



SHREE PRECOATED STEELS LIMITED

4th

ANNUAL REPORT 2011-2012

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OBITUARY



SHRI CHHOTALAL S. AJMERA

Founder - Chairman & Managing Director

27th September, 1937- 24th March, 2012

It is with deep sorrow that we mourn the sad demise of our chairman SHRI CHHOTALAL S. AJMERA, who left for his heavenly abode on 24th March, 2012 . As the chairman of your company he contributed immensely towards building a strong foundation for the company, and ensured the company's ability to maximize returns for its stakeholders.



Go Green

The Ministry of Corporate Affairs (MCA), Government of India has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies, after considering the relevant sections of the Information Technology Act, 2000, for legal validity of compliances under the Companies Act, 1956 ('the Act') through electronic mode. The MCA has vide its Circular Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, provided that a company would have to comply with Section 53 of the Act, if the service of the documents has been made through electronic mode, provided the company has obtained the email address of its members for sending the notice / documents through email by giving an advance opportunity to every member to register his / her email address and changes therein from time to time with the company. In cases where any member has not registered his / her email address with the company, the service of documents, etc. will be effected by other service as provided in Section 53 of the Act.

In light of the above, those members, who desire to receive notice / documents including Annual Reports through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to their Depository Participant / Company's Share Registrars and Transfer Agents, Sharex Dynamic (India) Pvt. Ltd. for receipt of notice/ documents including Annual Reports through e-mail.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Late Shri Chhotalal S Ajmera*	Chairman & Managing Director
Shri Rajnikant S Ajmera**	Managing Director
Shri Ishwarlal S Ajmera***	Director
Shri Sanjay C Ajmera#	Managing Director
Shri Dhaval R Ajmera#	Director-Operations & Marketing
Shri Jagdish J Doshi	Director
Shri Ambalal C Patel	Director
Shri Nilesh Sarvaiya	Director

* Ceased to be Chairman and Managing Director w.e.f. 24th March 2012 on account of his sad demise.

** Resigned w.e.f. 24th April 2012.

***Change in Designation from Director to Chairman & Managing Director w.e.f. 24th April, 2012.

Appointed w.e.f. 24th April 2012.

COMPLIANCE OFFICER

Mr. Harish Taparia

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, 2nd 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 Kurla Road, Safed Pool, Sakinaka,
Andheri (E), Mumbai - 400 072.

FOURTH ANNUAL GENERAL MEETING

Date	: 28th September, 2012
Day	: Friday
Time	: 05.00 P.M
Place	: Esquire Hall, The Classique Club, Raheja Classique, Andheri Link Rd, Andheri (West), Mumbai - 400 053.
Book Closure	: Saturday, 22nd September, 2012 to Friday 28th, September, 2012 (Both days inclusive)

NOTICE



Notice

NOTICE is hereby given that the Fourth Annual General Meeting of the Shareholders of Shree Precoated Steels Limited will be held on Friday, September 28th, 2012 at 05.00 P.M. at Esquire Hall, The Classique Club, Raheja Classique, Andheri Link Rd, Andheri (West), Mumbai - 400 053. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 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 Ambalal C Patel, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Jagdish Doshi, who retires by rotation and being eligible, offers himself for reappointment.
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 & Remuneration of Shri Ishwarlal S. Ajmera as Chairman & Managing Director**

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269,310, 314 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the approval of the Central Government, if necessary, the Company hereby approves of the appointment of Shri Ishwarlal S. Ajmera as Chairman & Managing Director of the Company for the period of five years with effect from 24th April 2012, on the terms and conditions and remuneration payable to him w.e.f. 1st May, 2012 as set out in the draft Agreement submitted to this Meeting and for the purpose of identification initiated by a Director, which is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said remuneration and/or draft Agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendment thereto in such manner as may be agreed to between the Directors and Shri Ishwarlal S. Ajmera."

6. Appointment of Shri Sanjay C. Ajmera, as a Additional Director

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 Sanjay C. Ajmera who was appointed in Board Meeting held on 24th April, 2012 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 alongwith the deposit of Rs. 500/- 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."

7. Appointment of Shri Dhaval R Ajmera, as a Additional Director

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 Dhaval R Ajmera who was appointed in Board Meeting held on 24th April, 2012 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 alongwith the deposit of Rs. 500/- 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."

8. Appointment of Shri Sanjay C Ajmera, as a Managing Director

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269,309,310,311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956(including any statutory modification or re-enactment thereof, for the time being in force), subject to the approval of Central Government, if necessary, the Company hereby approves of the appointment of Shri Sanjay C. Ajmera as the Managing Director of the Company, liable to retire by rotation for the period of five years with effect from 24th April,2012, with no



remuneration payable to him.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

9. Appointment & Remuneration of Shri Dhaval R. Ajmera, Director - Operations & Marketing

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 310, 314 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the approval of the Central Government, if necessary, the Company hereby approves of the appointment of Shri Dhaval R. Ajmera as Director - Operations & Marketing (hereinafter referred to as the Director) of the Company for the period of five years with effect from 24th April, 2012, on the terms and conditions and remuneration payable to him w.e.f. 1st May, 2012 as set out in the draft Agreement submitted to this Meeting and for the purpose of identification initialed by a Director, which is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said remuneration and/or draft Agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendment thereto in such manner as may be agreed to between the Directors and Shri Dhaval R. Ajmera."

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

Place : Mumbai
Date : 30th July, 2012

Ishwarlal S. Ajmera
Chairman & Managing Director

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



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. 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 22nd September, 2012 to the 28th September, 2012 (both days inclusive).
- IV. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of business under Item No 5 to 9 as set out above and details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting are annexed hereto.
- V. All documents referred to in the accompanying Notice and the Explanatory Statements 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 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 an early date 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. Shareholder(s) desirous of availing this facility may submit nomination in Form 2B.

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

Place : Mumbai
Date :30th July, 2012

Ishwarlal S. Ajmera
Chairman & Managing Director

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

SHREE PRECOATED STEELS LIMITED



Notice

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:

Name	Shri Sanjay C. Ajmera
Date of Birth	20th November, 1966
Date of Appointment / Period	24th April, 2012 - 23rd April, 2017
Expertise in specific functional area	Industrialist having more than 25 years over all experience in Management.
Qualifications	MBA
Listed / Unlisted Public Companies in which outside Directorship held as on 30th July, 2012	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 30th July, 2012	Rushabh Investment Private Limited-Chairman
Name	Shri Dhaval R Ajmera
Date of Birth	22nd August, 1980
Date of Appointment / Period	24th April, 2012 - 23rd April, 2017
Expertise in specific functional area	Industrialist having 7 years over all experience in Marketing & Development
Qualifications	MBA- Finance from Cardiff University
Listed / Unlisted Public Companies in which outside Directorship held as on 30th July 2012	Prayosha Financing & Construction Co. Ltd. Ajmera Biofuel Limited
Chairman / Member of the Committees of the Board of the other Companies on which he is a Director as on 30th July 2012	NIL
Name	Shri Ambalal C. Patel
Date of Birth	01st April, 1944
Date of Appointment / Period	30th April, 2009
Expertise in specific functional area	More than 40 years of vast experience in metallurgy, finance & Management
Qualifications	Bachelor of Engineering (Metallurgy)
Listed / Unlisted Public Companies in which outside Directorship held as on 30th July 2012	I Jindal Hotels Ltd. ii Vishal Malleable Ltd. iii Laffans Petrochemical Ltd. iv Circuit System (India) Ltd. v Nandam Exim Ltd. vi Sumeru Industries Limited vii SAL Steels Ltd. viii Chiripal Industries Ltd. ix CSL Nova Petro Chemicals Limited. X Ajmera Realty & Infra India Ltd. Xi Karnavati Hospitals Limited



Chairman / Member of the Committees of the Board of the other Companies on which he is a Director as on 30th July 2012

Ajmera Realty & Infra India Ltd.- Member of Audit Committee

Name	Shri Jagdish J Doshi
Date of Birth	26th February, 1931
Date of Appointment / Period	30th April, 2009
Expertise in specific functional area	Involved in the development of Steel Industry for more than five decades.
Qualifications	M. S. (Illinois), D. I. C. (London), B. E. (Hons.) Bombay, P. Eng. (Ontario, Canada), Consulting Engineer.
Listed / Unlisted Public Companies in which outside Directorship held as on 30th July 2012	Super Stainless and Hi Alloys Limited Four Seasons Marine & Air Services Limited Co-Nick Alloys (India) Limited Makmore Investment and Finance Company Private Limited
Chairman / Member of the Committees of the Board of the other Companies on which he is a Director as on 30th July 2012	Ajmera Realty & Infra India Limited - Chairman of Audit Committee and Share Grievance Committee

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 & 9 of the accompanying Notice dated 30th July, 2012.

