



SHREE PRECOATED STEELS LIMITED

8th

**ANNUAL REPORT
2015-16**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Late Mr. Ishwarlal S. Ajmera*	- Chairman and Managing Director
Mr. Sanjay C. Ajmera[#]	- Managing Director
Mr. Dhaval R. Ajmera[@]	- Director - Operations & Marketing
Mr. Nilesh H. Sarvaiya^{&}	- Independent Director
Mr. Jagdish J. Doshi	- Independent Director
Mr. Ambalal C. Patel	- Independent Director
Mrs. Aarti M. Ramani	- Independent Director

* Ceased to be Chairman & Managing Director w.e.f. August 9, 2015 on account of his sad demise.

[#] Resigned from the Board w.e.f. May 23, 2016.

[@] Resigned from the Board w.e.f. May 24, 2016.

[&] The Designation has changed from Non Executive Independent Director to Non Executive Professional Director.

CHIEF FINANCIAL OFFICER

Mr. Harish G. Taparia

ASST. COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Nitika S. Singh

REGISTERED OFFICE

B-716, 7th Floor, Crystal Plaza,
New Link Road, Andheri (W),
Mumbai - 400 053.
Tel: +91 22 6552 6677
Email: spsl.investors@gmail.com
Website: www.spsl.com

CORPORATE IDENTITY NUMBER (CIN)

L70109MH2007PLC174206

AUDITORS

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

Book Closure Date :

From Saturday, August 20, 2016
to Friday, August 26, 2016
(both days inclusive)

REGISTRAR & SHARE TRANSFER AGENT

Sharex Dynamic (India) Private Limited
Unit No. 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai-400 072
Tel: 022 28515606, Fax: 022 28512885
Email: sharexindia@vsnl.com
Website: www.sharexindia.com

EIGHTH ANNUAL GENERAL MEETING

Date	: 26 th August, 2016
Day	: Friday
Time	: 12.30 p.m.
Place	: Activity Hall, Ground Floor, Juhu Vile Parle Gymkhana Club, N. S. Road, JVPD Scheme, Vile Parle (W), Mumbai-400 049.



NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of Shree Precoated Steels Limited will be held on Friday, 26th August, 2016 at 12:30 p.m. at Activity Hall, Ground Floor, Juhu Vile Parle Gymkhana Club, N.S Road, JVPD Scheme, Vile Parle (West), Mumbai - 400049, to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 together with the reports of the Board of Directors and Auditors thereon.

2. Ratification of appointment of Auditors

To ratify appointment of the Auditors of the Company and to fix their remuneration and to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT in terms of the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, pursuant to recommendation of Audit Committee, and pursuant to the resolution passed by the Members at the Sixth Annual General Meeting held on September 27, 2014, the appointment of M/s. V. Parekh & Associates, Chartered Accountants (Registration No. 107488W), as statutory auditors of the Company, to hold office from the conclusion of this Meeting i.e. Eighth Annual General Meeting until the conclusion of the Ninth Annual General Meeting of the Company, be and is hereby ratified by the Members on a remuneration inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee in connection with the audit of the accounts of the Company for the financial year ending March 31, 2017.”

SPECIAL BUSINESS:

3. Appointment of Mr. Harsh L. Mehta (DIN:01738989) as a Director

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time

being in force) and in accordance with the Articles of Association of the Company, Mr. Harsh L. Mehta (DIN: 01738989) who was appointed as an Additional Director of the Company with effect from 24th May, 2016 by the Board of Directors and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Harsh L. Mehta for the office of Director, be and is hereby appointed as an Executive Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

4. Appointment of Mr. Harsh L. Mehta (DIN:01738989) as a Managing Director

To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the appointment of Mr. Harsh L. Mehta (DIN: 01738989), Executive Director, as Managing Director of the Company, for a period of five years with effect from 24th May, 2016, liable to retire by rotation, upon such terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said remuneration as it may deem fit and to fix the quantum, composition and periodicity of the remuneration payable to the Managing Director.

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite



approvals including approval of Central Government, as per schedule V and other provisions of the Companies Act, 2013, if any, pay to the Managing Director as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the explanatory statement annexed to the Notice convening this Meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment, if any, shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

5. Revision in terms of remuneration of Mr. Dhaval R. Ajmera (DIN: 00012504)

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** in partial modification of the resolution passed by the Members at the 6th Annual General Meeting of the Company held on 27th September, 2014 for approval of remuneration of Mr. Dhaval R. Ajmera, as the Director - Operations & Marketing of the Company and the terms of remuneration payable to him and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves with effect from 1st April, 2016, the revision in the remuneration and new salary scale to Mr. Dhaval R. Ajmera (DIN: 00012504) for the balance of his tenure, as detailed in the statement forming part of this notice.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to fix his salary within the salary scale approved, increasing thereby proportionately all benefits related to the quantum of salary.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution.”

6. Change in designation of Mr. Nilesh H. Sarvaiya (DIN: 00799636) from Non- Executive Independent Director to Non-Executive Professional Director

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in partial modification to the Ordinary Resolution passed at the Sixth Annual General Meeting held on 27th September, 2014, in relation to the re-appointment of Mr. Nilesh S. Sarvaiya (DIN: 00799636) who was appointed as a Non- Executive Independent Director of the Company, confirmation, consent and approval of the Company be and is hereby accorded to change the Designation of Mr. Nilesh H. Sarvaiya from ‘Non-Executive Independent Director’ to ‘Non-Executive Professional Director’, liable to retire by rotation.

RESOLVED FURTHER THAT all other terms mentioned in the said Ordinary Resolution passed at the Sixth Annual General Meeting held on 27th September, 2014, in relation to the re-appointment of Mr. Nilesh H. Sarvaiya shall remain unchanged”

7. Adoption of new set of Articles of Association

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 5 and 14 of Companies Act, 2013 (‘the Act’) and Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT any of the Directors or Secretary of the Company, be and are hereby



SHREE PRECOATED STEELS LIMITED

severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s).”

By order of the Board of Directors
For **SHREE PRECOATED STEELS LIMITED**

Place: Mumbai

Date: June 30, 2016

AMBALAL C. PATEL

CHAIRMAN

(DIN: 00037870)

CIN: L70109MH2007PLC174206

Registered Office:

B-716, 7th Floor, Crystal Plaza,

New Link Road, Andheri (W),

Mumbai, Maharashtra - 400 053

Tel.: +91-22-65526677

Email Id: spsl.investors@gmail.com

Website: www.spsl.com

NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
2. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the Directors proposed to be appointed is given in the Annexure to the Notice.
3. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

4. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names under a given Folio / DP ID – Client ID will be entitled to vote.
6. Members / Proxies / Authorised Representatives shall bring the attendance slip enclosed herewith, duly completed and signed mentioning therein their DP ID and Client ID details, in case they hold shares in dematerialized form whilst those members who hold shares in physical form should mention their Folio No. The attendance slip should be presented at the venue of the meeting.
7. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 20th August, 2016 till Friday, 26th August, 2016 (both days inclusive) on account of Annual General Meeting of the Company.
8. Members are requested to note that the Company’s equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular No. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
9. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at spsl.investors@gmail.com at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.
10. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged with the Company between 11:00 a.m. to 5:00 p.m. at the registered office of the Company, provided that not less than 3 days of notice in writing is given to the Company.
11. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days from the date hereof upto the date of the Meeting provided a written notice requesting for inspection is received by the Company at least 3 days prior to the inspection.

The relevant documents referred to in the Notice and Explanatory Statement will also be available for inspection by the Members at the Meeting.
12. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.



13. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company's Registrar and Share Transfer Agent, M/s Sharex Dynamic (India) Private Limited.
14. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Rules issued thereunder. Members holding shares in physical form desiring to avail this facility may send their nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's RTA website www.sharexindia.com under the section 'Downloads'. Members can also find enclosed with this Annual Report nomination form in the form of SH-13. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Sharex, for consolidation into a single folio.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Transferor Agent to the Company.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
18. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company / Depositories. In case any member desires to have a physical copy of the same, he/she may write to the Company or send an Email to spsl.investors@gmail.com. Members who have not registered their email address and holding shares in physical are requested to register the same with the Company or RTA and members holding shares in dematerialised form are requested to update their email address with their respective depository participants.
19. Members may kindly note that the Annual Report of the Company will also be available on the Company's website, www.spsl.com and can be downloaded, if required, by the Members.
20. As on 31st March 2016, the balance lying in Unclaimed Fractional Share Sale Proceeds Account is ₹10,977.14 which is due for transfer to the Investors Education and Protection Fund on 23rd March 2017.
- Pursuant to the provisions of IEPF (Uploading of Information regarding Unpaid and Unclaimed Amounts lying with companies) Rules, 2012, the Company has uploaded the details of Unclaimed Fractional Share Sale Proceeds lying with the Company on its website (www.spsl.com).
21. Members are requested to note that no claim shall lie against the Company or the aforesaid fund in respect of any amount of sale proceeds remaining unclaimed / unpaid for a period of 7 years from the dates they became first due for payment. Any member, who has not claimed fractional entitlement in respect of the sale of fractional shares arose on account of Demerger is requested to approach the Company/ the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 23rd March, 2017. Any claim remaining unclaimed with regards to sale proceeds of the Fractional entitlement of equity shares sold on 17th February, 2010 till 23rd March, 2017, will not be payable by the Company thereafter.
22. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members, facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services.

INSTRUCTIONS FOR E-VOTING

- The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. However, if a Member casts votes by both modes, then voting done through e-voting shall prevail and the ballot shall be treated as invalid.
- Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding



shares as on the cut-off date i.e. 19th August, 2016 may obtain the User ID and password in the manner as mentioned at sub points from (f) to (k) given below.

- e. The e-voting period begins on 23rd August, 2016 at 9:00 a.m and ends on 25th August, 2016 at 5:00 p.m. The e-voting module shall be disabled by CDSL for voting thereafter. During the e-voting period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th August, 2016, may cast their vote electronically.
- f. The shareholders should log on to the e-voting website: www.evotingindia.com.
- g. Click on Shareholders tab.
- h. Now Enter your User ID
For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.
- i. Next enter the Image Verification as displayed and Click on Login.
- j. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- k. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- l. After entering these details appropriately, click on "SUBMIT" tab.
- m. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- n. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- o. Click on the EVSN for the relevant "Shree Precoated Steels Limited" on which you choose to vote.
- p. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- q. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- r. After selecting the resolution you have decided to vote on, click on "SUBMIT" tab. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- s. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- t. You can also take out print of the voting done by you, by clicking on "Click here to print" option on the Voting page.
- u. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password &



enter the details as prompted by the system.

v. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and the Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- w. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
23. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off-date of 19th August, 2016.
24. The Company shall be making arrangements for the members to cast their votes in respect to the businesses either through electronic voting system or through poll, for members attending the meeting who have not cast their vote by remote voting.

