>62167.54</b>             | <b>90.44</b>      | <b>62167.54</b>             | <b>62733.32</b>   |
| Previous Period        | 60557.57            | 27485.17                    | 1686.69                      | 86356.05                    | 20842.63          | 5626.94             | 1642.29           | 24827.28                     | 61528.77                    | 39714.94          | 61528.77                    | 39714.94          |

Note : (\*\*\*) Refer Note No. 6 of Schedule 17)



## Schedules forming part of Balance Sheet as at 31st March 2011

(Rs. in Lacs)

|   | As at 31st March 2011 | As at 30th September 2009 |
|---|-----------------------|---------------------------|
| <b>SCHEDULE - 6 : INVENTORIES</b>                                       |                       |                           |
| (At cost or market value whichever is lower as certified by Management) |                       |                           |
| Raw Material  | -                     | 21,459.03                 |
| Semi-Finished and Finished Goods (including Stock-in-transit)           | -                     | 11,794.65                 |
| Stores and Spares and Others  | -                     | 3,361.93                  |
|   | -                     | <b>36,615.61</b>          |
| Stock-in-transit  |                       |                           |
| Finished Goods  | -                     | 2,589.16                  |
| <b>SCHEDULE - 7 : SUNDRY DEBTORS</b>                                    |                       |                           |
| (Unsecured)   |                       |                           |
| Outstanding for more than Six months :                                  |                       |                           |
| Considered Doubtful   | -                     | 188.63                    |
| Others Considered Good  | 283.74                | 228.89                    |
|   | 283.74                | 417.52                    |
| Less : Provision for Doubtful Debts                                     | 78.12                 | 188.63                    |
|   | 205.62                | 228.89                    |
| Others Considered Good  | -                     | 21,905.54                 |
|   | <b>205.62</b>         | <b>22,134.44</b>          |
| <b>SCHEDULE - 8 : CASH &amp; BANK BALANCES</b>                          |                       |                           |
| Cash on hand  | 1.60                  | 18.75                     |
| Balances at Bank (with Scheduled Banks)                                 |                       |                           |
| In Current Accounts/Cash Credit Accounts                                | 256.14                | 128.43                    |
| In Fixed Deposits   | -                     | 6,764.57                  |
| (as Margin Money against Letters of Credits, Bank Guarantees)           | 256.14                | 6,893.00                  |
|   | <b>257.74</b>         | <b>6,911.75</b>           |
| <b>SCHEDULE - 9 : LOANS &amp; ADVANCES</b>                              |                       |                           |
| (Unsecured and considered good)   |                       |                           |
| Advances Recoverable in Cash or in Kind or for the Value to be Received | 2,250.64              | 6,940.40                  |
| Deposits  | 0.06                  | 11.72                     |
| Advances to Suppliers   | 241.52                | 673.95                    |
| Less: Provision for Doubtful Advances                                   | 65.12                 | 65.12                     |
|   | 176.40                | 608.82                    |
| Balance with Central Excise   | -                     | 2,224.97                  |
| Interest Receivable   | -                     | 247.61                    |
| Advance Payment of Tax  | 194.12                | 160.39                    |
|   | <b>2,621.22</b>       | <b>10,193.91</b>          |

Schedules



# SHREE PRECOATED STEELS LIMITED

## Schedules forming part of Balance Sheet as at 31st March 2011

(Rs. in Lacs)

Schedules

|  | As at 31st March 2011 | As at 30th September 2009 |
|--|-----------------------|---------------------------|
| <b>SCHEDULE - 10 : CURRENT LIABILITIES</b> |                       |                           |
| Sundry Creditors:                          |                       |                           |
| for Raw Materials                          | -                     | 61,225.36                 |
| for Capital Goods                          | -                     | 348.18                    |
| for Expenses & Others                      | 117.90                | 1,562.30                  |
|  | 117.90                | -                         |
| Advances Received from Customers           | 256.27                | 858.07                    |
| Dealer's Deposits                          | -                     | 1.50                      |
| Other Liabilities                          | 424.47                | 2,316.82                  |
|  | <b>798.64</b>         | <b>66,312.23</b>          |
| <b>SCHEDULE - 11 : PROVISIONS</b>          |                       |                           |
| Provision for Retiring Gratuities          | 0.25                  | 191.94                    |
| Provision for Leave Encashment             | 0.51                  | 53.21                     |
| Provision for Wealth Tax                   | 0.57                  | 0.97                      |
|  | <b>1.33</b>           | <b>246.12</b>             |





**Schedules forming part of Profit & Loss Account  
for the Eighteen Months period ended 31st March 2011**

(Rs. in Lacs)

|   | 18 months period ended<br>31st March 2011 | 18 months period ended<br>30th September 2009 |
|---|---|---|
| <b>SCHEDULE - 12 : <u>OTHER INCOME</u></b>                                    |   |   |
| Miscellaneous Income  | 89.13                                     | 1,419.10                                      |
| Rent Received   | 20.07                                     | -   |
| Insurance Claim Received  | 1.57                                      | 144.73  |
|   | <b>110.77</b>                             | <b>1,563.83</b>                               |
| <b>SCHEDULE - 13 :</b>  |   |   |
| <b><u>INCREASE/ (DECREASE) IN INVENTORIES</u></b>                             |   |   |
| Finished Goods  |   |   |
| Closing Stock (as on sale of undertaking)                                     | 11,987.04                                 | 11,794.65                                     |
| Less: Opening Stock (Pursuant to Demerger,<br>refer Note No.4 of Schedule 17) | 11,794.65                                 | 18,566.79                                     |
| Increase/ (Decrease) in Inventories at the<br>time of Sale of undertaking     | <b>192.39</b>                             | <b>(6,772.15)</b>                             |
| <b>SCHEDULE - 14 : <u>PERSONNEL EXPENSES</u></b>                              |   |   |
| Salaries, Wages and Bonus   | 232.99                                    | 3,260.32                                      |
| Contribution to Provident Fund and Other Funds                                | 4.67                                      | 151.95  |
| Welfare Expenses  | 10.15                                     | 136.63  |
|   | <b>247.81</b>                             | <b>3,548.90</b>                               |

Schedules



# SHREE PRECOATED STEELS LIMITED

## Schedules forming part of Profit & Loss Account for the Eighteen Months period ended 31st March 2011

(Rs. in Lacs)