ITEM 5

- The terms of appointment of Chairman & Managing Director (CMD) were determined by mutual consent with effect from 24th April 2012. The Board of Directors of the Company, at the Board Meeting held on 24th April 2012, subject to the approval of the Members at the ensuing Annual General Meeting, appointed Shri Ishwarlal S. Ajmera (CMD) for a period of five years with effect from 24th April, 2012.
- Accordingly, the Remuneration Committee of the Company as well as the Board of Directors have at their respective Meetings approved the appointment of CMD of the Company for a period of five years effective from 24th April, 2012.
- On recommendation, the Remuneration Committee approved the remuneration of Mr. Ishwarlal S. Ajmera, Chairman & Managing Director at a remuneration with effect from 1st May, 2012, as given below details:-

REMUNERATION :

1. BASIC SALARY & DEARNESS ALLOWANCE:

CMD – Rs. 70,000/- per month in the scale of Rs.70,000/- Rs.1,90,000/- per month.

With such increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

2. PERQUISITES & ALLOWANCES:

- Perquisites will be allowed in addition to salary and commission and will include accommodation (furnished or otherwise) or house rent allowance together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings and repairs and all other expenses for the upkeep and maintenance thereof; medical reimbursement on actual basis for self and family members (which shall include spouse, dependent children), reimbursement of leave travel concession for self and family as aforesaid, club fees (other than initial Registration / admission Fees and subject to a maximum of two Clubs), medical / personal accident insurance cover as per the Company's service Rules, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and, CMD, such perquisites and allowances will, however, be subject to a maximum of 40% of his annual salary.



- (ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
- (iii) Benefits under the Provident Fund Scheme, the Company's Pension/Super Annuation Fund Scheme in accordance with the Company's rules and regulations in force from time to time shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable as per the rules of the tenure shall not be included in the computation of limits for the remuneration as aforesaid.
- (iv) Provision for use of the Company's Car for official duties and telephone at residence (including payments for local calls and long distance calls) shall be not be included in the computation of perquisites for the purpose of calculating the said ceiling.

II. COMMISSION

Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable to CMD, calculated with reference to the net profits of the Company at the end of each financial year subject to the overall ceilings stipulated in Sections 198 and 309 of the Act.

III. MINIMUM REMUNERATIONS:

Notwithstanding anything contained herein, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration to CMD by way of salary, perquisites and allowances as specified above within the limits prescribed under Schedule XIII of the Act.

- IV The aforesaid appointment of the CMD may be terminated by either party by giving three months' prior notice of termination in writing to the other party.
- V If at any time, the above Director ceases to be a Director of the Company, he shall cease to be the Executive Director.
- VI The terms and conditions of the said appointment may be altered and varied from time to time by the Board, as it may, in its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Act or any amendments made hereinafter in that regard.
- VII Shri Ishwarlal S. Ajmera is concerned or interested in this Resolution of the Notice which pertains to his appointment and remuneration payable to him.
- VIII In accordance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the terms of remuneration of the aforesaid Director of the Company, is now placed before the members in General Meeting for their approval.
- IX Your Directors, therefore, recommend this resolution of the Notice for acceptance by the members.
- X This may be treated as an abstract of the terms of appointment between the Company and Shri Ishwarlal S. Ajmera, pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Ishwarlal S. Ajmera are in any way, concerned or interested in the said resolution.

ITEM NO. 6 & 7

Mr. Sanjay C. Ajmera and Mr. Dhaval R. Ajmera, were appointed at the meeting of the Board of Directors held on 24th April, 2012 as an additional Director of the Company liable to retire by rotation. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Sanjay C. Ajmera and Mr. Dhaval R. Ajmera holds office upto the date of the Annual General Meeting.

Pursuant to Section 257 of the Companies Act, 1956, a notice has been received from a Member signifying his intention to propose the appointment of Mr. Sanjay C. Ajmera and Mr. Dhaval R. Ajmera as a Director of the Company at the ensuing Annual General Meeting along with a deposit of Rs. 500/- each. Hence, necessary resolutions are placed before the Meeting for Member's approval.

None of the Directors of the Company except Mr. Sanjay C. Ajmera and Mr. Dhaval R. Ajmera are in any way, concerned or interested in the said resolution.

Your Directors recommend passing of this resolution.

**ITEM No.8**

- 1 At the Board of Directors Meeting held on 24th April, 2012, Shri Sanjay C. Ajmera was appointed as the Managing Director (hereinafter referred to as "MD")of the Company for a period of five years with effect from 24th April, 2012 to 23rd April, 2017 , with no remuneration payable to him.
- 2 Your Directors, therefore, recommends this resolution for acceptance by the members.
- 3 None of the Directors except Shri Sanjay C. Ajmera are concerned or interested in the said resolution of the Notice

ITEM No.9

- a The terms of appointment of Mr. Dhaval R. Ajmera was determined by mutual consent with effect from 24th April 2012. The Board of Directors of the Company, at the Board Meeting held on 24th April, 2012, subject to the approval of the Members at the ensuing Annual General Meeting, appointed Mr. Dhaval R. Ajmera for a period of five years with effect from 24th April, 2012.
- b The Remuneration Committee of the Company as well as the Board of Directors have at their respective Meetings approved the appointment of Director - Operations and Marketing of the Company for a period of five years effective from 24th April 2012 at the remuneration of Rs. 1,20,000/- in the scale of Rs. 1,20,000/- p.m to Rs. 2,50,000/- p.m payable to him w.e.f. 1st May, 2012 . With such increments as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

c) PERQUISITES & ALLOWANCES:

- (i) Perquisites will be allowed in addition to salary and commission and will include accommodation (furnished or otherwise) or house rent allowance together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings and repairs and all other expenses for the upkeep and maintenance thereof; medical reimbursement on actual basis for self and family members (which shall include spouse, dependent children), reimbursement of leave travel concession for self and family as aforesaid, club fees (other than initial Registration / admission Fees and subject to a maximum of two Clubs), medical / personal accident insurance cover as per the Company's service Rules, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and, Director Operations and Marketing, such perquisites and allowances will, however, be subject to a maximum of 33.33%, of annual salary.
- (ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
- (iii) Benefits under the Provident Fund Scheme, the Company's Pension/Super Annuation Fund Scheme in accordance with the Company's rules and regulations in force from time to time shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable as per the rules of the tenure shall not be included in the computation of limits for the remuneration as aforesaid.
- (iv) Provision for use of the Company's Car for official duties and telephone at residence (including payments for local calls and long distance calls) shall be not be included in the computation of perquisites for the purpose of calculating the said ceiling.

d) COMMISSION

Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable shall be calculated with reference to the net profits of the Company at the end of each financial year subject to the overall ceilings stipulated in Sections 198 and 309 of the Act.

e) MINIMUM REMUNERATIONS:

Notwithstanding anything contained herein, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Director Operations and Marketing by way of salary, perquisites and allowances as specified above within the limits prescribed under Schedule XIII of the Act.

1. The aforesaid appointment of the Director Operations and Marketing may be terminated by either party by giving three months' prior notice of termination in writing to the other party.
2. The terms and conditions of the said appointments may be altered and varied from time to time by the Board, as it may, in its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Act or any



amendments made hereinafter in that regard.

3. Shri Dhaval R. Ajmera is concerned or interested in this Resolution of the Notice which pertains to his appointment and remuneration payable to him.
4. In accordance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the terms of remuneration of the aforesaid Director of the Company, are now placed before the members in General Meeting for their approval.
5. Your Directors, therefore, recommend the Resolution at Item No 9 of the Notice for acceptance by the members.
6. This may be treated as an abstract of the terms of appointment between the Company and Shri Dhaval R. Ajmera, pursuant to Section 302 of the Companies, Act, 1956.

None of the Directors of the Company except Mr. Dhaval R. Ajmera, are, in any way, concerned or interested in the said resolution.

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

Place : Mumbai
Date :30th July, 2012

Ishwarlal S. Ajmera
Chairman & Managing Director

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

DIRECTORS' REPORT TO THE MEMBERS

To,
The Members,

Your Board of Directors have pleasure in presenting the **FOURTH ANNUAL REPORT AND AUDITED ACCOUNTS** of the Company for the year ended on 31st March, 2012.