25. Ms. Shreya Shah, Practicing Company Secretary (Membership No. 39409) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
26. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make 'not later than three days of conclusion of the meeting' a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
27. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.spsl.com and will be communicated to BSE Limited where the shares of the Company are listed.
28. The route map showing directions to reach the venue of the Eighth AGM is given at the end of this Annual Report as required under Secretarial Standards - 2 issued by ICSI.

By order of the Board of Directors
For **SHREE PRECOATED STEELS LIMITED**

Place: Mumbai
Date: June 30, 2016

AMBALAL C. PATEL
CHAIRMAN
(DIN: 00037870)

CIN:L70109MH2007PLC174206

Registered Office:

B-716, 7th Floor, Crystal Plaza,
New Link Road, Andheri (W),
Mumbai, Maharashtra - 400 053
Tel.: +91-22-65526677

Email Id: spsl.investors@gmail.com

Website: www.spsl.com

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that the service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants. We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and will co-operate with the Company in implementing the same.



STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 :

The following Statements sets out all the material facts relating to the Special Business under Item No. 3 to 7 of the accompanying Notice.

Item No. 3

The Board of Directors (based on recommendation of Nomination and Remuneration Committee) has appointed Mr. Harsh L. Mehta as an Additional Director from May 24, 2016.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 98 of the Articles of Association of the Company, Mr. Harsh L. Mehta holds office as an Additional Director only up to this Annual General Meeting.

In terms of Section 160 of the Companies Act, 2013 ("the Act"), the Company has received a notice from a Member along with requisite deposit of ₹100,000/- signifying intention to propose Mr. Harsh L. Mehta as a candidate for the office of Director of the Company, pursuant to the approval granted by the Board at its Meeting held on May 24, 2016. The required details in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Annexure to the Notice.

The Board of Directors is of the opinion that his vast knowledge and varied experience in the field of project management, finance and legal which will be of great value to the Company and hence recommends the Resolution at Item No. 3 of this Notice for your approval.

Notice received under Section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 3 of the Notice, except Mr. Harsh L. Mehta.

The Board recommends the resolution set forth in Item No. 3 for the approval of the Members.

Item No.4

Considering the rich and varied experience of Mr Harsh L. Mehta and future growth plan of the Company, the Board of Directors at their meeting held on 24th May, 2016 pursuant to the recommendation of Nomination and Remuneration Committee and subject to approval of members, has appointed Mr. Harsh L. Mehta as Managing Director of the Company for a term of five years effective from 24th May, 2016 based on terms and conditions including remuneration as stipulated hereunder. Mr. Mehta is also designated as Key Managerial Personnel of the Company as per the requirement of Section 203 of the Companies Act, 2013.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The appointment of Mr. Harsh L. Mehta and payment of remuneration including perquisites are subject to the approval of Shareholders at this Annual General Meeting of the Company and other statutory approvals as may be required and his principal terms and conditions of appointment is given below:-

1. The Managing Director shall, carry out such duties, as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such power as may be assigned to him, manage the business and affairs of the Company, subject to the superintendence, control and directions of the Board of Directors.
2. The Tenure of appointment shall be for a period of 5 (five) years with effect from May 24, 2016 up to May 23, 2021.
3. Mr. Harsh L Mehta, Managing Director will be liable to retire by rotation during his tenure up to May 23, 2016.
4. The details of remuneration payable to Mr. Harsh L. Mehta and the terms and conditions of the appointment are given below:

a. Basic Salary

₹ 1,00,000/- per month in the scale of ₹ 1,00,000/- to ₹ 3,00,000/- per month.

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

b. Perquisites

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 MD such perquisites



and allowances will, however, be subject to a maximum of 33.33% of the annual salary.

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.

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.

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.

c. Reimbursement of Expenses

Expenses incurred for travelling, boarding and lodging including for their spouse and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

d. Minimum Remuneration

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 MD by way of salary, perquisites and allowances as specified above within the limits prescribed under Schedule V of the Act.

5. The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.

Except Mr. Harsh L. Mehta, being an appointee, none of the Directors and Key managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the Resolutions set out at item No. 4 of the Notice.

The Directors are of the view that the appointment of Mr. Mehta as Managing Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly recommend the Resolutions at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

Item No. 5

The members of the Company at the 6th Annual General Meeting of the Company held on 27th September, 2014, had approved the revision in Remuneration of Mr. Dhaval R. Ajmera as Operations & Marketing Director of the Company for a remaining period of his tenure.

Taking into consideration his present salary, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors Meeting held on 9th March, 2016 decided to revise the remuneration of Mr. Dhaval R. Ajmera from the existing scale of ₹ 2,00,000/- to ₹ 4,00,000/- per month to the new scale of ₹ 4,00,000/- to ₹ 6,00,000/- per month for the balance tenor commencing from 1st April, 2016 subject to the approval of members.

All other terms and conditions relating to his appointment as approved earlier by the members remain unchanged.

REMUNERATION :

a. Basic Salary

In the scale of ₹ 4,00,000/- to ₹ 6,00,000/- per month w.e.f. 1st April, 2016.

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

b. Perquisites

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 such perquisites and allowances will, however, be subject to a maximum of 33.33% of the annual salary.

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.



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

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 not be included in the computation of perquisites for the purpose of calculating the said ceiling.

c. Reimbursement of Expenses

Expenses incurred for traveling, boarding and lodging including for his spouse and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

d. 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 by way of salary, perquisites and allowances as specified above within the limits prescribed under Schedule V of the Act.

Details of remuneration paid to Mr. Dhaval R. Ajmera during the Financial Year 2015-16 have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report forming part of this Annual Report for the Financial Year 2015-16.

None of the Directors, or Key Managerial Personnel, or their relative(s), of the Company is/are in any way concerned or interested, in passing of the resolution mentioned at Item No.5 except the concerned Director and their relatives.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Member.

INFORMATION PURSUANT TO SCHEDULE V PART (II) SECTION II OF THE ACT

I. General information :			
Nature of Industry	The Company operates in real estate activities and is exploring opportunities in real estate development and redevelopment projects. The company is focussing on activities related to trading of flats, development rights and investment in real estate, if right opportunity exists, in order to utilize the expertise and knowledge of the Management, the Company is desirous of dealing in steel products in future and awaits suitable market conditions and opportunities.		
Date or expected date of commencement of commercial production	September 17, 2007		
In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
Financial Performance based on given indicators for the financial year ended 31/03/16 & 31/03/15.	Particulars	31/03/2016 (₹ in Lacs)	31/03/2015 (₹ in lacs)
	Total Income	1284.98	2612.31
	Expenses	1878.72	2069.12
	Profit/ (Loss)	(593.74)	543.19
	Eps	(0.72)	0.66
	P/E ratio	(2.79)	4.05
	Total Assets	1205.36	3856.78
	Accumulated Losses	(7633.19)	(7039.45)
Foreign Investments or Collaborations	Not Applicable		



II. Information about appointee :	
Background details	Mr. Dhaval R. Ajmera (DIN: 00012504), who was appointed as the Director-Operations & Marketing of the company for the period of five years w.e.f. April 24, 2012. Approval for his Remuneration is now sought from the Shareholders. Further details are set out in the explanatory statement to Item No. 5 of the accompanying notice.
Past remuneration	Annual Remuneration of ₹ 50,67,396/- p.a all inclusive of allowances and perquisites in F.Y. 2015-16.
Recognition or awards	He has been recognized as the youngest entrepreneur in the real estate market. Under his leadership the projects have been awarded with Green Commercial building certification.
Job Profile and his suitability	M.B.A. from Cardiff University by qualification, has been handling the marketing strategies, execution and branding of Ajmera Group. He is now in-charge of Company's Marketing & Branding all over Group.
Remuneration Proposed	In the scale of ₹ 4,00,000/- to ₹ 6,00,000/- p.m. plus allowances and perquisites as per company's rules, subject to ceiling stipulated in Schedule V of the Act.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The management is considering approach for implementation of best practices at best cost. Your company had undergone bench marking and accordingly, the managerial remuneration has been paid at par with the Industry norms.
Pecuniary relationship, directly or indirectly, with the company or relationship with the managerial personnel, if any.	No pecuniary relationship apart from remuneration drawn from the company.
III. Other Information :	
Reasons of loss or inadequate profits	The Company is exploring different suitable avenues in trading industry. Due to market stagnancy, the Company is following risk averse mechanism and waiting for the right opportunities.
Steps taken or proposed to be taken for improvement	The Company is waiting for liberal regulations for trading in real estate and also market improvement in Steel industry.
Expected increase in Productivity and profits in measurable terms	NA
IV. Disclosures : The details of the remuneration package are provided in the Corporate Governance report forming part of this annual report.	

Item No. 6

Post resignation of Mr. Dhaval R. Ajmera and Mr. Sanjay C. Ajmera, the board consisted of 5 directors, out of which 4 directors are Independent and 1 director is executive, liable to retire by rotation.

Pursuant to the provisions of Section 149(13), Section 152(6) and (7), retirement of Directors by rotation shall not be applicable to Independent Directors. Having regard to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 152 of the Companies Act, 2013, as per willingness of Mr. Nilesh H. Sarvaiya, it was proposed to make and consider Mr. Nilesh H. Sarvaiya as 'Non-Executive Professional Director,' instead of 'Non-executive Independent Director', liable to retire by rotation. All other

terms and conditions with respect to their appointment as approved by the members shall remain unchanged.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolutions except the concerned Director and his relatives.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders

Item No. 7

The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the Act which deal with the general working of



SHREE PRECOATED STEELS LIMITED

companies stand notified. With the Act coming into force several articles of the existing Articles of Association of the Company require alteration / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on June 30, 2016 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the registered office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Board recommends the Special Resolutions set out at Item No. 7 of the Notice for approval by the shareholders.

ANNEXURE TO THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

Name of the Director	Mr. Harsh L. Mehta (Item No. 3 and 4)	Mr. Nilesh H. Sarvaiya (Item No. 6)
Director Identification Number (DIN)	01738989	00799636
Date of Birth	21 st October, 1981	7 th April, 1969
Nationality	Indian	Indian
Date of Appointment on the Board	24 th May, 2016	13 th May, 2014
Qualifications	B.Sc, M.Sc	B.Com, DBM, Mumbai
Expertise in specific functional area	Over ten years of experience in the fields of Project Management, Finance & Legal.	Trading in Electrical Equipment
Number of shares held in the Company	NIL	NIL
List of the directorships held in other companies*	1. Parsuns Traders Ltd	1. Prudential Leasing Limited 2. Parsuns Traders Limited
Chairman/ Member in the Committees of the Boards of other companies in which he is Director*	NIL	NIL
Relationships between Directors inter-se	No inter se relationship	No inter se relationship
*Directorship includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of all companies, other than SPSL, whether Listed or unlisted and excludes Private Limited Companies, Foreign Companies and Section 8 Companies.		