Schedules

|   | 18 months period ended<br>31st March 2011 | 18 months period ended<br>30th September 2009 |
|---|---|---|
| <b>SCHEDULE - 15 :</b>                                |   |   |
| <b><u>MANUFACTURING &amp; OTHER EXPENSES</u></b>      |   |   |
| Stores and Spares                                     | 281.88                                    | 1,535.27                                      |
| Power, Fuel and Water Charges                         | 917.28                                    | 12,400.10                                     |
| Rates and Taxes                                       | 5.15                                      | 85.00   |
| Insurance   | 18.38                                     | 426.38  |
| Rent  | 18.52                                     | 192.10  |
| Traveling and Conveyance                              | 23.63                                     | 433.52  |
| <b>Repairs and Maintenance :</b>                      |   |   |
| Machinery   | 17.80                                     | 178.21  |
| Building  | 4.24                                      | 138.12  |
| Others  | 134.01                                    | 298.36  |
|   | 156.05                                    | 614.69  |
| Miscellaneous Expenses                                | 73.75                                     | 1,334.49                                      |
| Marketing and Product Development Expenses            | 89.08                                     | 776.26  |
| Packing, Freight and Forwarding Expenses              | 456.36                                    | 12,421.05                                     |
| Sales Discount  | -   | 1,384.48                                      |
| Communication Expenses                                | 5.88                                      | 76.52   |
| Legal and Professional Fees                           | 89.59                                     | 660.50  |
| Vehicle Expenses                                      | 4.62                                      | 62.35   |
| Bank Charges  | 93.10                                     | 2,625.49                                      |
| Payment to Auditors (Refer Note No.17 of Schedule 17) | 1.65                                      | 15.62   |
| Loss on Sale of Asset                                 | 13.36                                     | 20.15   |
| Provision for Doubtful debts                          | -   | 110.50  |
| Sales tax   | 34.97                                     | 2,160.03                                      |
|   | <b>2,283.25</b>                           | <b>37,334.51</b>                              |
| <b>SCHEDULE - 16 : INTEREST</b>                       |   |   |
| <b>Interest Expense (A)</b>                           |   |   |
| Term Loans  | 158.88                                    | 1,509.08                                      |
| Working Capital                                       | 678.00                                    | 13,580.75                                     |
| Others  | 0.03                                      | 396.85  |
|   | 836.91                                    | 15,486.68                                     |
| <b>Interest Income (B)</b>                            |   |   |
| On Bank Deposits                                      | 156.57                                    | 766.97  |
| On Others   | 101.99                                    | 286.95  |
|   | 258.56                                    | 1,053.92                                      |
| <b>Net Interest Expense (A - B)</b>                   | <b>578.35</b>                             | <b>14,432.76</b>                              |
| <b>Tax Deducted at Source on</b>                      |   |   |
| On Bank Deposits                                      | 10.86                                     | 150.80  |
| On Others   | 11.37                                     | 13.02   |



## Schedules forming part of Balance Sheet as at 31st March 2011 and Profit & Loss Account for the Eighteen Months period ended on that date

### Schedule - 17 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### I. SIGNIFICANT ACCOUNTING POLICIES:

##### a Basis of Accounting:

- i. The financial statements are prepared under Historical Cost Convention and on accrual basis and are in accordance with the requirements of the Companies Act, 1956 of India (the "Act").
- ii. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

##### b Fixed Assets:

Fixed Assets are stated at historical cost less accumulated depreciation. Cost is inclusive of inward freight, duties, taxes, and installation expenses; Allocable Pre-operative expenses including trial run expenses, net of cenvat credit and value added tax are capitalized. Interest on borrowing and financing cost during the period of construction is added to the cost of fixed assets.

##### c Depreciation:

Depreciation has been provided on all the Assets on Straight Line Method, at the rates specified under Schedule XIV to the Act.

##### d Transaction in Foreign Currency:

- i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- ii. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at the year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.
- iii. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

##### e Expenditure Pending Allocation:

All the revenue expenses up to the date of commercial production are capitalized and allocated proportionately to the Fixed Assets.

##### f Inventories:

Items of Inventories are measured at lower of cost or net realizable value. Cost of Inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing them to their present location and condition.

- i. Raw Materials  
At cost including incidental expenses.
- ii. Finished Goods  
Finished Goods includes saleable Work-in-Process, and is valued at cost inclusive of excise duty or net realizable value whichever is lower

##### iii. Stores and Spares

At cost including incidental expenses.

##### iv Scrap

At realizable value.

##### v Goods in Transit

At actual cost incurred up to the date of Balance Sheet.

##### g Borrowing Cost:

Borrowing costs that are attributable to the acquisition or continuation of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowings cost are charged to revenue.

##### h. Sales:

Sales include excise duty, insurance, sales tax, freight outward, exchange rate fluctuation on exports and export incentives.

##### i. Retirement benefit:

In compliance with the Accounting Standard 15 Liability in respect of leave encashment and gratuity is provided on accrual basis. Company's contribution to statutory welfare funds is charged to Profit and Loss Account.

##### j. Impairment of Assets:

If the carrying amount of Fixed Assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

The carrying amounts of the fixed assets are reviewed at each Balance Sheet date. If the carrying amount exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

##### k. Contingent Liabilities:

Contingencies, which are likely to materialize into till the date of approval of Accounts by the Board of Directors and having liabilities material effect, are being provided for. Other contingencies are shown as Contingent Liabilities by way of Notes to Accounts.

#### II. Notes to Accounts:

- 1 The company was incorporated on 17th September 2007 as AJMERA REALITY PRIVATE LIMITED. On 23rd July 2008 company was converted from Private Limited to Public Limited and the name was changed to AJMERA PRECOATED STEELS LIMITED.
2. After the completion of demerger procedure the name of the company has been changed with effect from 17th April, 2009 (Effective date) from AJMERA

**Schedules forming part of Balance Sheet as at 31st March 2011 and Profit & Loss Account for the Eighteen Months period ended on that date****Schedule - 17 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

PRECOATED STEELS LIMITED to SHREE PRECOATED STEELS LIMITED (SPSL).