FINANCIAL HIGHLIGHTS:

(Rs. in Lacs)

	For Year ended on 31st March, 2012	For Period of Eighteen months ended on 31st March, 2011
Gross Turnover/Revenue	305.26	15994.34
Profit before interest, Depreciation & Taxation	237.49	1068.78
Less: Interest	0.07	930.01
Profit/(Loss) before Depreciation & Taxation	237.42	138.77
Less: Depreciation	11.01	422.58
Profit/(Loss) before Taxation	226.41	(283.81)
Provision for Taxation	-	2327.79
Net Profit/ (Loss)	226.41	(2611.60)
Add: Debit Balance in P & L Account B/F	17930.40	15318.80
Balance available for appropriation	NA	NA
Appropriations		
Transfer to General Reserve	-	-
Proposed Dividend on Equity Shares	-	-
Dividend Distribution Tax	-	-
Profit/ (Loss) Carried to Balance Sheet	(17703.99)	(17930.40)

BUSINESS RESULTS :

During the year under review, the Sales/Revenue Turnover is Rs.305.26 Lacs and the Company achieved Profit of Rs.226.41 Lacs.

DIVIDEND :

In view of the inadequate profits & carry forward losses, during the year, your Directors do not recommend payment of Dividend.

DIRECTORS :

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

The Board of Directors appointed Mr. Sanjay C.Ajmera and Mr.Dhaval R. Ajmera as additional Directors at its board meeting held on 24th April, 2012 . They shall hold office until the ensuing Annual General Meeting. Notice has been received from a Members under Section 257 of the Companies Act, 1956 proposing their candidature

alongwith a deposit of Rs.500/- each, for appointment as Director of the Company liable to retire by rotation.

Mr. Chhotalal S. Ajmera, ceases to be the Chairman and Managing Director of the Company w.e.f 24th March, 2012 due to his sad demise.

Shri Ishwarlal S.Ajmera , Director of the Company was appointed as Chairman and Managing Director of the Company. Shri Sanjay C.Ajmera, was appointed as Managing Director and Shri Dhaval R.Ajmera as Director, Operations and Marketing with effect from 24th April, 2012 .

Shri Ambalal C.Patel and Shri Jagdish Doshi, Directors retires by rotation at the ensuing Annual General Meeting and, being eligible, offers themselves for re-appointment.

The Board recommends these appointments/ reappointments.

**LISTING :**

The Equity Shares of the Company continue to remain listed with Bombay Stock Exchange (533110) and voluntarily delisted from National Stock Exchange (NSE) with effect from 10th May, 2012.

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:

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.

It is expected that demand for niche steel products required for Infrastructure Project will increase manifold and the Company have identified opportunity in this area. The company is focussing on dealing in specialised niche steel products to seize the opportunities in the years to come. The Company has also identified opportunity in dealing in Industrial and Commercial Units in the developing Corridor of Mumbai - Delhi where massive investment has been planned by the Government.

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

The domestic steel consumption in the country is expected to grow at 10%. The need, however, for value added and niche products to meet the market requirements and which is mainly imported into India. The Company has gained experience in Hot rolled, Cold Rolled, color coated products and Galvanized products and had established business channels which it now intends to exploit by dealing in steel products.

Similarly dealing in industrial and commercial units has been identified as focus area, as opportunities are emerging due to development of Mumbai - Delhi corridor

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.

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 year ended 31st March, 2012, 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 provisions of Section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not applicable.

Since the company caters to domestic market only, it has not undertaken any activities relating to export, initiatives to increase exports, development of new export markets for products and services or formulated any export plans.

There are no transaction involving foreign exchanges during the year as given below:

During the year, Company had an foreign exchange inflow of Rs. Nil. (Previous year Rs 9251.59 Lacs). The foreign exchange outgo during the period was Rs. Nil. (Previous Period 988.40 Lacs).

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.

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 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.

APPRECIATION:

The Directors express their appreciation to all the employees at various divisions for their diligence and contribution. The Directors record their appreciation fo the support and co-operation received from the franchisees, dealers, agents, suppliers, bankers and all other stakeholders. Last but not the least the Directors wish to thank the shareholders for their continued support.

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

Place : Mumbai
Date :30th July, 2012

Ishwarlal S. Ajmera
Chairman & Managing Director

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

CORPORATE GOVERNANCE REPORT

**A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:-**

Your Company is fully committed to the principles of good corporate governance. In keeping with this commitment your company has been upholding fair and ethical business an corporate practices and transparency in its dealings and continuously endeavours to review, strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its various projects.

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:-**

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	January 5,2009
Shri Ambalal C. Patel	Director	Independent & Non-Executive	January 5,2009
Shri Nilesh Sarvaiya	Director	Independent & Non-Executive	January 30,2010
Shri Sanjay C Ajmera #	Managing Director	Promoter & Executive	April 24, 2012
Shri Dhaval RAjmera #	Director-Operation & Marketing	Promoter & Executive	April 24, 2012

* Ceased to be Chairman and Managing Director w.e.f. 24th March 2012 on account of his sad demise.

** Resigned w.e. f. 24th April 2012.

*** Changed in Designation from Director to Chairman & Managing Director w.e.f 24th April, 2012.

Appointed w.e.f. 24th April 2012.

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 year ended on 31.03.2012. 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 year ended 31st March, 2012 & 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 *	2	No	1	2	-
Shri Rajnikant S. Ajmera **	5	Yes	1	3	2
Shri Ishwarlal S. Ajmera	5	Yes	1	2	1
Shri Jagdish J. Doshi	5	Yes	1	4	2
Shri Ambalal C. Patel	5	Yes	9	2	2
Shri Nilesh Sarvaiya	5	Yes	-	-	-

* Ceased to be Chairman and Managing Director w.e.f. 24th March 2012 on account of his sad demise.

** Resigned w.e. f. 24th April, 2012

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.



iii. Number of Board Meetings held:-

During the year ended 31st March, 2012, 5 (Five) Board Meetings were held on the following dates:

Date of Meeting	Directors Present
25th April 2011	6
29th July 2011	6
10th September 2011	5
19th October 2011	5
30th January 2012	5

C. AUDIT COMMITTEE

(I) Constitution and Composition:-

Shree Precoated Steels Limited continued to derive immense benefits from the deliberation & valuable advices of the Audit Committee. The Audit Committee was reconstituted as on 24th April, 2012 by replacing Mr. Rajnikant S. Ajmera, with Mr. Sanjay C. Ajmera and accordingly the Audit committee shall comprise of Shri Jagdish Doshi as the Chairman of the Committee and Shri Ambalal C. Patel and Shri Sanjay C. Ajmera, 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 Statements 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
 - 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.

(ii) Meetings and attendances:-

During the year ended as on 31st March, 2012, 4 (Four) Audit Committee Meeting were held.

The Meetings were scheduled well in advance. In addition to the Members of the Audit Committee, these Meetings were attended by Managing Director as a Special Invitee. 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.

Name of Directors	No. of Meetings attended
Shri Jagdish J. Doshi	4
Shri Ambalal C. Patel	4
Shri Rajnikant S. Ajmera	4

(iii) 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	45000
Shri Ambalal C. Patel	45000
Shri Nilesh Sarvaiya	25000
TOTAL	115000

- 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 three 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 was reconstituted on 24th April, 2012 by replacing Shri Rajnikant S. Ajmera with Shri Dhaval R. Ajmera and accordingly the Committee comprises of three Directors viz. Shri Jagdish Doshi as Chairman, Shri Dhaval R. Ajmera, Shri Ishwarlal S. Ajmera as Members. Mr. Harsih Taparia 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 year ended 31st March, 2012 the Committee met 4 (Four) times. The composition and the Meetings attended by the Members are as under:-

Name of Director	No. of Meetings attended
Shri Jagdish J. Doshi	4
Shri Ishwarlal S. Ajmera	4
Shri Rajnikant S. Ajmera	4

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 April 2011 to March 2012	23
Number of Complaints solved to the satisfaction of the Shareholders as on 31st March, 2012	23
Number of pending complaints / share transfers as on 31st March, 2012	NIL

Name, designation & address of Compliance Officer:-

Mr. Harish Taparia
Compliance Officer
 Rehman Building, 2nd Floor Mezzanine,
 24 Veer Nariman Road, Fort
 Mumbai-400 001
Tel.: 91-022-22841777
Fax: 91-022-26325902

CODE OF CONDUCT

Pursuant to 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

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 Chairman & 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 year ended on 31st March 12.