DIRECTORS' REPORT AND MANAGEMENT DISCUSSION ANALYSIS

Dear Shareholders,

The Board of Directors ("Board") of Shree Precoated Steels Limited ("SPSL" or "Company") with pleasure present Eighth report on the business and operations of your Company for the financial year 2015-16 alongwith the Audited Financial Statement for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS:

The financial performance of your Company for the year ended 31st March, 2016 is summarised below:

(₹ in lakhs)

Particulars	Standalone	
	For the year ended March 31,	
	2016	2015
Revenue from Operations (net)	1284.98	2612.31
Other Income	-	-
Total Revenue	1284.98	2612.31
Less: Employee Benefits Expenses	94.60	62.89
Less: Finance costs	3.99	0.89
Less: Depreciation	3.24	3.58
Profit / (Loss) before Exceptional Items & Tax	(593.74)	543.19
Exceptional Item	-	650.08
Profit/(Loss) before Taxation	(593.74)	543.19
Less: Tax Expense	-	-
Profit/(Loss) after tax	(593.74)	543.19
Less: Minority Interest	-	-
Profit attributable to the shareholders of the Company	-	543.19
Opening balance in Statement of Profit and Loss	(13372.96)	(14566.23)
Amount available for appropriation	-	-
Transfer to general Reserve	-	-
Closing Balance in the Statement of Profit and Loss	(13966.70)	(13372.96)

Note : Previous year's figures have re-grouped / re-classified wherever necessary.

FINANCIAL PERSPECTIVE OF THE YEAR GONE BY :

During the year under review, the total revenue of the Company was ₹ 1284.98 Lakhs as against ₹ 2612.31 lakhs during the previous financial year. The Company recorded a net loss of ₹ 593.74 Lakhs against a net profit of ₹ 543.19 lakhs during the previous financial year. Since the Company has incurred a loss, No amount is available for appropriation.

SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital, as at 31st March, 2016 was ₹ 82,79,80,420/- divided into 8,27,98,042 Equity shares, having face value of ₹10/- each fully paid up. During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options neither sweat equity.

DIVIDEND:

Your Directors regret their inability to recommend any dividend since the Company has suffered loss during the current financial year.

SUBSIDIARIES & ASSOCIATE COMPANIES:

The Company does not have any Subsidiary or Associate Company.

FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There is no loan given, investment made, guarantee given or security provided by the Company to any entity covered under Section 186 of Companies Act, 2013.

RELATED PARTY TRANSACTIONS:

During the financial year under review, all related party transactions entered into by the Company were on arm's length basis and in the ordinary course of the business. All Related Party Transactions entered by the Company were duly approved by the Audit Committee. There are no



materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company and the link for the same is www.spsl.com/downloads/policies/RPT_Policy_spsl.pdf.

CORPORATE GOVERNANCE :

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At SPSS, the Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by the Securities and Exchange Board of India (SEBI). A detailed report on corporate governance is available as a separate section in this Annual Report. Certificate of the Statutory Auditors regarding compliance with the conditions stipulated as per Listing Agreement and SEBI (LODR) Regulations, 2015, is also forms part of this Annual Report.

BOARD OF DIRECTORS :

As on 31st March, 2016, the Board comprised of 2 Executive Directors & 4 Non-executive Independent Directors.

As on 30th June, 2016, the Board of your Company consists of five (5) Directors, out of which 4 directors are Independent Director and 1 is Executive Director, whose appointment is subject to approval of the shareholders at this meeting. As a good Corporate governance, your Company has majority of directors as Independent Director and In order to maintain balance between the Board structure, the Board of Directors has re designated Mr. Nilesh H. Sarvaiya as Non Executive Professional Director, who shall be liable to retire by rotation subject to approval by the members of the Company. Since both the directors who shall be liable to retire by rotation require confirmation from the Members of the Company, no director of the Company shall be liable to retire by rotation at this Annual General Meeting.

Independent Director's Declaration

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Number of Meetings of the Board

The Board of Directors of the Company met five times during the financial year 2015-16, the details of which are given in the Corporate governance report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Committees

The Company had the following four Committees of the Board during the year 2015-16:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee; and
4. Corporate Social Responsibility Committee;

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNELS (KMP's):

Following changes took place in the directorship and Key Managerial Personnel (hereinafter called 'KMP') of the Company.

Appointment of Directors and KMP

Mr. Harsh L. Mehta was appointed as an additional director by the Board of Directors of the company with effect from 24th May, 2016.

Mr. Harsh L. Mehta was also appointed as Managing Director and Key Managerial Personnel of the Company with immediate effect by the Board of Directors at their meeting held on 24th May 2016, for a period of Five years, liable to retire by rotation, on such terms and conditions, as set out in the Explanatory Statement to the Notice forming part of this Annual Report.

Further details about the directors are given in the Notice of this Annual General Meeting forming part of this Annual Report.

Ms. Nitika S. Singh was appointed as Assistant Company Secretary, Compliance officer and Key Managerial Personnel of the Company with effect from 10th July, 2015.

Mr. Harish G. Talaria was appointed as Chief Financial Officer and Key Managerial Personnel by the Board of Directors of the Company with effect from 23rd July, 2015.

Resignation or Cessation of Directors and KMP

During the financial year under review, Mr. Ishwarlal S. Ajmera (DIN: 00012206) ceased to be Chairman & Managing Director of the Company w.e.f. August 9, 2015, on account of his sad demise.

Mr. Sanjay C. Ajmera (DIN: 00012496) ceased to be Managing Director and Key Managerial Personnel (KMP) of the Company with effect from closure of business hours on May 23, 2016.

Mr. Dhaval R. Ajmera (DIN: 00012504) ceased to be Director on the Board of the Company with effect from closure of business hours on May 24, 2016.

Mr. Keshav Kunder ceased to be Chief Financial officer and Key Managerial Personnel of the Company w.e.f. July 23, 2015



Mr. Nilesh H. Sarvaiya ceased to be Independent Director of the Company and continues as Non Executive Professional Director (i.e. Non - Independent Director) w.e.f. June 30, 2016 subject to confirmation of the Members at this Annual General Meeting of the Company.

BOARD EVALUATION :

Pursuant to the provisions of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

The performance of the board was evaluated by the Nomination and Remuneration Committee after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

FAMILIARIZATION PROGRAM :

The details of training and familiarization program are provided in the Corporate governance report and is also available on our website (<http://www.spsl.com/downloads/familiarisation-of-ID-of-SPSL.pdf>). Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is also available on our website (<http://www.spsl.com/downloads/polices/Draft-letter-containing-terms-and-conditions-of-ID.pdf>).

REMUNERATION TO DIRECTORS :

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated pursuant to the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT - 9, as required under Section 92 of

the Companies Act, 2013, is set out as **Annexure "A"** and forms an integral part of this Report.

PARTICULARS OF EMPLOYEES :

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014 in respect of Directors / employees of your Company is set out in **Annexure "B"** to this report.

CORPORATE SOCIAL RESPONSIBILITY :

As per Section 135 of the Companies Act, 2013, all the Companies having net worth of ₹ 500 crore or more ,or a turnover of ₹1000 crores or more or net profit of ₹5 crores or more during any financial year are required to constitute a CSR Committee of the Board of Directors comprising three or more Directors, atleast one of whom should be independent Director. All such Companies are required to spend 2% of the average profits of last three preceding Financial years on CSR activities.

Accordingly, the Board had constituted the Corporate Social Responsibility (CSR) Committee, under the Chairmanship of the Mr. Sanjay C. Ajmera, Managing Director. The other members of the Committee were Mr. Dhaval R. Ajmera and Mr. Jagdish J. Doshi. The Board of Directors at its meeting held on May 24, 2016, has reconstituted the CSR committee of the Board by adding Mr. Harsh L. Mehta in place of Mr. Sanjay C. Ajmera as Chairman of the Committee and Mr. Nilesh H. Sarvaiya in place of Mr. Dhaval R. Ajmera as Member of the Committee.

Your Company's annual report on the CSR activities in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as **Annexure - "C"**.

AUDITORS

a. STATUTORY AUDITORS:

The Audit Committee and the Board have recommended the proposal to ratify the appointment of M/s. V. Parekh & Associates, Chartered Accountants (Firm Registration No. 107488W), Statutory Auditors of the Company up to the conclusion of the Ninth Annual General Meeting and to authorize the Board of Directors or Committee thereof to fix their remuneration.

The Company has received a certificate from the Auditors to the effect that the ratification of appointment, if made, would be in accordance with limits specified by the Companies Act, 2013 and that, they meet the criteria of independence. The proposal of their ratification is included in the notice of ensuing Annual General Meeting.



b. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been carried out by Mr. Haresh Sanghvi of M/s. H. P. Sanghvi and Co., a firm of Company Secretaries in Practice and his report is annexed as **Annexure "D"** and forms an integral part to this Report.

The Secretarial Auditor has qualified in his Report that the Company has not changed its name in line with the operational activities during the financial year 2015-16 as per the requirement of Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

On this observation, your Board comments that since the management is evaluating market viabilities and is desirous of dealing in steel products in future but awaits suitable market conditions and opportunities, therefore the name of the Company has not changed.

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts.

The Code has been posted on the Company's website www.spsl.com.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

PREVENTION OF INSIDER TRADING:

In January 2015, SEBI notified the SEBI (Prohibition of insider trading) Regulations, 2015 which came into effect

from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new Policy for Prevention of Insider Trading amongst the designated employees of the Company. The Chief Finance Officer is considered as Chief Investor Relation Officer and Assistant Company Secretary is Compliance Officer for the purpose of Insider Trading Policy of the Company.

The Company has adopted a Insider Trading Policy with a view to regulate trading in securities by the Directors and designated employees of the Company. The Policy requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Policy.

All Directors and the designated employees have confirmed compliance with the Policy of the Company.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE :

The Company is committed to provide healthy environment to all employees of Shree Precoated Steels Ltd and does not tolerate any discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment policy in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year 2015-16, there were no complaints received by the Company.

POLICIES :

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website (<http://www.spsl.com/policies.php>).