3. The accounts are drawn for the period of:
- Previous Period from 1st April 2008 to 30th September 2009
  - Current Period from 1st October 2009 to 31st March 2011
4. In the previous period, the Company has filed Composite scheme of arrangement under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 with Honorable High Court of Bombay. Pursuant to the said scheme duly approved by Honorable High Court of Bombay dated 21st March 2009, the steel business of ARIL has been demerged & vested with the company with effect from 1st April 2008 (appointed date) and initial capital of the company stand cancelled. Since the company was informed only in 2007 and had no material activities, the previous year figures are not comparable.

The Salient features of demerger scheme are:

- With effect from the Appointed Date:
    - the whole of the Steel Division of Ajmera Realty & Infra India Limited (ARIL), stands transferred to and vested in the Company at their book values as at the close of the business on the day immediately preceding the Appointed Date.
    - all assets (both movable and immovable), properties, debts, liabilities, duties, & obligations, contracts, agreements, permits, licenses, approvals, permissions, etc relating to the Steel Division of ARIL stand transferred and vested to the Company.
    - all staff, workmen and employees of the Steel Division of ARIL in service on the Effective Date have become staff, workmen and employees of the Company
  - The steel division is transferred to the company as a going concern.
  - As a consideration, the Company has issued and allotted 7 (Seven) fully paid up equity shares of Rs.10/- each to the shareholders of ARIL for every 10 (Ten) equity shares of Rs 10/- each held in ARIL.
  - The ratio of allotment of equity shares of SPSL and reorganization of equity share capital of ARIL, on demerger, is based on the desired capital structure of ARIL and SPSL (post-demerger) rather than the value of the Real Estate Division and Steel Division.
  - The shareholding of SPSL pursuant to the demerger of the Steel Division of ARIL is the mirror image of the shareholding of ARIL (pre-demerger) as on the record date as the new shares of SPSL are issued to the existing shareholders of ARIL in proportion to their shareholding in ARIL.
  - After the allotment of new equity shares by Company, the Old Equity Shares of the Company stand cancelled.
5. Based on the scheme approved by the Honorable High Court of Bombay all assets and liabilities and capital reserve pertaining to steel division taken at the

book value and 8,27,98,042 shares of Rs.10 each fully paid up issued to the share holders of ARIL and balance amount transfer to General Reserve Account.

- The Company has transferred its Steel business as a going concern to Essar Steel Limited (ESL) under Business Transfer Agreement (BTA) w.e.f. 30th October 2009. The Company had obtained the requisite approval of its Shareholders under Section 293(1) (a) of the Companies Act 1956. After adjusting the gain on Sale of Undertaking of Rs. 4802.41 lacs, the net loss of Rs. 15694.95 lacs arising mainly out of diminishing in value of Current Assets relating to the transfer of Steel Unit have been shown as Extra Ordinary Losses in Profit & Loss account and as per the direction of Honorable Bombay High Court, an equivalent amount has been transferred from General Reserve.
- Contingent liabilities not provided for in respect of:
  - Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advances) is Rs. NIL (Previous Period Rs 873 Lacs)
  - Bank Guarantees provided to third parties aggregate Rs. NIL (Previous Period Rs. 809 Lacs)
  - Letters of Credit aggregating to Rs. NIL (Previous Period Rs 12,615 Lacs)
  - Bills discounted with Banks amounting to Rs. NIL (Previous Period Rs 13,738 Lacs)
  - Demand from Sales Tax Recovery Officer –Kolkatta for Rs. NIL (Previous Period Rs 1 Lac)
  - Suit filed against the Company not acknowledged as debts of Rs Nil (Previous Period 239 Lacs)

**8 Secured loans:****In the Previous Period:**

- The Term Loans from Financial Institutions and Banks are secured by a first charge on the present and future immovable properties of the Company and on plant and machinery present and future, and a second charge on all the current assets of the Company, present and future, and are collaterally secured by personal guarantees of Shri C. S. Ajmera, Shri R. S. Ajmera and Shri I. S. Ajmera, Promoter Directors' of the Company. The Company has availed fresh loan from Dena Bank and Exim bank during the period which is secured by charge on fixed assets and additional security provided by Directors, Relatives and Third Parties.
- Dues payable to financial institutions as per scheme of rehabilitation of BIFR are further secured by pledge of Promoter Directors' shareholding in the Company.
- The Working Capital limits from consortium of banks are secured by a first charge on all the current assets of the Company, present and future, book debts and receivables and second charge on the fixed assets of the Company.
- The Working Capital from Banks excludes Bills Discounting.



## Schedules forming part of Balance Sheet as at 31st March 2011 and Profit & Loss Account for the Eighteen Months period ended on that date

### Schedule - 17 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

e. Hire Purchase Loans are secured by Hypothecation of specific assets.

9. In the Previous Period:

The ARIIL Company under which unit of this company was granted the new Entitlement Certificate bearing No. 27490293346 V/R-81/1478, dated 12th May 2006 for deferral mode of paying the Sales Tax with effect from 1st April 2005 from exemption availed till 31st March 2005.

The ARIIL Company was permitted in terms of Rule 81 of the Maharashtra Value Added Tax Rules 2005 (MVAT Rules) to defer the Sales Tax Liabilities for the period covered by eligibility Certificate No. FINC/I/1988/Deferral/EC-3552, dated 24th January 2006.

During the Previous period ended net Sales Tax Collected of Rs. 853 Lacs has been considered as unsecured loan, the total amount outstanding of Rs. 3410 Lacs as on 30th September 2009 is repayable in five equal annual installments commencing from the June 2015. However the same is transferred along with Steel undertaking at present value.

10. Exchange Fluctuation:

Materials consumed and Sales Turnover includes exchange rate difference of Rs. 92 lacs (Adverse) (Previous Period Rs. 1554 Lacs – Adverse) and Rs. 402 lacs favourable (Previous Period 2284 Lacs (Adverse) respectively.

11 Managerial remuneration (excluding provision for Gratuity and provision for leave encashment on retirement) paid/payable to Directors:

a. Managing / whole time directors:

| Particulars | (Rs. In Lacs)                        |                                      |
|-------------|--------------------------------------|--------------------------------------|
|             | 18 months period ended on 31.03.2011 | 18 months period ended on 30.09.2009 |
| Salaries    | NIL                                  | NIL                                  |
| Perquisites | NIL                                  | NIL                                  |
| Total (a)   | NIL                                  | NIL                                  |

b. Directors other than managing / whole time directors:

| Particulars  | (Rs. In Lacs)                        |                                      |
|--------------|--------------------------------------|--------------------------------------|
|              | 18 months period ended on 31.03.2011 | 18 months period ended on 30.09.2009 |
| Sitting Fees | 1.60                                 | 0.10                                 |
| Total (b)    | 1.60                                 | 0.10                                 |
| Total (a+b)  | 1.60                                 | 0.10                                 |

No commission is payable to Whole time Directors in view of waiver of commission by them for the current period under review and also in view of loss during the current year under review. The Company has been advised that the computation of the net profit for the purpose of remuneration to Director under Section 349 & 350 of the Act need not be enumerated.