Ishwarlal S. Ajmera
Chairman & Managing Director

SHAREHOLDERS INFORMATION

(a) Disclosure regarding appointment and reappointment of Directors:-

Shri Ambalal C Patel 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. Ambalal C Patel holds Directorship in following companies in addition to his Directorship in Shree Precoated Steels Limited:-

- i Jindal Hotels Limited
- ii Ajmera Realty & Infra India Limited
- iii S.A.L. Steels Limited
- iv Nandan Exim Limited
- v CSL Nova Petro Chemicals Limited
- vi Sumeru Industries Ltd.
- vii Vishal Mallebale Ltd
- viii Laffans Petro Chemicals Limited
- ix Chiripal Industries Limited
- x Karnavati Hospitals Limited
- xi Circuit System Limited

Shri Jagdish J Doshi, Director is retiring by rotation and is eligible for re-appointment. Being eligible, he has offered himself for re-appointment. His attendance in the Board/General Meeting has been given in **Table 1**.

Shri Jagdish J Doshi holds Directorship in following companies in addition to his Directorship in Shree Precoated Steels Limited:

- i. Four Seasons Marine and Air Services Limited
- ii. Super and Stainless Hi-Alloys Limited
- iii. Co-Nick Alloys (India) Limited
- iv. Makmore Investment and Finance Company Private Limited
- v. Ajmera Realty & Infra India Limited

Mr. Sanjay C Ajmera and Mr. Dhaval R. Ajmera, who were appointed as an Additional Director w.e.f April, 24,2012, shall hold office till the Ensuing Annual General Meeting. Notice has been received from a Member under Sec 257 of the Companies Act, 1956 proposing their names for appointment as Directors of the Company liable to retire by rotation. The Board appointed them as Managing Director and Director Operations & Marketing, respectively at its Meeting held as on April 24,2012 for a period of five years with remuneration as stated in the Notice of the Annual General Meeting.

The brief resume and other information as required under Clause 49(IV)(G) of the Listing Agreement relating to Shri .Ambalal C Patel, Shri Jagdish Doshi ,Shri Sanjay C Ajmera and Shri Dhaval R Ajmera are furnished in the Annexure to the Notice of Annual General Meeting.



(b). Communication to shareholders:-

- i. 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.
- ii. The annual, half-yearly and quarterly results are regularly posted by the Company on its website, 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.

- iii. Your Company's quarterly, half-yearly and annual financial results are published in the Business Standard (in English) and Lakshadweep (in Marathi).
- iv. Shree Precoated Steels Limited communicates corporate financial and product information, online, on its Website, www.spsl.com with details of plants, product ranges & specifications.

(c) General Body Meetings:

The details of the previous 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", 2nd Floor, Andheri New Link Road, Mumbai-400 053	01
01/04/2008-30/09/2009	30th January, 2010 at 11.30 a.m	"CitiMall", 3rd Floor, Andheri New Link Road, Mumbai-400 053	04
01/10/2009-31/03/2011	15th July, 2011 at 11.30 a.m	.Activity Hall, Gr. Floor, Juhu Vile Parle Gymkhana Club, JVPD Scheme, Vile Parle (W), Mumbai – 400 049	02

Extra ordinary general meeting:

The company did not hold any Extra Ordinary General Meetings during the year ended as on 31st March, 2012.

(d) Disclosures:

- a. The Company has not entered into any related party transactions.
- b. 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.

(e) General Information:-

1. Annual General Meeting :-

- a. Day, Date and Time **Friday, 28th September, 2012 at 05.00pm**
- b. Venue **Esquire Hall, The Classique Club, Raheja Classique, Andheri Link Rd, Andheri (West), Mumbai - 400 053**

2. Financial Calendar (Tentative):-

- a. Year Ending 31st March, 2013
- b. Annual General Meeting September, 2013
- c. Board Meeting for considering Un-audited Results of the Company for the Financial Year as 31st March, 2013. Within 45 days from the end of the last quarter
- d. Audited Results of the Company for the Financial Year as on 31st March 2013 Within 6 Months from the end of the Financial Year.

3. Book Closure Date 22nd September, 2012 to 28th September, 2012 (both days inclusive)

4. Listing on Stock Exchanges The Bombay Stock Exchange Ltd. (BSE)

5. a. Stock Code in the Bombay Stock Exchange, Mumbai – (BSE) 533110

b. Demat in ISIN numbers in NSDL & CDSL for Equity Shares ISIN No. INE-318K01017

During the year under review, the Company has paid the Annual Listing fees payable to the Bombay Stock Exchange (BSE).

Note : Securities de-listed from NSE from 10th May 2012.



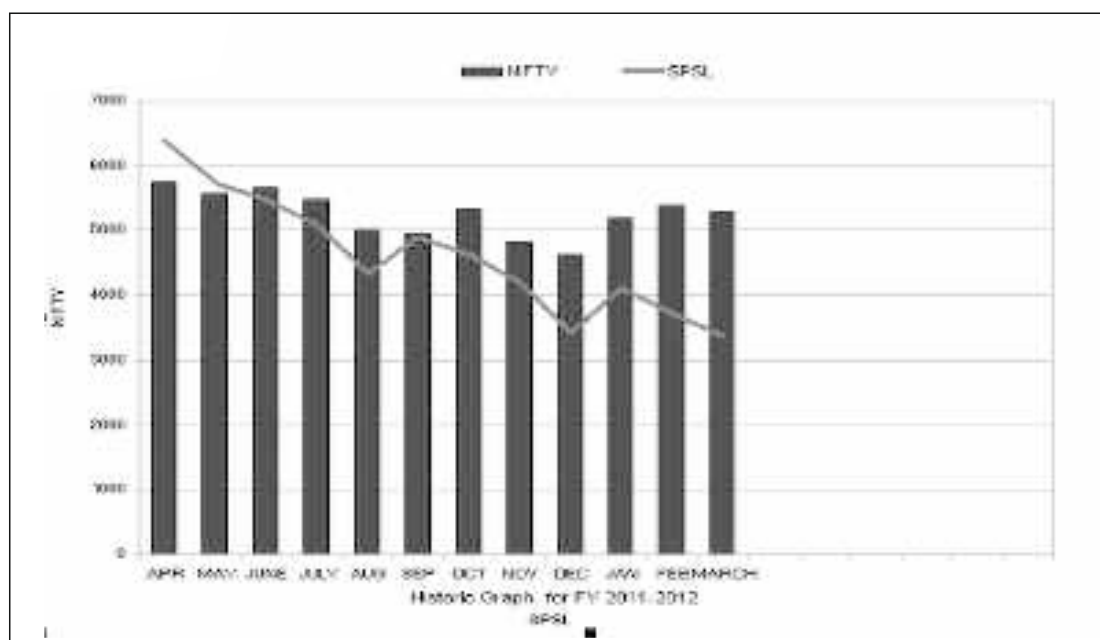
6. Market Price Data:-

(i). Monthly Highs / Lows and number of shares traded of the Company in 2011 - 12 on BSE & NSE

Month	BSE			NSE		
	High Price	Low Price	SENSEX (Closing)	High Price	Low Price	S&P CNX NIFTY (Closing)
Apr-11	9.49	6.46	19135.96	9.70	6.50	5749.5
May-11	7.95	6.30	18503.28	7.95	6.35	5560.15
Jun-11	7.25	5.66	18845.87	7.25	5.50	5647.4
Jul-11	7.39	5.77	18197.2	6.80	5.60	5482
Aug-11	6.39	3.82	16676.75	6.60	3.90	5001
Sep-11	7.69	4.65	16453.76	7.40	4.50	4943.25
Oct-11	5.94	4.79	17705.01	5.60	4.85	5326.6
Nov-11	6.65	4.62	16123.46	6.60	4.80	4832.05
Dec-11	5.20	3.80	15454.92	5.00	3.75	4624.3
Jan-12	4.81	3.84	17193.55	4.80	3.65	5199.25
Feb-12	5.50	4.23	17752.68	5.30	4.15	5385.2
Mar-12	4.65	3.51	17404.2	4.65	3.35	5295.55