The policies are reviewed periodically by the Board and updated based on needs and statutory requirements.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the Company are as follows :



Name of Policy	Brief description	Web link
Vigil Mechanism Policy (Whistle Blower Policy)	The Company has adopted a Vigil Mechanism Policy (Whistle Blower Policy) to deal with instances of fraud and mismanagement, if any. The Policy protects directors and employees wishing to raise a concern about serious irregularities within the Company and ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be done to any person for a genuinely raised concern.	http://www.spsl.com/downloads/polices/whistle-blower-policy-spsl.pdf
Corporate Social Responsibility Policy (CSR Policy)	The policy outlines the Company's strategy to grow in a social and environmental way, while meeting the interests of its stakeholders through various activities and programs relating to hunger, poverty, education, healthcare, environment, sponsoring or supporting rural development projects etc.	http://www.spsl.com/downloads/polices/csr-policy-SPSL-final-printed.pdf
Related Party Transaction Policy (RPT Policy)	This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company.	http://www.spsl.com/downloads/polices/RPT_POLICY-spsl.pdf
Insider Trading Policy	This Policy replaces the erstwhile 'code of conduct for prevention of Insider Trading' and provides guidelines to directors, officers, employees and consultants of Shree Precoated Steels Limited (the "Company") with respect to trading in securities of the Company.	http://www.spsl.com/downloads/polices/Insider-Trading-Regulations.pdf
Policy on Preservation of documents	The purpose of this Policy on preservation of Records is to ensure that necessary records and documents of the Company are adequately protected and maintained and to ensure that records that are no longer needed by the company or are of no value are discarded at regular interval.	http://www.spsl.com/downloads/polices/Preservation-of-documents-PolicySPSL.pdf
Archival Policy	This policy deals with archival of corporate records of SPSL.	http://www.spsl.com/downloads/polices/archival-policy-SPSL.pdf
Policy for determination of material event/information	This policy provide guidelines with respect to determining the materiality criteria for any event or information and consists of list of material events or information which shall be promptly disclosed to the Stock Exchange.	http://www.spsl.com/downloads/polices/basis-of-materiality-for-disclosure-to-stk-exchanges-spsl.pdf
Terms and Conditions of appointment of Independent Director	This formulates the criteria for appointment of Independent Director and consists of roles, duties, responsibilities and remuneration of Independent Directors.	http://www.spsl.com/downloads/polices/Draft-letter-containing-terms-and-conditions-of-ID.pdf
Familiarization Programme for Independent Director	This policy provide insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the Company and also to update the Directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decisions	http://www.spsl.com/downloads/familiarisation-of-ID-of-SPSL.pdf
Authorization to KMP to disclose material events	The Company has authorised its KMPs to determine and disclose the material events / information to the stock exchange.	http://www.spsl.com/downloads/polices/basis-of-materiality-for-disclosure-to-stk-exchanges-spsl.pdf
Risk Management Policy	This policy provides guidance in order to identify, evaluate, monitor and minimize the identifiable risks applicable to the Company.	http://www.spsl.com/downloads/polices/Risk-Management-policy.pdf
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, positive attributes, independence of Directors and other matters and criteria for determining the remuneration of Directors/KMP/other employees of the Company.	http://www.spsl.com/downloads/polices/Nomination-Remuneration-policy.pdf



DEPOSITORY SERVICES :

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result, the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN: INE318K01017. Shareholders are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the fiscal 2016 an order was passed in the pending case of M/s. Shree Precoated Steels Limited V/s. Sideralba SPA, the details of which are given below :

During the year under review, the Hon'ble High Court of Judicature at Bombay has passed an order against the Company to pay the cost of 20.70 Lakh Euros equivalent to approx. ₹ 15.65 crores to Siderlba S.P.A, a company having their office at Napoli, Italy. However, the Company has filed Special Leave Petition vide S.L.P. (C.) No. 6349 of 2016 dated 8th March, 2016 and Hon'ble Supreme Court of India granted stay order on 11th May, 2016 subject to deposit of ₹ 5 crores.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Your Company's Director make the following statement in terms of Sub Section 5 of Section 134 of the Companies act 2013:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

The provisions of Section 134(3)(m) of the Companies Act, 2013, relating to conservation of energy and technology absorption are not applicable to the Company. However, the Company has been continuously and extensively using technology in its operations.

During the year, there were no foreign exchanges earnings/ outgo.

RISK MANAGEMENT:

The Audit Committee has also been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to. The Board also reviews the risk management assessment and minimization procedures.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF COMPANY:

There were no material changes affecting the Company's financial position post 31st March, 2016 till the date of signing the Directors Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year ended under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 include the following:-

1. Overview

The Management has a rich experience of over four decades in the steel related business and Real Estate business. Since the Company has diversified into real estate activities the Company is currently trading into Development rights and is exploring opportunities in real estate development and redevelopment projects, the management has developed and established an excellent business relationship in the Industry.

The company is focussing on activities related to trading of flats, development rights and investment in real estate, if right opportunity exists. In order to utilize their expertise and knowledge of the Management, the Company is undertaking activity of trading in flats.

2. Industry Structure and Developments & Opportunities:

- (a) The Indian economy has been through challenging times in the last two years, faced with prolonged stagnation coupled with low growth & high price.



However, the Government is undertaking structural reforms and measures to improve productivity, increased thrust on development of physical infrastructure coupled with lower interest rates and its "Make in India" initiative by creating a conducive business environment, it is expected that this will spur activity in the economy and in the real estate sector.

The Company will continue to keep its focus in the Real Estate sector.

- (b) Our business is trading in TDR and flats / apartments, basically into real estate. We earn revenue by this activity. In markets where marketers have been cautious, they may at last switch from optimization mode to expansion mode. There has been a regime change in India's federal government with a firm decisive mandate, which is seen as progressive and development friendly. The new government has provided signals of moving along development agenda that will push for reforms, that were much needed to revitalize the economy. With the legislature and the executive getting back to the business of good governance, investment in various businesses and sectors of the economy are expected to pick up pace, all of which will bode well for the real estate trading.
- (c) Introduction of concept of Real Estate Investment Trusts (hereinafter called as "REIT") has received the regulatory backing through SEBI (Real Estate Investment Trusts) Regulations, 2014 and now FDI in REIT is under automatic route w.e.f. November 2015.

This introduction is a boon to our Company, as in case of Budgeted Investments and diversified Investment and for trading purpose, the mode of Trust is far safer, most cost efficient and time saver in terms of administrative purpose.

REITs are permitted to raise funds through an IPO and thereafter through FPO, QIP, rights issue, OFS and any other mechanism specified by SEBI. Thus, REITs provides an option to the retail investor, through a regulated and transparent mechanism, to participate in the growth of the Indian real estate sector which so far has been the prerogative of the HNI/Institutional investor class. REIT is typically a liquid, dividend-paying and asset-backed investment.

REITs can invest in shopping malls, office buildings, apartments, warehouses and hotels at different locations. Individuals can invest in REITs by purchasing the shares directly on an

open exchange.

It also helps investors to arrive at investment decisions quickly since they don't have to go through the property-related regulatory formalities which are being carried out by the investment manager. REIT can make investments either directly or through special purpose vehicles (SPVs) and are governed by the conditions specified in the REIT guidelines.

The last Budget gave relief to sponsors from minimum alternate tax (MAT) in respect of gains arising on transfer of a capital asset to a business trust in exchange for the units of that trust. This allows owners to transfer the asset to the business trust without tax liability. REITs offer several advantages to people who do not have sufficient money to invest in real estate but desire to own property.

SEBI REITs Regulations prescribe mandatory distribution of at least 90% of the net distributable cash flows to investors on a half yearly basis and at least 90% of the sale proceeds from sale of assets to unit holders, unless reinvested in another property.

Even in the Finance Budget of 2016 any distribution made out of income of SPV to REITs will not be subjected to any DDT. It is exempted for unitholders and REIT. From taxation perspective too, the investment is lucrative for the investors.

3. Threats/Risk & Concerns

Some of the challenges that hinder real estate progress of the economy are easy access to finance, availability of land or flats for trading and delays in project completion leading to cost and time overruns. However, the Government has undertaken some key reforms that include stronger co-operation between the private and public sectors, enforcing of a unified legal framework, creation of better dispute resolution, mechanisms and removing bottlenecks.

In this time of great economic uncertainty and lack of liquidity, many companies are proactively looking for ways to effectively manage risk, streamline operations, and enhance their business relationships so they can hit the ground running when markets begin to stabilize.

With few transactions taking place in the real estate market, valuations are a problem for existing owners, as well as buyers and sellers.

As now, the industry faces the biggest challenge of shortage of skilled professionals. As per RICS' recent



report nearly 50 million people will get employment in real estate industry, of which only 2 million will be professionally qualified, while the remaining are primarily construction workers. To deliver all the potentially required real estate space and planned infrastructure, India will need nearly 4.5 million 'core' real estate environment professionals over the next decade. However, given the microscopic supply of real estate environment professionals today; the current demand-supply gap ranges between 82-86%. The built environment will have the requirement of 5 million skilled candidates every year till 2020.

However the industry is gearing to create awareness about bringing more professionalism and transparency in the market, there is an urgent need to create a single window clearance mechanism for projects within the built environment. This would need equal participation from all government, government agencies, industries (developers, construction and allied firms) and consumers.

4. Future Outlook :

In order to utilize their expertise and knowledge of the Management ,the Company is undertaking construction contracts, trading in flats, trading in Development rights and so on. The Company has earned its income during the year from such projects. The Company may also enter into venture of redevelopment projects, if sound opportunity persists.

The Company's Management has niche in real estate market, since ages which is a boon to the Company and adds strength to the company's performance. Expansion and entering into the construction contracts are most likely arena of the year. Simulatenosly the Company is also very optimistic towards exploring steel trading avenues and awaits for the right market opportunities and revolution in the steel market globally,.

5. Internal Control System and their adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Company has laid down a well-defined risk management procedure covering the risk identification, risk exposure, potential impact, and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both the business and non -business risk. The board periodically reviews the risks and

suggests steps to be taken to control and mitigate the same through a properly defined framework.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

In line with the new regulatory requirements, the company has formally framed a Risk Management Policy to identify and assess the key risk areas monitor and report compliance and effectiveness of the policy and procedure. Based on the detailed review the following key risks have been identified-

- Sales Market Risk Borrowing Risk
- Liquidity risk
- Regulatory risks
- Legal Risk
- IT and System Risk
- Personnel Risk

The combination of policies and processes as outlined above adequately addresses the various risks associated with your Company's businesses.