12. Deferred Taxation:

There is no Deferred Tax Liability which needs to be accounted for in the books of accounts as per Accounting Standard 22, on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. The directors are of the opinion that the Deferred Tax Asset has not been recognized in the books during the period owing to virtual uncertainty of realization of the same in the foreseeable future. Accordingly during the period the Deferred Tax Asset up to 30th September 2009 of Rs. 2339.32 lacs has been adjusted in the Profit and Loss account.

In the previous period, major components of deferred tax arising on account of timing differences are:

(Rs. in Lacs)

| Particulars  | As at 31st March 2011 | As at 30th September 2009 |
|--|-----------------------|---------------------------|
| <b>Liabilities :</b>   |                       |                           |
| Difference between Book and Tax Depreciation                   | -                     | 4966.69                   |
| <b>Total Liabilities</b>                                       | -                     | <b>4966.69</b>            |
| <b>Assets :</b>  |                       |                           |
| Retirement benefits / Expenses allowable on payment basis      | -                     | 235.80                    |
| Loss as per Income Tax Act                                     | -                     | 7070.21                   |
| <b>Total Assets</b>  | -                     | <b>7306.01</b>            |
| <b>Net Assets</b>  | -                     | <b>2339.32</b>            |
| <b>Deferred Tax Assets/ (Liability)</b>                        |                       |                           |
| As on Balance Sheet Date                                       | -                     | 2339.32                   |
| Less : Deferred Tax Liability provided as on 30.09.09          | -                     | NIL                       |
| <b>Deferred Tax Assets (Liability) Provided for the period</b> | -                     | <b>2339.32</b>            |



## SHREE PRECOATED STEELS LIMITED

### Schedules forming part of Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the Eighteen Months period ended on that date

#### Schedule - 17 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

##### 13. Employee Benefit :

Consequent to Revised Accounting Standards 15 (AS-15) "Employee Benefits" read with guidance note on implementation of AS-15 issued by Institute of Chartered Accountants of India, effective from April 1,2007, the company has reviewed and revised its accounting policy in respect of employee benefits.

|            | Particulars  | Amount in Rs.<br>as on 31.03.2011 |              |        |
|------------|--|-----------------------------------|--------------|--------|
|            |  | Gratuity                          | Leave Salary | Total  |
| <b>I</b>   | <b>Reconciliation in Present Value of Obligation (PVO) - defined benefits</b>  |                                   |              |        |
|            | Current Service Cost   | 24,730                            | 44,733       | 69,463 |
|            | Interest Cost  | -                                 | -            | -      |
|            | Actuarial (gain)/ losses   | -                                 | 3,769        | 3,769  |
|            | Benefits Paid  | -                                 | -            | -      |
|            | Past service cost  | -                                 | -            | -      |
|            | PVO at the beginning of the period   | -                                 | -            | -      |
|            | PVO at end of the period   | 24,730                            | 48,502       | 73,232 |
| <b>II</b>  | <b>Change in fair value of plan assets :</b>                                   |                                   |              |        |
|            | Expected Return on plan assets   | -                                 | -            | -      |
|            | Actuarial (gain)/ losses   | -                                 | -            | -      |
|            | Contribution by employers  | -                                 | -            | -      |
|            | Benefits Paid  | -                                 | -            | -      |
|            | Fair value of plan assets at the beginning of the period                       | -                                 | -            | -      |
|            | Fair value of plan assets at end of the period                                 | -                                 | -            | -      |
| <b>III</b> | <b>Reconciliation of PVO and fair value of plan assets :</b>                   |                                   |              |        |
|            | PVO at end of period   | 24,730                            | 48,502       | 73,232 |
|            | Fair value of plan assets at end of the period                                 | -                                 | -            | -      |
|            | Funded status  | -                                 | -            | -      |
|            | Unrecognised actuarial (gain)/ losses  | -                                 | -            | -      |
|            | Net assets/(liability) recognised in the balance sheet                         | 24,730                            | 48,502       | 73,232 |
| <b>IV</b>  | <b>Net cost for the 18 Months period ended 31st March 2011:</b>                |                                   |              |        |
|            | Current Service Cost   | 24,730                            | 44,733       | 69,463 |
|            | Interest Cost  | -                                 | -            | -      |
|            | Expected Return on plan assets   | -                                 | -            | -      |
|            | Actuarial (gain)/ losses   | -                                 | 3,769        | 3,769  |
|            | Net Cost   | 24,730                            | 48,502       | 73,232 |
| <b>V</b>   | <b>Category of assets as at 31st March 2011</b>                                | -                                 | -            | -      |
| <b>VI</b>  | <b>Actual return of plan assets</b>  | -                                 | -            | -      |
| <b>VII</b> | <b>Assumption used in accounting for the gratuity &amp; Leave Salary plan:</b> |                                   |              |        |
|            | Discount rate (%)  | 8.50%                             | 8.50%        |        |
|            | Salary escalation rate(%)  | 7%                                | 7%           |        |
|            | Expected amount of return on plan assets                                       | -                                 | -            | -      |



## Schedules forming part of Balance Sheet as at 31st March 2011 and Profit & Loss Account for the Eighteen Months period ended on that date

### Schedule - 17 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### 14. Segment Information:

The Company's Division is only deals in Steel Products hence there is no Primary reportable segment in the context of Accounting Standard AS – 17 issued by ICAI. As the Company's export turnover is significant in the context of the total turnover, geographical segment is considered as the Secondary Segment and are being reported.