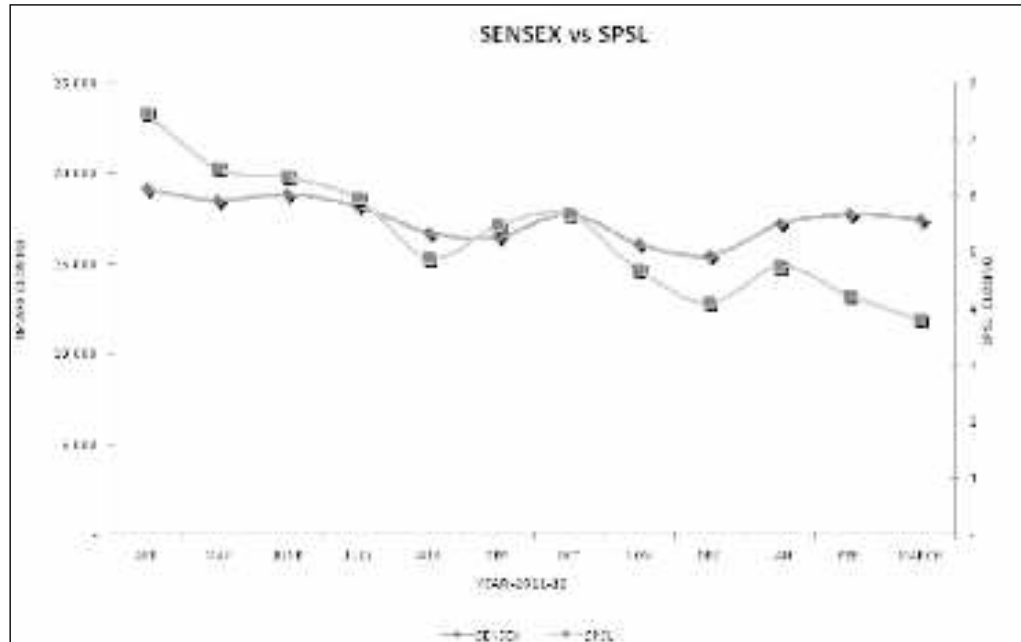
(ii) Stock Price Performance of the Shares of the Company vis-a-vis major indices

SHARE PRICE vs. NIFTY





SHARE PRICE vs. SENSEX



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

Sharex Dynamic (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
Website: 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 2011 -12 were 332 . Total number of Shares transferred to Demat category during 2011 - 12 were 11167.

In CDSL 1312
In NSDL 9855



9. Distribution of shareholdings:-

Table 2: Distribution of shareholdings according to size class as on 31st March, 2012:-

No. of Shares	Number of shareholders		Shares held in each class	
	Number	%	Number	%
Up to 100	36033	77.60	717082	.87
101 to 200	2907	6.26	447154	.54
201 to 500	3341	7.19	1211390	1.87
501 to 1,000	1900	4.09	1549630	1.46
1,001 to 5,000	1721	3.70	3844964	4.64
5,001 to 10,000	254	.55	1839135	2.22
10,001 to 100,000	212	.46	4980833	6.02
100,001 to above	69	.15	68207854	82.38
Total	46437	100.00	82798042	100.00

Table 3: Distribution of shareholdings across categories as on 31st March, 2012:-

Sr. No	Category	Percentage-%
1.	Promoter Holding	62.891
2.	NRI's /OCB's/FII's	1.301
3.	Institutions & Mutual Funds	0.002
4.	Indian Public	33.204
5.	Private Corporate Bodies	2.318
6.	Clearing Members	0.284



10. Dematerialization of shares:-

- a. As on 31st March, 2012, 82522198 (98.22%) of the total number of Shares) are in dematerialized form.
- b. As on 31st March, 2012, 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.

12. Address for correspondence for Investors

**:- Mr. Harish Taparia
Compliance Officer
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
Internet: www.spsl.com

13. Investor Grievances

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

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION



CEO Certification

I, Sanjay C. 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.
 - 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 :30th July, 2012

Sajnay C. Ajmera
Managing Director



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS
OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE
LISTING AGREEMENT**

**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) for the year ended 31st March, 2012.

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. 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.

We state that there are no investor's grievances pending against the Company for the period exceeding one month as at 31st March, 2012 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 : 30th July, 2012**

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

AUDITORS' REPORT

Auditors' 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 2012, the Statement of Profit & Loss and also the Cash Flow Statements for the year 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, Statement of Profit & Loss and the Cash Flow Statements dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the attached Balance Sheet, Statement of Profit & Loss and the Cash Flow Statements 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 taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2012 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 2012;
 - ii. In the case of Statement of Profit and Loss of the Profit of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statements of the cash flows for the year 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 : 30th July, 2012**

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

**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 disposal of part of fixed assets, in our opinion has not affected the 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 three promoters companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 5425.21 lacs and year end balance of the loans taken from such companies was Rs. 4806.94 lacs.
 - c. In our opinion and according to the information and explanations given to us, the terms and conditions on which loan have been taken from companies, firm 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 were no stipulations as to the repayment of the loans taken as the same are repayable on demand.
- 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 (Rs. in Lacs)	Period to which amount relates	Forum where pending
Service Tax	GTA of Services	22.85	2005 -06	Appeal has been filed in CESTAT.
Service Tax	Cenvat credit on Service Tax	95.84	2006-07 & 2007-08	Appeal has been filed in CESTAT.
Custom Act	Fine Penalty	15.00 5.00	2006-07	Appeal has been filed in 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 year.
- 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 year, which required creation of security or charge.
- xx. The company has not raised any money by public issue during the year 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 year ended.

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

Place : Mumbai
 Dated : 30th July, 2012

RASESH V. PAREKH - PARTNER
 Membership No. 38615

SHREE PRECOATED STEELS LIMITED



Balance Sheet

Balance Sheet as at 31st March 2012

(Rs. in Lacs)

	Notes	As at 31st March 2012	As at 31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	8279.80	8279.80
(b) Reserves and Surplus	4	(11370.48)	(11596.89)
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	5073.87	5692.14
(b) Other Long term liabilities	6	1148.72	680.74
(c) Long term provisions	7	1.39	0.76
(3) Current Liabilities			
(a) Trade payables	8	117.12	117.90
(b) Other current liabilities	9	0.86	0.57
Total		3251.28	3175.02
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	10	20.24	90.44
(b) Long term loans and advances	11	0.06	0.06
(c) Other non-current assets	12	1579.46	1579.46
(2) Current Assets			
(a) Trade receivables	13	204.12	205.62
(b) Cash and cash equivalents	14	15.11	257.74
(c) Short-term loans and advances	15	177.88	197.73
(d) Other current assets	16	1254.41	843.97
Total		3251.28	3175.02
Significant Accounting policies and notes to the Financial Statements	2		

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 : 30th July, 2012

For and on behalf of Board

ISHWARLAL S. AJMERA - CHAIRMAN & MANAGING DIRECTOR

SANJAY C. AJMERA - MANAGING DIRECTOR

Place : Mumbai
Dated : 30th July, 2012


Statements of Profit & Loss for the year ended 31st March 2012

(Rs. in Lacs)

	Notes	Year ended 31st March 2012	18 Months period ended 31st March 2011
I. Revenue from operations	17	170.33	14,778.62
II. Other Income	18	134.93	258.56
III. Total Revenue (I +II)		305.26	15,037.18
IV. Expenses:			
Cost of materials consumed	19	-	11,722.26
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	-	(192.39)
Employee benefit expenses	21	18.03	247.81
Financial costs	22	0.07	930.01
Depreciation and amortization expenses	10	11.01	422.58
Other expenses	23	49.74	2,190.72
IV. Total Expenses		78.85	15,320.99
V. Profit(Loss) before exceptional and extraordinary items and tax	(III - IV)	226.41	(283.81)
VI. Extraordinary Items		-	(15,694.95)
VII. Profit(Loss) before tax (V - VI)		226.41	(15,978.76)
VIII. Tax expense:			
(1) Adjustment During the year			(11.53)
(2) Deferred tax		-	2,339.32
IX. Profit(Loss) from the year / period from continuing operations		226.41	(18,306.55)
X. Profit / (Loss) for the year / period		226.41	(18,306.55)
XI. Earning per equity share before extraordinary items and after Tax:			
(1) Basic	24	0.27	(3.15)
(2) Diluted	24	-	-
Significant Accounting policies and notes to the Financial Statements	2		

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. 38615Place : Mumbai
Dated : 30th July, 2012

For and on behalf of Board

ISHWARLAL S. AJMERA - CHAIRMAN & MANAGING DIRECTOR**SANJAY C. AJMERA** - MANAGING DIRECTORPlace : Mumbai
Dated : 30th July, 2012



Cash Flow Statements for the year ended 31st March 2012

(Rs. in Lacs)