6. Human Resource Management

As we know an organisation cannot build a good team of working professionals without good Human Resources and accordingly our organization has key functions of the Human Resources Management (HRM) team includes recruiting people, training them, performance appraisals, motivating employees and much more. Such human resource includes Top Level Managers, Senior & Middle level and Executives.

Employee retention should be on every company's radar. Your Company truly believes in retention of effective employees of the Company. During the financial year under review, the Company employed one new employee to the Company and was able to retain almost all employees of the Company.

All employees are treated equally in the provision of training and development opportunities and are provided with equal access to training and development opportunities relevant to their needs. Training and development will be provided not only to perform the work effectively, but also for the professional development of the employee.

**CAUTIONARY STATEMENT :**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

ACKNOWLEDGEMENT:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India, the Bombay Stock Exchange Limited, Central Depository Services Limited, National Services Depository Limited and other regulatory authorities during the year under review.

We look forward to their continued support in future. We wish to thank our investors, rating agencies, customers and all other business associates for their support

Your Directors express their deep sense of appreciation for all the employees whose commitment, co-operation, active participation, dedication and professionalism has made the organization's growth possible. Finally, the Directors thank you for your continued trust and support.

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

**AMBALAL C. PATEL
CHAIRMAN
(DIN: 00037870)**

Place: Mumbai
Date: June 30, 2016

CIN: L70109MH2007PLC174206

Registered Office:

B-716, 7th Floor, Crystal Plaza,
New Link Road, Andheri (W),
Mumbai - 400 053

Tel. No.: +91-22-65526677

Email Id: spsl.investors@gmail.com

Website: www.spsl.com



ANNEXURE "A"
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

(a) REGISTRATION AND OTHER DETAILS:

CIN	L70109MH2007PLC174206
Registration Date	17 th September, 2007
Name of the Company	Shree Precoated Steels Limited
Category of the Company	Company Limited by Shares
Sub-category of the Company	Indian Non-Government Company
Address of the Registered office & contact details	B-716, 7 th Floor, Crystal Plaza, New Link Road, Andheri (West), Mumbai - 400053 Tel: +91 22 6552 6677 Email Id: spsl.investors@gmail.com Website: www.spsl.com
Whether listed company (Yes / No)	Yes, Listed on BSE.
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Pvt. Ltd Unit – 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai – 400 072 Tel: +91 22 2851 5606; +91 22 2851 5644 Email: sharexindia@vsnl.com Website: www.sharexindia.com

(b) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
Real Estate Activities	'7010' & '7020'	100

(c) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name & Address of the Company	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	APPLICABLE SECTION
----- Not Applicable -----				



(d) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) PROMOTERS									
(1) INDIAN									
(a) Individual/HUF	44032362	0	44032362	53.18	44032362	0	44032362	53.18	0
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporates	8039906	0	8039906	9.71	8039906	0	8039906	9.71	0
(e) Banks/ FIs	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	52072268	0	52072268	62.89	52072268	0	52072268	62.89	0
(2) FOREIGN									
(a) NRI- Individuals	0	0	0	0	0	0	0	0	0
(b) Other Individual	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Banks / FIs	0	0	0	0	0	0	0	0	0
(e) Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	52072268	0	52072268	62.89	52072268	0	52072268	62.89	0
(B) PUBLIC SHAREHOLDING									
(1) Institutions									
(a) Mutual Funds	504	0	504	0.001	504	0	504	0.001	0
(b) Banks / FIs	252	0	252	0	252	0	252	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	3781	0	3781	0.005	3781	0	3781	0.005	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	4537	0	4537	0.006	4537	0	4537	0.006	0



SHREE PRECOATED STEELS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
(a) Bodies Corporates									
(i) Indian	1616582	854	1617436	1.953	1400465	854	1401319	1.692	(0.261)
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	8299882	264046	8563928	10.343	8319007	261036	8580043	10.363	0.02
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	19454041	0	19454041	23.496	19636526	0	19636526	23.716	0.22
(c) Other (specify)									
Non Resident Indians	1045035	4788	1049823	1.268	1043765	4788	1048553	1.266	(0.002)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	36009	0	36009	0.043	54796	0	54796	0.066	0.023
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	30451549	269688	30721237	37.103	30454559	266678	30721237	37.103	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	30456086	269688	30725774	37.109	30459096	266678	30725774	37.109	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	82528354	269688	82798042	100.00	82531364	266678	82798042	100.00	0

II. Shareholding of the Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Jayant I. Ajmera	1861725	2.249	0	1861725	2.249	0	0
2	Chhaganlal S. Ajmera	479461	0.579	0	479461	0.579	0	0
3	Natwarlal S. Ajmera	1057927	1.278	0	1057927	1.278	0	0
4	Dhaval R. Ajmera	1839910	2.222	0	1839910	2.222	0	0



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
5	Hetal S. Ajmera	1059182	1.279	0	1059182	1.279	0	0
6	Atul C. Ajmera	1251586	1.512	0	1251586	1.512	0	0
7	Bharti R. Ajmera	1644615	1.986	0	1644615	1.986	0	0
8	Bhavana S Ajmera	1642233	1.983	0	1642233	1.983	0	0
9	Bhanumati C. Ajmera	1149969	1.389	0	1149969	1.389	0	0
10	Rajnikant S Ajmera	2096909	2.533	0	2096909	2.533	0	0
11	Sanjay C Ajmera	1686472	2.037	0	1686472	2.037	0	0
12	Rupal M Ajmera	940956	1.136	0	940956	1.136	0	0
13	Megha S Ajmera	8043	0.01	0	8043	0.01	0	0
14	Vimlaben B Ajmera	3683253	4.448	0	3683253	4.448	0	0
15	Sonali A Ajmera	1001423	1.209	0	1001423	1.209	0	0
16	Chhotalal S Ajmera	3433304	4.147	0	3433304	4.147	0	0
17	Ishwarlal S Ajmera	367220	0.444	0	367220	0.444	0	0
18	Jyotiben N Ajmera	921713	1.113	0	921713	1.113	0	0
19	Manoj I Ajmera	1384435	1.672	0	1384435	1.672	0	0
20	Rushi M Ajmera	1150940	1.39	0	1150940	1.39	0	0
21	Mayur S Ajmera	1496908	1.808	0	1496908	1.808	0	0
22	Mumukshu A Ajmera	1496182	1.807	0	1496182	1.807	0	0
23	Tanvi M Ajmera	311775	0.377	0	311775	0.377	0	0
24	Rajnikant S Ajmera HUF	2111074	2.55	0	2111074	2.55	0	0
25	Ishwarlal S Ajmera HUF	1037027	1.252	0	1037027	1.252	0	0
26	Sanjay C Ajmera HUF	906108	1.094	0	906108	1.094	0	0
27	Atul C Ajmera HUF	776608	0.938	0	776608	0.938	0	0
28	Chhotalal S Ajmera HUF	1773002	2.141	0	1773002	2.141	0	0
29	Charmi J Ajmera	8078	0.01	0	8078	0.01	0	0
30	Rita Mitul Mehta	805	0.001	0	805	0.001	0	0
31	Aagna S Ajmera	836108	1.01	0	836108	1.01	0	0
32	Aashish Atul Ajmera	77777	0.094	0	77777	0.094	0	0
33	Bimal Anantrai Mehta	2100	0.003	0	2100	0.003	0	0
34	Rushabh Investment Private Limited	700000	0.845	0.845	700000	0.845	0.845	0
35	Harshadrai Mulji Sarvaiya	24	0	0	24	0	0	0
36	Kokila S. Ajmera	1421817	1.717	0	1421817	1.717	0	0
37	Shashikant S. Ajmera	1694152	2.046	0	1694152	2.046	0	0
38	Ajmera Cements Private Ltd	1505702	1.819	0	1505702	1.819	0	0
39	Chaitali Investment Pvt Ltd	871	0.001	0	871	0.001	0	0
40	Fahrenheit Fun and Games Private Ltd.	5833333	7.045	0	5833333	7.045	0	0
41	Prachi Dhaval Ajmera	1412051	1.705	0	1412051	1.705	0	0
42	Sonal Bimal Mehta	9490	0.011	0	9490	0.011	0	0
	Total	52072268	62.89	0	52072268	62.89	0	0



SHREE PRECOATED STEELS LIMITED

III. Change in the Promoters Shareholding

Sr. No	Names of Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
----- Not Applicable -----					

IV. Shareholding Pattern of top ten Shareholders (Other than Promoters, Directors and Holders of ADRs, GDRs)

Sr. No.	Name of the Shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	ANIL KUMAR MISHRA				
	Opening balance	2205535	2.664	2205535	2.664
	Purchase on 10.04.2015	5900	0.007	2211435	2.671
	Purchase on 24.04.2015	4246	0.005	2215681	2.676
	Purchase on 01.05.2015	11950	0.014	2227631	2.69
	Purchase on 15.05.2015	50200	0.060	2277831	2.751
	Purchase on 22.05.2015	14418	0.017	2292249	2.768
	Purchase on 05.06.2015	3000	0.003	2295249	2.772
	Purchase on 12.06.2015	1580	0.001	2296829	2.774
	Sale on 03.07.2015	(6973)	(0.008)	2289856	2.766
	Sale on 17.07.2015	(5882)	(0.007)	2283974	2.758
	Sale on 24.05.2015	(3073)	(0.003)	2280901	2.755
	Sale on 31.07.2015	(9543)	(0.011)	2271358	2.743
	Sale on 07.08.2015	(9846)	(0.011)	2261512	2.731
	Sale on 21.08.2015	(28000)	(0.033)	2233512	2.698
	Purchase on 04.09.2015	2971	0.003	2236483	2.701
	Purchase on 11.09.2015	5562	0.006	2242045	2.708
	Purchase on 18.09.2015	5601	0.006	2247646	2.715
	Sale on 09.10.2015	(23100)	(0.027)	2224546	2.687
	Sale on 23.10.2015	(14000)	(0.016)	2210546	2.67
	Purchase on 13.11.2015	3255	0.003	2213801	2.674
	Purchase on 04.12.2015	1564	0.001	2215365	2.676
	Sale on 18.12.2015	(24541)	(0.029)	2190824	2.646
	Sale on 25.12.2015	(20025)	(0.024)	2170799	2.622
	Sale on 08.01.2016	(5500)	(0.006)	2165299	2.615
	Purchase on 29.01.2016	21804	0.026	2187103	2.641
	Purchase on 05.02.2016	661	0.000	2187764	2.642
	Sale on 19.02.2016	(2003)	(0.002)	2185761	2.64
	Sale on 26.02.2016	(3732)	(0.004)	2182029	2.635
	Sale on 18.03.2016	(5000)	(0.006)	2177029	2.629
	Closing balance as on 31.03.2016	-	-	2177029	2.629
2	JAYANT I. AJMERA				
	Opening balance	1861725	2.249	1861725	2.249
	Transaction	-	-		
	Closing balance			1861725	2.249
3	NIMISH S AJMERA				
	Opening balance	1711022	2.067	1711022	2.067
	Transaction	-	-		
	Closing balance			1711022	2.067
4	ASHWIN B AJMERA				
	Opening balance	1199998	1.449	1199998	1.449
	Transaction	-	-		
	Closing balance			1199998	1.449