#### Geographical Segment:

| Segment        | Description   | (Rs. in Lacs)                        |                                      |
|----------------|---|--------------------------------------|--------------------------------------|
|                |   | 18 months period ended on 31.03.2011 | 18 months period ended on 30.09.2009 |
| Export Segment | Export Sales including Export Incentives (Net of Excise Duty) | 10,030.36                            | 151,667.48                           |
| Local Segment  | Local Sales (Net of excise duty)                              | 4,637.49                             | 64,429.16                            |
| <b>Total</b>   |   | <b>14,667.85</b>                     | <b>216,096.64</b>                    |

#### 15. Related Party Disclosures:

The related party and relationships, as identified by the Management and relied upon by the Auditors, with whom transactions have taken place during the period ended are:

##### a. List of related parties and their relationship:

| Name of the Party                             | Relationship |
|---|--------------|
| A.G. Estate Private Limited                   | Associate    |
| Ajmera Cement Private Limited                 | Associate    |
| Ajmera Realty & Infra India Limited           | Associate    |
| Ajmera Housing Corporation Bangalore          | Associate    |
| Ajmera Housing Corporation                    | Associate    |
| Ajmera Steel Stripes Limited                  | Associate    |
| Ajmera Water N Amusement Park Private Limited | Associate    |
| Bombay Freeezco Private Limited               | Associate    |
| Jolly Brothers Private Limited                | Associate    |
| Kunnuj Investment Private Limited             | Associate    |
| Vijay Nagar Appartment                        | Associate    |
| Rushabh Investments Pvt. Ltd.                 | Associate    |
| Yogi Nagar Vasahat Private Limited            | Associate    |
| Four Brothers                                 | Associate    |
| Nilkanth Tech Park Private Limited            | Associate    |

##### b. Directors and their relatives :

| Name of the Party              | Relationship                 |
|--------------------------------|------------------------------|
| Shri Chhotalal S. Ajmera       | Chairman & Managing Director |
| Shri Chhotalal S. Ajmera – HUF | Relative                     |
| Shri Rajnikant S. Ajmera       | Managing Director            |
| Shri Rajnikant S. Ajmera – HUF | Relative                     |
| Shri Ishwarlal S. Ajmera       | Director                     |
| Shri Ishwarlal S. Ajmera – HUF | Relative                     |
| Shri Sanjay C Ajmera           | Relative                     |
| Shri Bhogilal S. Ajmera        | Relative                     |
| Shri Natwarlal S. Ajmera       | Relative                     |
| Shri Shashikant S. Ajmera      | Relative                     |
| Shri Surendra I. Ajmera        | Relative                     |
| Shri. Manoj I. Ajmera          | Relative                     |
| Shri. Jayant I. Ajmera         | Relative                     |
| Smt. Veena C. Ajmera           | Relative                     |
| Shri. Atul C. Ajmera           | Relative                     |
| Smt. Bharati R. Ajmera         | Relative                     |
| Smt. Hasumati I. Ajmera        | Relative                     |
| Shri Chhaganlal S. Ajmera      | Relative                     |
| Shri. Dhaval R. Ajmera         | Relative                     |



# SHREE PRECOATED STEELS LIMITED

## Schedules forming part of Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the Eighteen Months period ended on that date

### Schedule - 17 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### c. Related Party Transactions:

(Rs. in Lacs)

| Transactions                                    | Associates/<br>Subsidiary | Directors and<br>Relatives | Key Management<br>Personnel | Period ended<br>31.03.2011<br>Balances |
|---|---------------------------|----------------------------|-----------------------------|--|
| Purchase of Goods                               | NIL<br><b>95</b>          | NIL<br><b>NIL</b>          | NIL<br><b>NIL</b>           | NIL<br><b>166</b>                      |
| Sale of Goods                                   | NIL<br><b>2</b>           | NIL<br><b>NIL</b>          | NIL<br><b>NIL</b>           | NIL<br><b>29</b>                       |
| Finance received / (repaid)<br>in form of loans | 1539<br><b>(22053)</b>    | (1566)<br><b>NIL</b>       | NIL<br><b>NIL</b>           | 5692<br><b>608</b>                     |
| Rent Paid                                       | NIL<br><b>NIL</b>         | 47<br><b>99</b>            | NIL<br><b>NIL</b>           | NIL<br><b>99</b>                       |

Note : Bold figures represents for Previous Period

#### d. Disclosure in respect of material transactions with related parties

(Rs. in Lacs)

| Nature of Transaction                           | Related Parties                        | 18 months period<br>ended on 31.03.2011 | 18 months period<br>ended on 30.09.2009 |
|---|--|---|---|
| Purchase of goods                               | - Ajmera Cements Private Limited       | NIL                                     | 20                                      |
|   | - Rushabh Investment Private Limited   | NIL                                     | 75                                      |
| Sale of Goods                                   | - Rushabh Investment Private Limited   | NIL                                     | 2                                       |
| Finance received / (repaid)<br>in form of Loans | - Ajmera Cements Private Limited       | 603                                     | (14229)                                 |
|   | - Jolly Brothers Private Limited       | -                                       | (4550)                                  |
|   | - Ajmera Realty & Infra India Limited* | 3,286                                   | (3274)                                  |
|   | - Sankalp Holdings Pvt. Ltd.           | (2350)                                  | NIL                                     |
|   | - Ishwarlal S. Ajmera                  | (119.97)                                | NIL                                     |
|   | - Shashikant S. Ajmera                 | (235.74)                                | NIL                                     |
|   | - Bhogilal S. Ajmera                   | (293.27)                                | NIL                                     |
|   | - Veena C. Ajmera                      | (258.86)                                | NIL                                     |
|   | - Rajnikant S. Ajmera                  | (77.02)                                 | NIL                                     |
|   | - Chhotalal S. Ajmera                  | (260.06)                                | NIL                                     |
|   | - Dhaval R. Ajmera                     | (1.69)                                  | NIL                                     |
|   | - Hasumati I. Ajmera                   | (1.59)                                  | NIL                                     |
|   | - Vimlaben B. Ajmera                   | (104.31)                                | NIL                                     |
|   | - Kokilaben S. Ajmera                  | (39.12)                                 | NIL                                     |
|   | - Sonal C. Ajmera                      | (0.50)                                  | NIL                                     |
|   | - Jayant Ajmera                        | (77.42)                                 | NIL                                     |
|   | - Jyotiben Ajmera                      | (96.75)                                 | NIL                                     |
| Rent Paid                                       | - Shri Chhotalal S Ajmera              | 0.11                                    | 1.63                                    |
|   | - Late Smt. Veena C. Ajmera            | 0.35                                    | 9.75                                    |
|   | - Shri Sanjay C Ajmera                 | 0.60                                    | 8.24                                    |
|   | - Shri Atul C Ajmera                   | 0.13                                    | 1.73                                    |
|   | - Smt Hetal S Ajmera                   | 0.14                                    | 1.79                                    |
|   | - Shri Bhogilal S Ajmera               | 0.36                                    | 9.81                                    |
|   | - Smt Vimla B Ajmera                   | 0.14                                    | 1.79                                    |
|   | - Shri Ashwin B Ajmera                 | 0.36                                    | 4.96                                    |
|   | - Shri Rajnikant S Ajmera              | 0.36                                    | 4.96                                    |
|   | - Smt Bharti R Ajmera                  | 0.34                                    | 9.74                                    |
|   | - Shri Dhaval R Ajmera                 | 0.13                                    | 2.73                                    |
|   | - Shri Shashikant S Ajmera             | 0.59                                    | 13.10                                   |
|   | - Smt Kokila S Ajmera                  | 0.13                                    | 1.73                                    |
|   | - Shri Nimesh S Ajmera                 | 0.12                                    | 1.67                                    |
|   | - Shri Ishwarlal S Ajmera              | 0.48                                    | 9.74                                    |
|   | - Shri Bhanumati C Ajmera              | 0.21                                    | NIL                                     |
|   | - Shri Natwarlal S Ajmera              | NIL                                     | 3.85                                    |
|   | - Shri Natwarlal S Ajmera (HUF)        | 0.21                                    | 3.13                                    |
|   | - Four Brothers                        | 10.02                                   | NIL                                     |