	Year ended 31st March 2012	18 months period ended 31st March 2011
Cash Flow From Operating Activities:		
Profit(Loss) before tax	226.41	(283.81)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortisation	11.01	422.58
(Profit)/Loss on sale of assets	(131.60)	13.36
Interest Expense	0.07	578.35
Extra Ordinary Items	-	(15694.95)
Operating profit (Loss) before working capital changes	105.89	(14964.47)
Movements in working capital:		
Increase/(decrease) in trade payables	(0.78)	(65758.38)
Increase/(decrease) in long term provision	0.63	-
Increase/(decrease) in Other Long term Liabilities	467.98	-
Increase/(decrease) in Other Current Liabilities	0.29	-
Decrease/(increase) in trade receivables	1.50	29501.50
Decrease/(increase) in inventories	-	36615.61
Decrease/(increase) in short term loans and advances	19.85	-
Decrease/(increase) in other current assets	(410.44)	-
Cash generated from/(used in) operating activities	184.92	(14605.74)
Direct taxes paid	-	11.53
Net cash flow from/(used in) operating activities (A)	184.92	(14594.21)
Cash flow from investing activities:		
Proceeds from sale of assets	190.79	62206.94
Net cash flow from/(used in) investing activities (B)	190.79	62206.94
Cash flow from financing activities:		
Repayment of long term borrowings	(618.27)	(53688.39)
Interest paid	(0.07)	(578.35)
Net cash flow from/(used in) financing activities (C)	(618.34)	(54266.74)
Net increase/(decrease) in cash and cash equivalents (A)+(B)+ (C)	(242.63)	(6654.01)
Cash and cash equivalents at the beginning of the year/Period	257.74	6911.75
Cash and cash equivalents at the end of the year/Period	15.11	257.74
Significant Accounting policies and notes to the Financial Statements	2	

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 : 30th July, 2012

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

SANJAY C. AJMERA - MANAGING DIRECTOR

Place : Mumbai
Dated : 30th July, 2012



Notes to Financial Statements for the Year ended 31st March, 2012

Notes to Accounts:

1. Corporate Information

Shree Precoated Steels Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on one stock exchanges in India. The company engaged in the Manufacturing, Processing, Trading of Steel Products and Real Estate business.

2. Basis of Preparation

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous period, except for the change in accounting policy explained below.

2.1 SIGNIFICANT ACCOUNTING POLICIES:

a Change in Accounting Policy

Presentation and Disclosure of Financial Statements

During the year ended 31st March, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies, the adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation. However it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous period figure in accordance with the requirements applicable in the current year.

b. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these adjustments are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Current and Non Current Classification

An asset is classified as current when it satisfies any of the following criteria :

- i. It is expected to be realized/ settled, or is intended for sale or consumption, in the companies normal operating cycle or
- ii. It is held primarily for the purpose of being traded or
- iii. It is expected to be realized/ due to be settled within 12 months after the reporting date or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date or
- v. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. All other assets and liabilities are classified as non current

d Tangible Fixed Assets:

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent expenditure related to an item of fixed is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred. Gains or losses arising from de recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f. Depreciation and Amortization

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or



Notes to Financial Statements for the Year ended 31st March, 2012

those prescribed under the schedule XIV to the companies Act 1956, whichever is higher.

Intangible assets are amortized on a straight line basis over the estimated useful economics life

g. Impairment of Tangible and Intangible Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generated units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining net selling price, recent market transaction is taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

h. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliable measured. The following specific recognition criteria must be met before revenue is recognized

Sale of Goods:

Revenue from sale of goods is recognized when all the risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. If the company collects sales taxes and value added taxes (VAT) on behalf of the government and , therefore ,these are not economic benefits flowing to the company . Hence they are excluded from revenue . Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from Services:

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when the services are rendered.

- I. Revenue from Real estate projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyers commitment to make the complete payment.

Revenue from real estate under development is

recognized upon transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreement, except for the contracts where the company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognized on percentage of completion method, when the stage of completion of each project reaches a reasonable level of progress. The revenue is recognized in proportion that the contract cost incurred for work performed up to the reporting date bear to the estimated total contract cost.

ii. Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

iii. Dividend Income

Dividend income is recognized with the company's right to receive dividend is established by the reporting date.

iv. Other Income

Other Income is accounted on accrual basis

I. Foreign currency transactions

Foreign currency transaction are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

- I Exchange difference arising on a monetary item that, in substance forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences



Notes to Financial Statements for the Year ended 31st March, 2012

which have been deferred and which relates to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

- ii. Exchange difference arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary items", if it has a term of 12 months or more at the date of its origination.
 - iii. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
 - iv. All other exchange differences are recognized as income or as expenses in the period in which they arise.
- j. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The company operates two defined benefit plans for its employee, viz., gratuity and post employment medical benefit liability. The costs of providing benefits under these plans are determined on the basis actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short – term employee benefit. The company measures the expected cost of such absences as the additional amount that is except to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave excepted to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

k. Income Taxes

Tax expenses comprise current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted by the reporting date. Deferred income tax relating to items recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situation where the company is entitled to a tax holiday under the income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdiction where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which after the tax holiday is recognized in the year in which the timing differences originate. However, the restrict recognition of deferred tax assets to the extent that it has become reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax can be realized. For recognition of deferred taxes, the timing difference which originates first is considered to reverse first.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognized unrecognized deferred asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.



Notes to Financial Statements for the Year ended 31st March, 2012

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such written-down is reserved to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specific period, i. e, the period for which MAT credit is allowed to be carried forward. In the year in which the company recognize MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

i. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are shares are treated as a

fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reserve share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

m. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

n. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statement.

o. Cash and cash equivalents

Cash and cash an equivalent for the purposes of cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to Financial Statements for the Year ended 31st March, 2012



(Rs. in Lacs)

	As at 31st March 2012		As at 31st March 2011	
3 : SHARE CAPITAL				
<u>AUTHORISED</u>				
8,50,00,000 (Previous year 8,50,00,000) Equity Shares of Rs. 10/- each		8,500.00		8,500.00
		8,500.00		8,500.00
Issued, subscribed and fully paid up				
8,27,98,042 (Previous Year 8,27,98,042) Equity Shares of Rs.10/- each fully paid up.		8,279.80		8,279.80
		8,279.80		8,279.80
a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
Equity shares	Nos.	Rs. in lacs	Nos.	Rs. in lacs
At the beginning of the year	82,798,042	8,279.80	82,798,042	8,279.80
Issued during the year - Bonus	-	-	-	-
Issued during the year - ESOP	-	-	-	-
Outstanding at the end of the year	82,798,042	8,279.80	82,798,042	8,279.80
b. Term/rights attached to equity shares				
The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
During the year ended 31st March, 2012, the amount of per share dividend recognised as distributions to equity shareholders was Rs. NIL (Previous year Rs. NIL).				
c. Aggregate numbers of bonus shares issued, share issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting date:				
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium.		Nil		Nil
Equity shares allotted as fully paid-up pursuant to contracts for considerations other than cash.		Nil		Nil
Equity shares bought back by the company		Nil		Nil



Notes to Financial Statements for the Year ended 31st March, 2012

	As at 31st March 2012		As at 31st March 2011	
For the period of five years starting from preceding date Share issued for consideration other than cash:				
F.Y. 2011-2012				NIL
F.Y. 2009-2011				NIL
F.Y. 2008-2009 **				8,27,88,042
**During F.Y. 2008-2009 the company has issued total 8,27,88,042 shares (PY NIL) pursuant to the Demerger Scheme of Steel division from Ajmera Realty & Infra India Limited.				
d. Details of shareholders holding more than 5% shares in the company				
Equity shares of Rs. 10 each fully paid	Nos.	%	Nos.	%
Ajmera Water N Amusement Park Private Limited	5,833,333	7.05	5,833,333	7.05
As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.				
4. Reserves and Surplus :				
Capital Reserve				
Balance as per last financial statements		30.00		30.00
Less: amount transferred to the statement of profit and loss as reduction from depreciation		-		-
Closing Balance		30.00		30.00
General reserve				
Balance as per last financial statements		6,303.51		21,998.46
Less:Extra Ordinary Loss(Refer Note: 34)		-		(15,694.95)
Closing Balance		6,303.51		6,303.51
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	(A)	(17,930.40)		(15,318.80)
Add: Profit/(Loss) for the Year/Period	(B)	226.41		(18,306.55)
Less: Appropriations				
Transfer to general reserve(Refer Note:34)		-		15,694.95
Total appropriations	(C)	-		15,694.95
Closing Balance	(A+B-C)	(17,703.99)		(17,930.40)
Total Reserves and Surplus		(11,370.48)		(11,596.89)