Sr. No.	Name of the Shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
5	ROOPA S. AJMERA				
	Opening balance	995145	1.202	995145	1.202
	Transaction	-	-		
	Closing balance			995145	1.202
6	TWISHAL N AJMERA				
	Opening balance	974625	1.177	974625	1.177
	Transaction	-	-		
	Closing balance			974625	1.177
7	BANDISH B AJMERA				
	Opening balance	887069	1.071	887069	1.071
	Transaction	-	-		
	Closing balance			887069	1.071
8	NIMISH S AJMERA HUF				
	Opening balance	883127	1.067	883127	1.067
	Transaction	-	-		
	Closing balance			883127	1.067
9	MONA B. AJMERA				
	Opening balance	725368	0.876	725368	0.876
	Transaction	-	-		
	Closing balance			725368	0.876
10	SHAILESH B. AJMERA				
	Opening balance	663670	0.802	663670	0.802
	Transaction	-	-		
	Closing balance			663670	0.802

V. Shareholding Pattern of Directors and KMPs:

Sr. No.	Directors	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	MR. SANJAY C. AJMERA				
	At the beginning of the year	1686472	2.037	1686472	2.037
	At the end of the year	-	-	1686472	2.037
2	MR. DHAVAL R. AJMERA				
	At the beginning of the year	1839910	2.222	1839910	2.222
	At the end of the year	-	-	1839910	2.222
3	MR. AMBALAL C. PATEL				
	At the beginning of the year	4	0	4	0
	At the end of the year	-	-	4	0
4	MR. JAGDISH J. DOSHI				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
5	MS. AARTI M. RAMANI				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
6	MR. NILESH H. SARVAIYA				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
7	MR. HARISH G. TAPARIA				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
8	MS. NITIKA S. SINGH				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0



SHREE PRECOATED STEELS LIMITED

VI. Indebtedness:

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

(₹ In lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1560.19	-	-	1560.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	1560.19	-	-	1560.19
Change in Indebtedness during the financial year				
• Addition				
• Reduction	(1539.40)			(1539.40)
Net Change	(1539.40)			(1539.40)
Indebtedness at the end of the financial year				
i) Principal Amount	20.79			20.79
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i + ii + iii)	20.79			20.79

VII. Remuneration of Directors and Key Managerial Personnels

(a) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

Sr. No.	Particulars of Remuneration	Name of the MD / WTD / Manager			Total Amount
		Mr. Ishwarlal S. Ajmera (Chairman & Managing Director) (01/04/2015 - 09/08/2015)	Mr. Sanjay C. Ajmera (Managing Director)	Dhaval Ajmera (Director)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	12,44,194	NIL	50,67,396	63,11,590
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify				
	Total (A)	12,44,194	NIL	50,67,396	63,11,590
	Ceiling as per the Act	Within the limits as approved by Shareholders			



b) Remuneration to other directors:

(In ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Jagdish Doshi	Mr. Ambalal Patel	Ms. Aarti Ramani	Mr. Nilesh Sarvaiya	
1.	Independent Directors					
	• Fee for attending board / committee meetings	40,000	40,000	15,000	40,000	1,35,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)					
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)					
	Total Managerial Remuneration (B)=(1+2)	40,000	40,000	15,000	40,000	1,35,000
	Overall Ceiling as per the Act	The Remuneration to the Managerial Personnel is given as per Schedule V of the Companies Act, 2013				

c) Remuneration to Key Managerial Personnel, other than MD/Manager/WTD.

(In ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Mr. Sanjay C. Ajmera (Managing Director) (01/04/2015 - 31/03/2016)	Mr. Keshav Kunder (CFO) (01/04/2015 - 23/07/2015)	Mr. Harish G. Taparia (CFO) (23/07/2015 - 31/03/2016)	Ms. Nitika S. Singh (Asst. Company Secretary) (10/07/2015 - 31/03/2016)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Nil	2,53,887	11,13,170	2,90,675	16,57,732
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total	Nil	2,53,887	11,13,170	2,90,675	16,57,732

VIII. Penalties/Punishment/ Compounding of Offence:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2016.



ANNEXURE “B”

DETAILS OF RATIO OF REMUNERATION TO DIRECTORS

(As per Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Name of the Director	Ratio to the Median
Mr. Ishwarlal Shamalji Ajmera*	1.41
Mr. Dhaval Rajnikant Ajmera	1.89

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Director	% Increase
Mr. Ishwarlal Shamalji Ajmera*	207
Mr. Dhaval Rajnikant Ajmera	132
Mr. Sanjay Chhotalal Ajmera	NIL
Mr. Harish G. Talaria	6.30
Ms. Nitika S. Singh	17.86

* Mr. Ishwarlal S. Ajmera ceased to be the director on the Board of the Company w.e.f. 9th August, 2015 on account of his sad demise.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 6.30% average increased
- (iv) The number of permanent employees on the rolls of Company as on March 31, 2016 was 5 as against 5 as on March 31, 2015.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average % increase given in 15-16 was 9 % for all employees who went through the compensation review cycle in the year.

For the leadership team, the average increase was 170 % on the fixed salary.

The Increase of Directors Remuneration was to bring the Managerial remuneration at par with Industry norm and to maintain the benchmarking throughout the Industry. The Managerial remuneration for the previous years were too low, and considering the efforts of the senior leaders, the increase was advised by the Nomination and Remuneration Committee.

- (vi) The key parameters for any variable component of remuneration availed by the directors;

There were no variable components given to directors by the Company.

- (vii) Affirmation that the remuneration is as per the remuneration policy of the company.

Yes, the remuneration is as per the remuneration policy of the company.



ANNEXURE- "C"

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[As per Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014]

1	A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is http://www.spsl.com/downloads/policies/csr-policy-SPSL-final-printed.pdf
2	The Composition of the CSR Committee	<p>As on 31st March, 2016, CSR committee comprised of the following directors:</p> <p>1) Mr. Sanjay C. Ajmera (Chairman) (Ceased w.e.f. 23/05/2016)</p> <p>2) Mr. Dhaval R. Ajmera (Member) (Ceased w.e.f. 24/05/2016)</p> <p>3) Mr. Jagdish J. Doshi (Member)</p> <p>Due to resignation of Mr. Sanjay C. Ajmera and Mr. Dhaval R. Ajmera, the Board has reconstituted the CSR Committee at its board meeting held on 24th May, 2016. After the reconstitution, the Committee consists of the Following:</p> <p>1) Mr. Harsh L. Mehta (Chairman)</p> <p>2) Mr. Nilesh H. Sarvaiya (Member)</p> <p>3) Mr. Jagdish J. Doshi (Member)</p> <p>The Terms of Reference of the Committee are as follows:-</p> <p>a) to frame the CSR Policy and its review from time-to-time.</p> <p>b) to ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.</p> <p>c) to ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.</p>
3	Average net Profits for last three years (₹ In Lakhs)	(14.03)
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (Amount in lakhs)	Since the average net profit is negative and the Company does not come under any of the three criteria mentioned in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount towards CSR
5	Details of CSR spent during the Financial year	N.A
a.	Total amount spent for the financial year	N.A
b.	Amount unspent, if any	N.A.

- 6) Reasons for not spending the two percent of average net profits of last three financial years or any part thereof: The Company: Due to negative average net profits of the preceding three financial years, the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company for the financial year 2015-16.
- 7) CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

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

Place: Mumbai
Date: June 30, 2016

**AMBALAL C. PATEL
CHAIRMAN
(DIN: 00037870)**



ANNEXURE D
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

SHREE PRECOATED STEELS LIMITED

B-716, 7th Floor, Crystal Plaza New Link Road,
Andheri - West Mumbai-400 053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHREE PRECOATED STEELS LIMITED (hereinafter called the "Company") for the audit period covering the financial year ended on 31st March, 2016. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2016, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (effective upto 14th May 2015 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May 2015);
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (effective from 1st December, 2015)
2. There were no actions/ events in pursuance of following Regulations of SEBI requiring compliance thereof by the Company during the period under review:
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment & External Commercial Borrowings were not attracted during the year under review.;
 4. Based on the information provided and review of the Compliances Report of Managing Director taken on record by the Board of the Company and also relying on the representation made by the Company and its Officers, in our opinion adequate system and process exists in the company to monitor and ensure compliances with the provisions of general laws and there are no Laws and Regulations applicable specifically to the Company having regard to the sector/industry of the company as identified and confirmed by the management.
 5. We have also examined compliance of the following to the extent applicable.
 - (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 1st July, 2015); and
 - (ii) The Listing Agreement entered into by the Company with the BSE Limited with respect to the Company's listing of its securities (effective upto 30th November 2015)

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above and there are no material non-compliances that have come to our knowledge except non compliance in respect of:

Regulation 45 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (effective from 1st December, 2015) read with the provisions as applicable to the change of Name prescribed under Companies Act, 2013 as the Name of the Company is not in line with the activities carried by the Company ;

We further report that compliances of finance and tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory Auditors and other designated professionals.

We further report that:

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the financial year under report .
- I. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- III. As per the minutes of the meeting duly recorded and signed by the Chairman,

the decisions of the Board were unanimous and no dissenting views have been recorded .

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, standards, guidelines etc. having a major bearing on the Company's affairs.

H. P. SANGHVI & COMPANY
COMPANY SECRETARIES

Place: Mumbai.
Date: June 30, 2016

HARESH SANGHVI
FCS 2259/CoP No. 3675

Note: This report is to be read with our letter of even date which is annexed as **ANNEXURE-I** and forms an integral part of this report.



ANNEXURE-I

The Members,

SHREE PRECOATED STEELS LIMITED

B-716, 7th Floor, Crystal Plaza New Link Road,
Andheri - West Mumbai-400053

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

H. P. SANGHVI & COMPANY
COMPANY SECRETARIES

Place: Mumbai.

Date: June 30, 2016

HARESH SANGHVI
FCS 2259/CoP No. 3675



CORPORATE GOVERNANCE REPORT

INTRODUCTION:

Corporate governance is creation and enhancement of long-term sustainable value for the stakeholders through ethically driven business process. Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. Transparency and accountability are the fundamental principles to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for 'creating and sharing value'. At SPSL, it is imperative that our Company affairs are managed in a fair and transparent manner.