## Schedules forming part of Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the Eighteen Months period ended on that date

### Schedule - 17 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### 16. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

There are no delays in payment to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The above information and that given in schedule 10 –“Current Liabilities” regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

This has been relied upon by the auditors.

#### 17. The payment to Auditors of Rs. 1.65 lacs includes the following :

Audit Fees – Rs. 1.00 lac

Tax Audit Fess – Rs. 0.25 lac

Certification & Other matters – Rs. 0.25 lac

Out of Pocket Expenses – Rs. 0.15 lac

#### 18. Calculation of Earnings per Share:

(Rs. in Lacs except Share Data and Earnings per Share)

|   | 18 months period ended on 31.03.2011 | 18 months period ended on 30.09.2009 |
|---|--------------------------------------|--------------------------------------|
| Profit / (Loss) available to Shareholders   | (2611.60)                            | (15318.80)                           |
| Weighted average number of Equity Shares of Rs. 10/- each outstanding during the period |                                      |                                      |
| No. of Shares   | 8,27,98,042                          | 8,27,98,042                          |
| Basic & Diluted Earnings per Share (in Rs.)   | (3.15)                               | (18.50)                              |



## SHREE PRECOATED STEELS LIMITED

19. Additional information pursuant to the provisions of Paras 3, 4C & 4D of Part II of the Schedule VI to the Companies Act, 1956.

Schedules

| Sr. No. | Particulars  | Unit | Qty.                       | Rupees in Lacs                   |
|---------|--|------|----------------------------|----------------------------------|
| (A)     | <b>Turnover</b>  |      |                            |                                  |
|         | <b>Manufacturing activities</b>  |      |                            |                                  |
| (1)     | Galvanised Plain Coils/Sheets/<br>Galvanised Corrugated Sheets         | MT   | <b>9,026</b><br>(165,720)  | <b>3,590.79</b><br>(74,305.69)   |
| (2)     | Galvanised Plain Colour Coated<br>Coils/Sheets/<br>Trapezodial Sheets. | MT   | <b>16,851</b><br>(223,358) | <b>8,428.02</b><br>(116,960.42)  |
| (3)     | Cold Rolled Coils  | MT   | <b>1,253</b><br>(25,820)   | <b>393.44</b><br>(10,037.37)     |
| (4)     | Cold Rolled Annealed Coils   | MT   | <b>1,245</b><br>(14,822)   | <b>506.44</b><br>(6,361.21)      |
| (5)     | Hot Rolled Slitted Coils / Pickled                                     | MT   | <b>4,399</b><br>(21,837)   | <b>1,277.89</b><br>(7,115.81)    |
| (6)     | Sale of Export Licenses  |      |                            | -<br>(2,314.52)                  |
| (7)     | Scrap etc.   |      | -                          | <b>560.86</b><br>(10,946.13)     |
| (8)     | Export Incentives  |      | -                          | <b>466.05</b><br>(5,405.37)      |
| (9)     | Exchange Rate Gain<br>Loss   |      | -                          | <b>401.52</b><br>(2,284.09)      |
|         | <b>Total</b>   |      |                            | <b>15,625.01</b><br>(231,162.44) |



19. Additional information pursuant to the provisions of Paras 3, 4C & 4D of Part II of the Schedule VI to the Companies Act, 1956.

| Sr. No. | Particulars                            | Unit | Qty.                                | Rupees in Lacs                   |
|---------|--|------|-------------------------------------|----------------------------------|
| (B)     | <b>Material Cost :</b>                 |      |                                     |                                  |
| (a)     | <b>Raw Material Cost :</b>             |      |                                     |                                  |
|         | (1) Hot Rolled Coils                   | MT   | <b>32,231.97</b><br>(442,648.03)    | <b>8,773.57</b><br>(123,512.31)  |
|         | (2) Galvanised Plain Coils / Galvalume | MT   | -<br>(4,403.38)                     | -<br>(1,568.87)                  |
|         | (3) Cold Rolled coils                  | MT   | -<br>(21,698.33)                    | -<br>(6,594.76)                  |
|         | (4) Zinc                               | MT   | <b>1,126.52</b><br>(16,734.38)      | <b>1,264.00</b><br>(14,795.69)   |
|         | (5) Paints & Chemicals                 | Ltrs | <b>211,954.25</b><br>(6,653,992.75) | <b>446.76</b><br>(11,249.20)     |
|         | (6) Others                             |      |                                     | <b>1,146.18</b><br>(6,944.58)    |
|         | <b>Total (a)</b>                       |      |                                     | <b>11,630.51</b><br>(164,665.43) |
| (b)     | Exchange Rate fluctuation              |      | Loss<br>Loss                        | <b>91.75</b><br>(1,553.84)       |
|         | <b>Total (a + b)</b>                   |      |                                     | <b>11,722.26</b><br>(166,219.27) |



## SHREE PRECOATED STEELS LIMITED

19. Additional information pursuant to the provisions of Paras 3, 4C & 4D of Part II of the Schedule VI to the Companies Act, 1956.