Notes to Financial Statements for the Year ended 31st March, 2012



	As at 31st March 2012	As at 31st March 2011
5 Long term borrowings		
Loan from Related Parties	4,806.94	5,425.21
Others	266.93	266.93
Total	5,073.87	5,692.14
The above amount includes		
Secured borrowings	1,500.00	-
Unsecured borrowings	3,573.87	5,692.14
Net Amount	5,073.87	5,692.14
The Company borrowed term loan aggregating to Rs. 1500.00 lacs by creating security against company's moveable property and Book Debts.		
6 Other long term liability		
Others	392.46	424.47
Advance from customers	756.26	256.27
Total	1,148.72	680.74
7 Long term Provisions		
Provisions for employee benefits		
Provision for gratuity	0.46	0.25
Provision for leave benefits	0.93	0.51
Total	1.39	0.76
8 Trade Payables		
Trade payables (including acceptance)		
Due to micro and small enterprises (Refer note no: 29)	-	-
Others	117.12	117.90
Total	117.12	117.90
9 Other Current Liabilities		
Others		
Provision for Wealth Tax	0.25	0.57
Provision for Bonus	0.61	-
Total	0.86	0.57



Notes to Financial Statements

Notes to Financial Statements for the Year ended 31st March, 2012

Note No.10 Tangible Assets (Rs. in Lacs)

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 1-Apr-11	Additions	Deductions during the Year	As on 31-Mar-12	Dep. On 1-Apr-11	For the Year	On Deletion	Upto 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
1.	Land	3.45	-	-	3.45	-	-	-	-	3.45	3.45
2.	Building	59.35	-	59.35	-	6.91	0.69	7.60	-	-	52.44
3.	Vehicles	134.96	-	22.03	112.93	100.41	10.32	14.59	96.14	16.79	34.55
	TOTAL	197.76	-	81.38	116.38	107.32	11.01	22.19	96.14	20.24	90.44
	Previous Period	87,560.60	19.15	87,381.99	197.76	24,827.28	422.58	25,142.54	107.32	90.44	62,733.32

Note No.10 (a) for Intangible Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 1-Apr-11	Additions	Deductions during the Year	As on 31-Mar-12	Dep. On 1-Apr-11	For the Year	On Deletion	Upto 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
Intangible Assets	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-
Previous Period	-	-	-	-	-	-	-	-	-	-

Notes to Financial Statements for the Year ended 31st March, 2012



(Rs. in Lacs)

	As at 31st March 2012	As at 31st March 2011
11. Long term loans and advances		
Security deposits		
Secured, considered good	-	-
unsecured, considered good	0.06	0.06
Doubtful	-	-
	<u>0.06</u>	<u>0.06</u>
Provision for doubtful advances	-	-
Total	0.06	0.06
12. Other non current assets	1,579.46	1,579.46
Total	1,579.46	1,579.46
13. Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	204.12	205.62
Doubtful	78.12	78.12
	<u>282.24</u>	<u>283.74</u>
Provisions for doubtful receivables	78.12	78.12
Total	204.12	205.62
14. Cash and cash equivalent		
Balance with banks:		
On current accounts	15.00	256.14
Cash on Hand	0.11	1.60
Total	15.11	257.74
15. Short term loans and advances		
Loans and advances to related parties		
unsecured, considered good	-	-
	<u>(A) -</u>	<u>-</u>
Other loans and advances		
Advance income tax (net of provision for taxation)	174.26	194.12
Prepaid expenses	3.62	3.61
	<u>(B) 177.88</u>	<u>197.73</u>
Total	(A)+(B) 177.88	197.73
16. Other current assets:		
Advance to Suppliers:(Unsecured considered good)	1,047.78	726.40
Provision for Doubtfull advances	65.12	65.12
	<u>1,112.90</u>	<u>791.52</u>
Less: Provision for Doubtful advances	65.12	65.12
	<u>1,047.78</u>	<u>726.40</u>
Other Current Assets	206.63	117.57
Total	1,254.41	843.97

Notes to Financial Statements



Notes to Financial Statements for the Year ended 31st March, 2012

Notes to Financial Statements

	Year ended 31st March 2012	18 months period ended 31st March 2011
(Rs. in Lacs)		
17. Revenue from operations		
Sales of products		
Finished goods	-	15625.01
Other operating revenue		
Others	170.33	110.77
Revenue from operations (gross)	170.33	15735.78
Less:- Excise duty	-	957.16
Revenue from operations (net)	170.33	14778.62
18. Other Income		
Profit on Sale of Fixed Assets	131.60	-
Interest income on		
Bank deposits	0.21	156.57
current investments	-	-
others	3.12	101.99
	134.93	258.56
19. Cost of materials consumed	0.00	11722.26
20. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Inventories at the end of the year		
Finished goods(as on Sale of Under taking) (Refer note no.34)	-	11987.04
	-	11987.04
Inventories at the beginning of the year		
Finished goods	-	11794.65
	-	(192.39)
21. Employee benefit expenses		
Salaries, wages and bonus	17.42	232.99
Contribution to provident fund and other fund	-	4.67
Gratuity expense	0.20	-
Staff welfare expenses	0.41	10.15
	18.03	247.81
22. Financial costs		
Interest	-	836.91
Bank charges	0.07	93.10
	0.07	930.01

Notes to Financial Statements for the Year ended 31st March, 2012



(Rs. in Lacs)

	Year ended 31st March 2012	18 months period ended 31st March 2011
23. Other Expenses		
Consumptions of stores and spares	-	281.88
Power and fuel	-	917.28
Freight and forwarding charges	-	456.36
Rent	-	18.52
Rates and taxes	0.22	5.72
Insurance	0.84	18.38
Repairs and maintenance:		
Plant and machinery	-	17.80
Buildings	-	4.24
Others	0.25	134.01
Advertising and sales promotions	0.56	89.08
Travelling and Conveyance	3.19	23.63
Payment to Auditors	0.50	1.65
Miscellaneous Expenses	15.82	73.75
Communication Expenses	1.53	5.88
Legal & Professional Fees	5.80	89.59
Vehicle Expenses	2.20	4.62
Loss on Sale of Asset	-	13.36
Sales Tax	0.24	34.97
Listing Fees	4.47	-
Membership Subscription	2.43	-
Postage & Courier	4.27	-
Printing & Stationery expenses	6.27	-
Board Meeting Fees	1.15	-
	49.74	2190.72
Payment to auditor		
As auditor:		
Audit fee	0.25	1.00
Tax audit fee	0.15	0.25
In other capacity:		
Other services(certification fees)	0.10	0.25
Reimbursement of expenses	-	0.15
	0.50	1.65
24. Earning per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations.		
Profit/(loss) after tax (in Rupees)	(A) 22640664	(261160000)
No. of outstanding equity share	(B) 82798042	82798042
Earning per share (EPS)	(A)/(B) 0.27	(3.15)

Notes to Financial Statements



Notes to Financial Statements for the Year ended 31st March, 2012

25. 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.

Sr. No.	Particulars	Amount in Rs. as on 31.03.2012		
		Gratuity unfunded	Leave Salary unfunded	Total
I	Reconciliation in Present Value of Obligation (PVO) - defined benefits			
	Current Service Cost	22,839	44,134	66,973
		24,730	44,733	69,463
	Interest Cost	2,102	4,123	6,225
	Actuarial (gain)/ losses	(3,994)	27,574	23,580
		-	3,769	3,769
	Benefits Paid	-	31,377	31,377
	Past service cost			
	PVO at the beginning of the year	24,730	48,502	73,232
	PVO at end of the year	45,677	92,956	1,38,633
		24,730	48,502	73,232
II	Change in fair value of plan assets :			
	Expected Return on plan assets	-	-	-
	Actuarial (gain)/ losses	-	-	-
	Contribution by employers	-	-	-
	Benefits Paid	-	-	-
	Fair value of plan assets at the beginning of the year	-	-	-
	Fair value of plan assets at end of the year	-	-	-
III	Reconciliation of PVO and fair value of plan assets :			
	PVO at end of period	45,677	92,956	1,38,633
		24,730	48,502	73,232
	Fair value of plan assets at end of the year			
	Funded status			
	Unrecognised actuarial (gain)/ losses			
	Net assets/(liability) recognised in the balance sheet	45,677	92,956	1,38,633
		24,730	48,502	73,232
IV	Net cost for the year ended March 31, 2012 :			
	Current Service Cost	22,839	44,134	66,973
		24,730	44,733	69,463
	Interest Cost	2,102	4,123	6,225
	Expected Return on plan assets			
	Actuarial (gain)/ losses	(3,994)	27,574	23,580
		-	3,769	3,769
	Net Cost	45,677	92,956	1,38,633
		24,730	48,502	73,232
V	Category of assets as at March 31, 2012	-	-	-
VI	Actual return of plan assets	-	-	-
VII	Assumption used in accounting for the Grauity & Leave Salary plan:			
	Discount rate (%)	8.75%	8.75%	
		8.50%	8.50%	
	Salary escalation rate(%)	7.50%	7.50%	
		7.00%	7.00%	
	Expected amount of return on plan assets			

Figures in Bold represents current financial year & others represents for previous period.