We, at SPSL, ensure that we evolve and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financial performance as well as the leadership and governance of the Company.

In India, Corporate Governance standards for listed entities are regulated by the Securities and Exchange Board of India ("SEBI") through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As a Company which believes in implementing Corporate Governance practices that go beyond just meeting the letter of law, not only meets with the mandated elements of SEBI (LODR), Regulations 2015, but also incorporates the certain non-mandatory recommendations.

1. COMPANIES PHILOSOPHY ON CORPORATE GOVERNANCE :

Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's Code of Business Conduct and its well structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. It is well-recognized that an effective Board is a pre-requisite for a strong and effective Corporate Governance. At SPSL, the Board of Directors is at the core of our Corporate Governance practices and oversees how the Management serves and protects the long-term interests of our stakeholders.

This has enabled your Company to earn the trust and goodwill of its investors, business partners,

employees and the communities in which it operates.

2. BOARD OF DIRECTORS:

The Board of Directors ('the Board') is at the core of our corporate governance practices. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. The Board's primary responsibility is to promote the long-term success of the Company and deliver sustainable shareholder value. The Board has ultimate responsibility for the management, direction and performance of the Company, and leads and controls the Company's business.

2.1 Composition:

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013 and the rules made thereunder.

The Company's Board primarily takes care of the business needs and stakeholders' interest. The Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of finance & corporate restructuring,, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add values in the decision making process of the Board of Directors.

The composition of the Board of Directors of the Company as at the end of corporate financial year 2016, was as follows :

Sr. No.	Name of the Director	DIN	Category & Designation
1	Mr. Sanjay C. Ajmera*	00012496	Executive, Managing Director
2	Mr. Dhaval R. Ajmera #	00012504	Executive, Director
3	Mr Harsh L. Mehta @	01738989	Additional Director (Executive, Managing Director)
4	Mr. Ambalal C. Patel	00037870	Chairman & Independent Director
5	Mr. Jagdish J. Doshi	00065162	Independent Director
6	Ms. Aarti M. Ramani	06941013	Independent Director
7	Mr. Nilesh H. Sarvaiya &	00799636	Independent Director

**Notes:**

- * Mr. Sanjay C. Ajmera had resigned as Managing Director of the Company with effect from May 23, 2016.
- # Mr. Dhaval R. Ajmera had resigned from the Board as Operations and Marketing Director of the Company with effect from May 24, 2016.
- @ The Board of Directors of the Company appointed Mr. Harsh L. Mehta as an Additional Director with effect from May 24, 2016.
Mr. Harsh L. Mehta is also appointed as Managing Director and Key Managerial Personnel of the Company w.e.f. May 24, 2016 subject to approval of the shareholders of the Company.
- & The Designation of Mr. Nilesh H. Sarvaiya has changed from Independent Director to Non Executive Professional Director w.e.f. June 30, 2016, subject to shareholders approved.
- None of the Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 2013 read with the Rules made thereunder.
- More than half of the Board comprise of the Independent Directors.

2.2 Meetings, Agenda and Proceedings of the Board Meeting :

The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting (AGM) of the shareholders. Additional meetings are held, whenever necessary. The Board periodically reviews compliance reports of all laws applicable to the Company.

During the year ended on 31st March, 2016, the Board of Directors had five meetings. These were held on 28th May, 2015, 23rd July, 2015, 2nd November, 2015, 11th February, 2016 and 9th March 2016. The gap between two Board meetings did not exceed one hundred and twenty days as prescribed under the Companies Act, 2013. The last Annual General Meeting (AGM) was held on 25th September, 2015.

The attendance records of the Directors at the Board Meetings during the year ended on 31st March, 2016 and at the last AGM is as under :

Sr. No.	Name of Directors	Designation	No. of Board Meetings Attended/ Eligible to attend	Attendance at last AGM
1	Mr. Ishwarlal S. Ajmera*	Chairman & Managing Director	-/2	Absent
2	Mr. Sanjay C. Ajmera	Managing Director	5/5	Present
3	Mr. Dhaval R. Ajmera	Director	4/5	Present
4	Mr. Jagdish J. Doshi	Director	5/5	Present
5	Mr. Ambalal C. Patel	Director	5/5	Present
6	Ms. Aarti M. Ramani	Director	4/5	Present
7	Mr. Nilesh H. Sarvaiya	Director	5/5	Present

* Mr. Ishwarlal S. Ajmera ceased to be Chairman & Managing Director of the Company w.e.f. 9th August 2015, on account of his sad demise.

Agenda:

During the year under review, all the meetings were conducted as per the detailed agenda. An agenda lists the items of businesses to be taken up in the meeting, backed by the supporting information, documents and a draft resolution in order to enable the Board to take an informed decisions. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Notice along with the detailed Agenda are generally circulated seven days prior to the Board Meeting as per the principles mentioned for convening and conducting the Board Meeting under Secretarial Standards on Meeting of the Board of Directors (SS-1) issued by the Council of ICSI and approved by Central Government.

Circular Resolution :

During the financial year ended 31st March, 2016, the resolutions were passed by way of circulation to the Board of Directors of the Company. Resolutions passed by circulation are deemed to be passed at the duly convened Meetings of the Board and have equal authority.

A resolution proposed to be passed by circulation were sent in draft explained by note setting out details of the proposal, together with the necessary papers, individually to all the Directors of the Company. Seven days were provided to all the directors to respond to the draft resolutions circulated thereof.



The circular resolutions were passed on 16th December, 2015 and 4th January, 2016 by approving the resolutions by the majority of Board of directors of the Company as required under section 175 of the Companies Act, 2013 and rules framed thereunder.

2.3 Other Directorships:

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors in other Companies as on March 31, 2016, are given below :

Sr. No.	Name of Directors	Director Identification Number (DIN)	Date of Appointment	Directorship in other Companies	Committee Positions in India	
					Chairman	Member
1	Mr. Sanjay C. Ajmera	00012496	24-Apr-2012	3	-	-
2	Mr. Dhaval R. Ajmera	00012504	24-Apr-2012	3	-	-
3	Mr. Ambalal C. Patel	00037870	30-Apr-2009	7	4	5
4	Mrs. Aarti M. Ramani	06941013	12-Aug-2014	1	-	1
5	Mr. Jagdish J. Doshi	00065162	30-Apr-2009	3	2	1
6	Mr. Nilesh H. Sarvaiya	00799636	30-Jan-2010	2	-	-

Notes:

- None of the Director is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies.
- Number of Directorship held in other companies includes all Companies, other than SPSL, whether listed or unlisted and excludes Private Limited Companies, Foreign Companies and Section 8 Companies.
- The limits of other directorship of Independent directors and Executive directors are within the permissible limits.
- The committee positions in India includes only Audit Committee and Stakeholders Relationship Committee of all Companies, other than SPSL, whether listed or unlisted and excludes Private Limited Companies, Foreign Companies and Section 8 Companies.
- None of the Director is a member in more than 10 committees or chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

2.4 Selection of New Directors and Board Membership Criteria:

As per the Nomination and Remuneration Policy of the Company, the Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board. The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel of the Company.

The Nomination and Remuneration Committee works to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

2.5 Familiarization Programme for Independent Directors:

In order to increase the Board's effectiveness, the Company has started familiarizing the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. At the time of appointment, the Company issues a Letter of Appointment setting out in detail all terms and conditions of appointment and duties, responsibilities and expected time commitments. The induction for Independent Directors include interactive sessions with Executive Directors and Heads of Departments etc. Training needs are identified as being a mandatory requirement now so as to enhance the skills and competencies. It insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the Company and the Company keep the directors updated on a continuing basis on any significant changes in the Company so as to be in a position to take well informed and timely decisions. The more details on familiarization programme is available on the Company's website : (<http://www.spsl.com/downloads/familiarisation-of-ID-of-SPSL.pdf>).



2.6 Evaluation of the Board's Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. In case of evaluation of the individual Directors, one to one meeting of each Director with the Chairman of the Board and the Chairman of the Nomination & Remuneration Committee was held. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

2.7 Independent Directors Meeting:

A separate meeting of Independent Directors of the Company was held on 19th May, 2016 which transacted the following :

1. Evaluated the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluated the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors of the Company;
3. Evaluated the quality, content and timeliness of flow of information between the management and the Board which is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present in the meeting and had evaluated the performance of the Company considering the Figures of the Revenue, Turnover, Net worth, the Debt to Equity ratio of the Company to its investors.

Independent Directors Declaration:

The Company has received the necessary declaration from each Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3. COMMITTEE OF BOARD:

With a view to have a more focused attention on various facts of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Each of these Committees has been mandated to operate within a given framework.

3.1 AUDIT COMMITTEE:

The Board has constituted a well-qualified Audit Committee. The Committee comprises of 4 directors out of which 2/3rd are Independent Directors of the Company and 1 Executive Director. The Chairperson of the Committee, Mr. Jagdish J. Doshi, is an Independent Director. All the members of the Committee possess sound knowledge on accounts, audit, finance, internal controls etc.

3.1.1 Composition and Meetings:

During the financial year 2015-16, four Audit Committee Meetings were held i.e. on May 28, 2015, July 23, 2015, November 02, 2015, and February 11, 2016 and not more than one hundred and twenty days lapsed between two consecutive meetings of the Audit Committee. The attendance of each committee members of Audit Committee were as under :

Sr. No	Name of Directors	Category	No.of Board Meetings Attended
1	Mr. Jagdish J. Doshi	Chairman	04
2	Mr. Ambalal C. Patel	Member	04
3	Mr. Nilesh H. Sarvaiya	Member	04
4	Mr. Sanjay C. Ajmera*	Member	02

* Mr. Sanjay C. Ajmera ceased to be member of the Committee with effect from the closure of business hours on 23rd May, 2016.



3.1.2 Invitees/Participants:

1. The Chief Financial Officer, Assistant Company Secretary and Internal Auditor of the Company are the permanent invitees to all Audit Committee meetings to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc.
2. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.

3.1.3 Terms of Reference

The terms of reference of the Audit Committee are as per the guidelines set out in the listing regulations read with section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements and the auditor's report, (v) interaction with statutory, internal and cost auditors to ascertain their independence and effectiveness of audit process, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

- (i) Matter included in the Director's Responsibility Statement,
- (ii) Changes, if any, in the accounting policies,
- (iii) Major accounting estimates and significant adjustments in financial statement.
- (iv) Compliance with listing and other legal requirements concerning financial statements.
- (v) Disclosures in financial statement including related party transactions, Qualification in draft audit report.
- (vi) Scrutiny of inter-corporate loans & investments.
- (vii) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
- (viii) Letters of Statutory Auditors to management on internal control weakness, if any.
- (xiii) Major non routine transactions recorded in the financial statements involving exercise of judgment by the management.
- (xiv) Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees.
- (xv) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus approval given.