Schedules

| Sr. No. | Particulars   | Unit | Qty.          | Rupees in Lacs               |
|---------|---|------|---------------|------------------------------|
| (C)     | Stocks ( Finished Goods )Unit   |      |               |                              |
|         | Steel Stock:  |      |               |                              |
| (1)     | Cold Rolled coils / plain sheets  | MT   | -<br>(10,699) | -<br>(3,060.65)              |
| (2)     | Galvanised Plan Coils/Sheets/<br>Galvanised Coils Sheets/<br>Galvanised Trap sheets   | MT   | -<br>(8,215)  | -<br>(2,933.99)              |
| (3)     | Galvanised Colour Coated<br>Coils/Sheets/<br>Trap./Corrugated Sheets.   | MT   | -<br>(10,534) | -<br>(4,642.26)              |
| (4)     | Scrap (Galvanised Plain +<br>Galvanised Plain Color Coated +<br>Zinc Dross+Aluminium colour coated coils)<br>Other than in MT | MT   | -<br>(615)    | -<br>(299.31)<br>-           |
| (5)     | Excise Duty on Above  |      |               | (21.56)                      |
|         |   |      |               | -                            |
|         |   |      |               | (836.88)                     |
|         | <b>Total</b>  |      |               | <hr/> -<br><hr/> (11,794.65) |



19. Additional information pursuant to the provisions of Paras 3, 4C & 4D of Part II of the Schedule VI to the Companies Act, 1956.

| (D)   | Capacity and Production  | Unit | Annual Capacity <sub>1</sub> | Actual production <sub>2</sub> |
|-------|--|------|------------------------------|--------------------------------|
| (I)   | (a) Cold Roll & SPRM Coils   | MT   | <b>590,000</b>               | <b>25,547</b>                  |
|       |  |      | (590,000)                    | (430,681)                      |
|       | (a) Bell Annealing   |      | <b>120,000</b>               | <b>1,820</b>                   |
|       |  |      | (120,000)                    | (25,421)                       |
| (II)  | Continuous Galvanising Line / Galvanised Plain Line                | MT   | <b>450,000</b>               | <b>26,454</b>                  |
|       |  |      | (450,000)                    | (401,040)                      |
| (III) | Colour Coating Line  | MT   |                              |                                |
|       | (a) Galvanised Plain Colour Coated & Aluminium Colour Coated Coils |      | <b>400,000</b>               | <b>17,159</b>                  |
|       |  |      | (400,000)                    | (240,742)                      |

**NOTES :**

- 1 As per Industrial Policy 1991, no licences are required for products manufactured by the Company.
- 2 As certified by the management and relied upon by the Auditors.



# SHREE PRECOATED STEELS LIMITED

19. Additional information pursuant to the provisions of Paras 3, 4C & 4D of Part II of the Schedule VI to the Companies Act, 1956.

(Rs. in Lacs)

| Sr. No. | Particulars   | For 18 month period ended<br>31st March 2011 | For 18 month period ended<br>30th September 2009 |
|---------|---|--|--|
| (E)     | <b>Value of Import on C.I.F. basis during the period in respect of:</b> |  |  |
|         | Raw materials   | 746.54                                       | 35320.73   |
|         | Capital Goods   | -  | 376.44   |
|         | Stores & Spares   | 241.86                                       | 768.99   |
| (F)     | <b>Earning in Foreign Exchange:</b>                                     |  |  |
|         | Export of goods on F.O.B. basis   | 9,251.59                                     | 142432.88  |
| (G)     | <b>Expenditure in Foreign Currency: on account of :</b>                 |  |  |
|         | (a) Traveling   | -  | 205.27   |
|         | (b) Legal charges   | 11.12  | -  |
|         | (c) Sales Commission  | 19.79  | 576.77   |

| Sr. No. | Particulars                                  | For 18 month period ended<br>31st March 2011 |                        | For 18 month period ended<br>30th September 2009 |                        |
|---------|--|--|------------------------|--|------------------------|
|         |  | Rupees in Lacs                               | % of total consumption | Rupees in Lacs                                   | % of total consumption |
| (H)     | <b>Value of Raw Material Consumed</b>        |  |                        |  |                        |
|         | (a) Indigenous                               | 9,482  | 81                     | 135,565  | 82                     |
|         | (b) Imported                                 | 2,240  | 19                     | 30,654   | 18                     |
|         |  | <b>11,722</b>                                | <b>100</b>             | <b>166,219</b>                                   | <b>100</b>             |
| (I)     | <b>Value of stores &amp; spares consumed</b> |  |                        |  |                        |
|         | (a) Indigenous                               | 282  | 100                    | 1,227  | 80                     |
|         | (b) Imported                                 | -  | 0                      | 309  | 20                     |
|         |  | <b>282</b>                                   | <b>100</b>             | <b>1,536</b>                                     | <b>100</b>             |



## 20. INFORMATION PURSUANT TO PART IV SCHEDULE VI OF THE COMPANIES ACT, 1956

**Balance Sheet abstract and Company's general business profile.**

(Rs. in Lacs except EPS)