Notes to Financial Statements for the Year ended 31st March, 2012

**26. Segment Information:**

The Company primarily deals in the steel business and hence there is no Primary reportable segment in the context of Accounting Standard – 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)	
		Year ended on 31.03.2012	18 months period ended on 31.03.2011
Export Segment	Export Sales including Export Incentives (Net of Excise Duty)	NIL	10,030.36
Local Segment	Local Sales (Net of excise duty)	NIL	4,637.49
Total		NIL	14,667.85

27. 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 year 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 Ltd.	Associate
Ajmera Housing Corporation Bangalore	Associate
Ajmera Housing Corporation	Associate
Ajmera Steel Strips Limited	Associate
Ajmera Water N Amusement Park Private Limited	Associate
Bombay Freezco Private Limited	Associate
Jolly Brothers 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***	Chairman & Managing Director
Shri Ishwarlal S. Ajmera – HUF	Relative
Shri Sanjay C Ajmera****	Managing Director
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****	Director

*Ceased to be Chairman and Managing Director w.e.f 24th March, 2012 on account of his sad demise.

**Resigned w.e.f 24th April, 2012

*** Change in designation w.e.f 24th April, 2012

**** Appointed w.e.f 24th April, 2012



Notes to Financial Statements for the Year ended 31st March, 2012

Notes to Financial Statements

c. Related Party Transactions:

(Rs. in Lacs)

Transactions	Associates/ Subsidiary	Directors and Relatives	Key Management Personnel	Year ended 31.03.2012 Balances
Finance received / (repaid) in form of loans	(618.27) 1539	NIL (1566)		4806.94 5692
Rent Paid	NIL NIL	NIL 47	NIL NIL	NIL NIL

Note : Bold figures represents for Current Year

d. Disclosure in respect of material transactions with related parties

(Rs. in Lacs)

Nature of Transaction	Related Parties	Year ended on 31.03.2012	18 months period ended on 31.03.2011
Finance received / (repaid) in form of Loans * The repayment made on Behalf of division now stands and considered as Loan post-demerger	- Ajmera Cements Private Limited	(583.27)	603
	- Ajmera Realty & Infra India Limited*		3,286
	- Sankalpa Holdings Pvt. Ltd.	(35.00)	(2350)
	- Ishwarlal S. Ajmera	-	(119.97)
	- Shashikant S. Ajmera	-	(235.74)
	- Bhogilal S. Ajmera	-	(293.27)
	- Veenaben C. Ajmera	-	(258.86)
	- Rajnikant S. Ajmera	-	(77.02)
	- Chhotalal S. Ajmera	-	(260.06)
	- Dhaval R. Ajmera	-	(1.69)
	- Hasumati I. Ajmera	-	(1.59)
	- Vimlaben B. Ajmera	-	(104.31)
	- Kokilaben S. Ajmera	-	(39.12)
	- Sonal C. Ajmera	-	(0.50)
	- Jayant Ajmera	-	(77.42)
- Jyotiben Ajmera	-	(96.75)	
Rent Paid	- Shri Chhotalal S Ajmera	-	0.11
	- Smt. Veena C. Ajmera	-	0.35
	- Shri Sanjay C Ajmera	-	0.60
	- Shri Atul C Ajmera	-	0.13
	- Smt Hetal S Ajmera	-	0.14
	- Shri Bhogilal S Ajmera	-	0.36
	- Smt Vimla B Ajmera	-	0.14
	- Shri Ashwin B Ajmera	-	0.36
	- Shri Rajnikant S Ajmera	-	0.36
	- Smt Bharti R Ajmera	-	0.34
	- Shri Dhaval R Ajmera	-	0.13
	- Shri Shashikant S Ajmera	-	0.59
	- Smt Kokila S Ajmera	-	0.13
	- Shri Nimesh S Ajmera	-	0.12
	- Shri Ishwarlal S Ajmera	-	0.48
	- Shri Bhanumati C Ajmera	-	0.21
	- Shri Natwarlal S Ajmera	-	-
	- Shri Natwarlal S Ajmera (HUF)	-	0.21
	- Four Brothers	-	10.02

Notes to Financial Statements for the Year ended 31st March, 2012

**28. Contingent Liabilities**

Contingent Liabilities not provided for in respect of :

Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which Amount relates	Forum where pending
Service Tax	GTA of Services	22.85	2005 -06	Appeal has been filed in CESTAT.
Service Tax	Cenvat credit on Service Tax	95.84	2006-07 & 2007-08	Appeal has been filed in CESTAT.
Custom Act	Fine Penalty	15.00 5.00	2006-07	Appeal has been filed in CESTAT.

29. 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 Note No. 8 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.

30. Value of Import Calculated on CIF Basis:

Particulars	(Rs. in Lacs)	
	Year ended on 31.03.2012	18 Months period ended on 31.03.2011
Raw Materials	-	746.54
Component & Spare Parts	-	241.86
Capital Goods	-	-

31. Expenditure in Foreign Currency (accrual basis)

Particulars	(Rs. in Lacs)	
	Year ended on 31.03.2012	18 Months period ended on 31.03.2011
Legal Charges	-	11.12
Sales Commission	-	19.79



Notes to Financial Statements for the Year ended 31st March, 2012

32. Imported and indigenous raw materials, components and spare parts consumed

Particulars	Year ended on 31.03.2012		18 Months period on 31.03.2011	
	Rs. in Lacs	% of total consumption	Rs. in Lacs	% of total consumption
Value of Raw Material Consumed				
(a) Indigenous	-	-	9,482	81
(b) Imported	-	-	2,240	19
Total	-	-	11,722	100
Value of stores & spares consumed				
(a) Indigenous	-	-	282	100
(b) Imported	-	-	-	0
Total	-	-	282	100

33. Earnings in Foreign Currency (accrual basis)

	(Rs. in Lacs)	
	Year ended on 31.03.2012	18 months period ended on 31.03.2011
Export of Goods on F.O.B. basis	-	9,251.59

Notes to Financial Statements for the Year ended 31st March, 2012



34. In the Previous period, 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 Statement of Profit & Loss and as per the direction of Honorable Bombay High Court, an equivalent amount has been transferred from General Reserve.

35. Regrouping of Previous period Figures.

Till the period ended 31st March 2011, the company was using pre-revised Schedule-VI of the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st

March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous period figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in financial statements.

36. The accounts are drawn for the period of:

- (a) Previous period from 1st October 2009 to 31st March 2011(18 months)
- (b) Current year from 01st April 2011 to 31st March 2012(12 months). Hence the figures for the previous period is not comparable.

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 : 30th July, 2012

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

SANJAY C. AJMERA - MANAGING DIRECTOR

Place : Mumbai
Dated : 30th July, 2012



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 FOURTH ANNUAL GENERAL MEETING on Friday, the 28th September, 2012 at 5.00 PM at Esquire Hall, The Classique Club, Raheja Classique, Andheri Link Rd, Andheri (West), Mumbai - 400 053.

(For demat holding)

(For physical holding)

DP ID

Folio No.

Client ID

No. of Share(s) held

Name of equity shareholder/proxy/representative _____

Signature of equity shareholder/proxy/representative _____

- 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.

TEAR HERE



Proxy

SHREE PRECOATED STEELS LIMITED

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

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 FOURTH ANNUAL GENERAL MEETING on Friday, the 28th September, 2012 at 5.00 PM at Esquire Hall, The Classique Club, Raheja Classique, Andheri Link Rd, Andheri (West), Mumbai - 400 053. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

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.