|  |   |     |  |
|--|---|-----|--|
| <b>I COMPANY'S REGISTRATION DETAILS :</b>  |   |     |  |
| Registration No.   | : |     | 174206   |
| State Code   | : |     | 11   |
| Balance Sheet Date   | : |     | 31st March, 2011                                   |
| <b>II CAPITAL RAISED DURING THE PERIOD :</b>   |   |     |  |
| Public issue   | : | Rs. | Nil  |
| Right Issue  | : | Rs. | Nil  |
| Bonus Issue  | : | Rs. | Nil  |
| Private Placement (including Share Premium)  | : | Rs. | Nil  |
| Issued as per demerger scheme  | : | Rs. | Nil  |
| <b>III DETAILS OF MOBILISATION AND DEPLOYMENT OF FUNDS :</b>   |   |     |  |
| Total Liabilities  | : | Rs. | 20,305.45  |
| Total Assets   | : | Rs. | 20,305.45  |
| <b>SOURCES OF FUNDS:</b>   |   |     |  |
| Paid up Capital  | : | Rs. | 8,279.80   |
| Reserves & Surplus   | : | Rs. | 6,333.51   |
| Secured Loans  | : | Rs. | 0.00   |
| Unsecured Loans  | : | Rs. | 5,692.14   |
| Deferred Tax Assets  | : | Rs. | -  |
| <b>APPLICATION OF FUNDS :</b>  |   |     |  |
| Net Fixed Assets   | : | Rs. | 90.44  |
| Capital work in Progress   | : | Rs. | 0.00   |
| Net Current Assets   | : | Rs. | 2,284.61   |
| Debit Balance of Profit & Loss A/c   | : | Rs. | 17,930.40  |
| <b>IV PERFORMANCE OF COMPANY :</b>   |   |     |  |
| Total Income   | : | Rs. | 14,971.01  |
| Total Expenditure  | : | Rs. | 15,254.25  |
| Loss before Tax  | : | Rs. | 283.24   |
| Loss after Tax   | : | Rs. | 2,611.60   |
| Earning per share  | : | Rs. | (3.15)   |
| Dividend rate %  | : | Rs. | Nil  |
| <b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY :<br/>(as per monetary terms) :</b> |   |     |  |
| Product Description  | : |     | Cold Rolled Coils                                  |
| Item Code No.  | : |     | 7209.30  |
| Product Description  | : |     | Galvanised Coils                                   |
| Item Code No.  | : |     | 7210.9   |
| Product Description  | : |     | Colour coated Galvanised and Aluminum Coils/Sheets |
| Item Code No.  | : |     | 7210.30  |

**SIGNATURE TO SCHEDULE "1" TO "17"**

As per our Audit Report of even date  
For and on behalf of  
**V. PAREKH & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. : 107488W

**RASESH V. PAREKH** PARTNER  
Membership No. 38615

For and on behalf of Board

**CHHOTALAL S. AJMERA** - CHAIRMAN & MANAGING DIRECTOR**RAJNIKANT S. AJMERA** - MANAGING DIRECTOR**HARSHINI D. AJMERA** - ASST. COMPANY SECRETARY

Place : Mumbai  
Dated : 25th April, 2011

Place : Mumbai  
Dated : 25th April, 2011



## SHREE PRECOATED STEELS LIMITED

Rehman Building, 2nd Floor, Mezzanine, 24, Veer Nariman Road, Fort, Mumbai - 400 001.

Dear Shareholder,

**Sub.: "GO GREEN" initiative of the Ministry of Corporate Affairs, Government of India**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. The companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. Hence forth, the Company proposes to send all documents to be sent to Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. henceforth to the shareholders in electronic form in lieu of the physical form.

**Demat Mode**

If you are holding your shares of the Company in electronic form and do not have any email id registered in your Demat Account with the Depository. You can, therefore provide an email id to your Depository for the purpose of serving of documents by the Company in electronic mode.

**Physical Mode**

If you are holding your shares of the Company in physical form. You can, therefore provide your email id for the purpose of serving of documents by the Company in electronic mode to us at our email ID:- [spslgogreen@sharexindia.com](mailto:spslgogreen@sharexindia.com)

As a member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

The Annual Report of the Company would also be made available on the Company's website : [www.spsl.com](http://www.spsl.com)

**We are sure that you will whole-heartedly support this initiative of "Greener Environment" and co-operate with the Company to make it a success.**

We look forward to your support in this initiative.

Thanking you,

Yours faithfully,

For **Shree Precoated Steel Limited**

Sd/-

**Harshini D. Ajmera**

**Asst. Company Secretary**



# SHREE PRECOATED STEELS LIMITED

Rehman Building, 2nd Floor, Mezzanine, 24, Veer Nariman Road, Fort, Mumbai - 400 001.



## ATTENDANCE SLIP

I hereby record my presence at the THIRD ANNUAL GENERAL MEETING on Friday, the 15th July 2011 at 11.30 a.m. at Activity Hall, Ground Floor, Juhu Vile Parle Gymkhana Club, N. S. Road, JVPD Scheme, Vile Parle (W), Mumbai - 400049.

(For physical holding)

(For demat holding)

DP ID  Folio No.

Client ID  No. of Share(s) held

Name of equity shareholder/proxy/representative \_\_\_\_\_

Signature of equity shareholder/proxy/representative \_\_\_\_\_

TEAR HERE

- NOTES: 1. Member/Proxyholder wishing to attend the meeting must bring the Attendance Slip with them when they come to the meeting and handed over at the gate after affixing their signature on it.  
2. Member/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the Meeting.

Attendance Slip

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# SHREE PRECOATED STEELS LIMITED

Rehman Building, 2nd Floor, Mezzanine, 24, Veer Nariman Road, Fort, Mumbai - 400 001.



Proxy

## PROXY

I/we \_\_\_\_\_  
of \_\_\_\_\_ being  
a Member/Members of SHREE PRECOATED STEELS LIMITED hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him/her \_\_\_\_\_  
of \_\_\_\_\_ or failing him/her \_\_\_\_\_  
of \_\_\_\_\_ as my/our Proxy to attend and

vote for me/us and on my/ our behalf at the Third Annual General Meeting of the Company to be held on Friday, the 15th July 2011 at 11:30 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Ledger Folio No : \_\_\_\_\_ DP ID No.\* \_\_\_\_\_ Client ID.\* \_\_\_\_\_

No of Share(s) held : \_\_\_\_\_

\* Applicable for member holding shares in electronic form.

Revenue  
Stamp

\*\* In Favour of

This form is to be used \_\_\_\_\_ the resolution Unless otherwise instructed, the Proxy will act as thinks fit.

\*\* Against

\*\* Strike out whichever is not desired.

- Notes :**
- (i) The Proxy must be returned so as to reach the Registered Office of the Company, not less than FORTY-EIGHT Hours before the time holding the aforesaid meeting
  - (ii) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy

TEAR HERE

BOOK-POST

STAMP

*If undelivered please return to:*

**Sharex Dynamic (India) Pvt Ltd.**  
**Unit: SHREE PRECOATED STEELS LTD.**  
Unit No. 1, Luthra Industrial Premises,  
Andheri Kurla Road, Safed Pool, Sakinaka,  
Andheri (East), Mumbai - 400072.