The terms of reference of the Committee has been amended to align with the Regulation 18 of SEBI Regulations, read with Section 177 of the Companies Act, 2013

3.1.4 Powers of Audit Committee:

1. To investigate any activity within its terms of reference
2. To seek information from any employee of the Company
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

3.2 NOMINATION AND REMUNERATION COMMITTEE

3.2.1 Composition and Attendance at the Meeting:

The Nomination and Remuneration Committee consists of three members and all are non executive directors.



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The committee met two (2) times on 28th May, 2015 and 9th March, 2016 during the financial year ended March 31, 2016. The attendance of the members at the meeting was as under.

Sr. No.	Name of the Directors	Category	No. of meetings attended
1	Mr. Jagdish J. Doshi	Chairman	02
2	Mr. Ambalal C. Patel	Member	02
3	Mr. Nilesh H. Sarvaiya	Member	02

3.2.2 Terms of Reference:

The Committee is empowered to–

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors;
- Identify and assess potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel;
- Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance;
- Conduct Annual performance review of MD and CEO and Senior Management Employees;
- Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.

3.2.3 Details of remuneration paid to Directors during the F.Y. 2015-16:

The details of remuneration, sitting fees, performance bonus and commission paid to each of the Directors during the year ended on 31st March, 2016 are given below:-

Sr. No.	Name of the Director	Remuneration (in ₹)	Sitting Fees (in ₹)	No. of shares held
1	Mr. Ishwarlal S. Ajmera*	12,44,194	NA	367220
2	Mr. Sanjay C. Ajmera	Nil	NA	1686472
3	Mr. Dhaval R. Ajmera	50,67,316	NA	1839910
4	Mr. Jagdish J. Doshi	NA	40000	0
5	Mr. Ambalal C. Patel	NA	40000	4
6	Ms. Aarti M. Ramani	NA	15000	0
7	Mr. Nilesh H. Sarvaiya	NA	40000	0

* Mr. Ishwarlal S. Ajmera, ceased to be Chairman w.e.f. 9th August 2015 on account of death and shares held by him were transferred to his nominee.

3.2.4 Nomination and Remuneration Policy:

The Nomination and Remuneration (N&R) Committee has adopted a Nomination and Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors and Managing Director and their remuneration.

Criteria of selection of Non Executive Directors

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of finance, law, governance and general management.

In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.



The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

3.2.5 Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees and Remuneration of Non-Executive Directors. The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Meetings as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

a. Remuneration of Managing Director & Executive Directors:

- i. At the time of appointment or re-appointment, Managing Director & Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and Managing Director & Executive Directors within the overall limits prescribed under the Companies Act.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall consider the following:
 - a. the relationship of remuneration and performance benchmarks is clear;
 - b. balance between fixed and incentive pay reflecting short and long - term performance objectives appropriate to the working of the company and its goals;
 - c. responsibility required to be shouldered by the Chairman, Managing Director & Executive Directors and the industry benchmarks and the current trends;
- iv. The Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

b. Remuneration of Senior Management Employees:

The Managing Director and Executive Director will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned herein above, recommends the annual increment and performance incentive to the Nomination & Remuneration Committee for its review and approval.

c. Remuneration to Non – Executive Directors:

The Non-Executive Directors are paid sitting fees of ₹ 5,000/- per meeting for attending the Board and Audit Committee meetings except Stakeholder Relationship Committee, for which no sitting fees is paid. The CSR Committee and Nomination & Remuneration Committee members at their first meeting had unanimously decided not to accept any sitting fees for the CSR Committee meeting to be attended by them. No commission is paid to them.

None of the Directors hold any convertible instruments.



3.3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee also looks into allotment of shares kept in abeyance, allotment of shares on exercise of the stock options by the employees and allotment of privately placed preference shares, debentures and bonds, if any.

The Committee is headed by Mr. Jagdish J. Doshi, Independent Director and consists of the members as stated below. During the year ended on 31st March, 2016, this Committee had four meetings which were attended by the members as under:-

Sr. No	Name of Directors	Category	No. of Meetings Attended
1	Mr. Jagdish J. Doshi	Chairman	4
2	Mr. Ishwarlal S. Ajmera (ceased w.e.f. August 9, 2015)	Member	2
3	Mr Sanjay C. Ajmera (ceased w.e.f. May 23, 2016)	Member	1
4	Mr. Dhaval R. Ajmera (ceased w.e.f. May 24, 2016)	Member	4

Note: Mr. Harsh L. Mehta was appointed as a member of the Committee in place of Mr. Dhaval R. Ajmera w.e.f. May 24, 2016.

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

Nature of Complaint	Opening	Received during the year	Resolved	Outstanding as on 31 st March, 2016
Non- Receipt of Annual Report	-	-	-	-
Non-Receipt of Dividend	-	-	-	-
Non-Receipt of shares (De-merger)	-	3	3	-
Non-Receipt of shares (Split)	-	-	-	-
Non-Receipt of shares (Transmission)	-	-	-	-
TOTAL		3	3	-

None of the complaints is pending for a period exceeding 30 days. All the requests for transfer of shares had been processed on time. Over and above the aforesaid complaints, the Company and its Registrar & Share Transfer Agent have handled queries on various matters such as change of address, change of bank particulars, nomination request etc. and we are pleased to report that all other queries / requests have been replied on time.

3.4 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The composition of CSR Committee as on 31st March, 2016 is as follows:

Sr. No.	Name of the Member	Designation
1	Mr Sanjay C. Ajmera (ceased w.e.f. May 23, 2016)	Chairman
2	Mr. Jagdish J. Doshi	Member
3	Mr. Dhaval R. Ajmera (ceased w.e.f. May 24, 2016)	Member

Note: Mr. Harsh L. Mehta and Mr. Nilesh H. Sarvaiya were appointed on May 24, 2016 in place of Sanjay C. Ajmera as Chairman and Mr. Dhaval R. Ajmera respectively.

The Terms of Reference of the Committee are as follows:-

- a) To frame the CSR Policy and its review from time-to-time;
- b) To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget;
- c) To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.



4. GENERAL BODY MEETINGS :

Annual General Meeting of the earlier three years:

The Company convenes Annual General Meeting generally within six months of the close of the Corporate Financial Year. The details of Annual General Meetings held in last 3 years are as under :-

Financial Year	Details of day, date, time and venue where AGM was held	Summary of Special Resolutions passed
2012-13	5 th AGM was conducted on Friday, 27 th September, 2013 at 12.45 p.m. at Activity Hall, Gr. Floor, Juhu Vile Parle Gymkhana Club, JVPD Scheme, Vile Parle (W), Mumbai - 400 049	1) Alteration of other Object Clause(III-C) of Memorandum of Association of Company; 2) Commencement of new business.
2013-14	6 th AGM was conducted on Saturday, 27 th September, 2014 at 1.00 p.m. at Activity Hall, Gr. Floor, Juhu Vile Parle Gymkhana Club, JVPD Scheme, Vile Parle (W), Mumbai - 400 049	1) To approve payment of remuneration to Chairman & Managing Director; 2) To approve payment of remuneration to Director-Operations & marketing; 3) To give authority to the board of directors to borrow money from Banks/Financial Institutions and others, the aggregate outstanding of which should not exceed, at any given time, ₹ 2000 crores as per Section 180 (1) (c) of the Companies Act, 2013; 4) To give authority to the Board of Directors to create charge / Hypothecation / security of its Assets against the borrowings taken by the Company as per Section 180(1)(a) of the Companies Act, 2013.
2014-15	7 th AGM was conducted on Friday, 25 th September, 2015 at 1.00 p.m. at Activity Hall, Gr. Floor, Juhu Vile Parle Gymkhana Club, JVPD Scheme, Vile Parle (W), Mumbai - 400 049	NIL No special resolutions were passed by the Company's Shareholders in Annual General Meeting.

Postal Ballot:-

For the year ended March 31, 2016 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

5. MEANS OF COMMUNICATION :

i. Financial results

The Company has regularly furnished quarterly, half-yearly and yearly financial results of the Company, through email and electronic filing systems to the stock exchange where the shares of the Company are listed within 15 (fifteen) minutes and 30 (thirty) minutes (as applicable under the Listing Agreement or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the case may be), of closure of the Board meeting.

Quarterly and Annual financial results are also published in English, and other regional (Marathi) newspaper, i.e., 'Financial Express' and 'Mumbai Lakshdeep'.

ii. News Releases, disclosures and announcements

Official new releases, disclosures and announcements are sent to the Bombay Stock Exchange under the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



iii. Website

The Company's website www.spsl.com contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user friendly and downloadable form.

iv. SEBI Complaints Redressal System (SCORES):

The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. During the year, There were no complaints received by the Company.

v. Designated Exclusive Email-id

The Company has designated the following email-ids exclusively for investor servicing:

For queries on Annual Report – spsl.investors@gmail.com

For queries in respect of shares – sharexindia@vsnl.com

6. GENERAL SHAREHOLDER'S INFORMATION:

6.1 Annual General Meeting

Day & Date	Friday, 26 th August, 2016
Time	12.30 p.m
Venue	"Activity Hall", Ground Floor, Juhu Vile Parle Gymkhana Club, N.S. Road, JVPD Scheme, Vile Parle (West), Mumbai - 400 049

6.2 Financial Calendar

April 01 to March 31 for the financial year 2016-17, the tentative dates for declaration of Quarterly unaudited results as follows: -

For the Financial Year 2016-17	Tentative date of announcement of Financial Results
First Quarter ended as on June 30, 2016	July/August, 2016
Second Quarter ended as on September 30, 2016	October/November, 2016
Third Quarter ended as on December 31, 2016	January/February, 2017
Fourth Quarter and Financial Year ended as on March 31, 2016	April/May, 2017
Ninth Annual General Meeting	August/September, 2017

6.3 Book Closure

The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, the 20th August, 2016 till Friday, the 26th August, 2016 (both days inclusive) as required under the Companies Act 2013.

6.4 Listing of Shares & Other Securities

A	Equity Shares Listed on	Bombay Stock Exchange Ltd.
B	Stock Code	533110
C	ISIN Code	INE318K01017
D	Corporate Identity Number (CIN)	L70109MH2007PLC174206

6.5 Listing Fees

The Company affirms that the annual listing fees for the year 2016-17 has been paid to Bombay Stock Exchange (BSE) Limited in full.

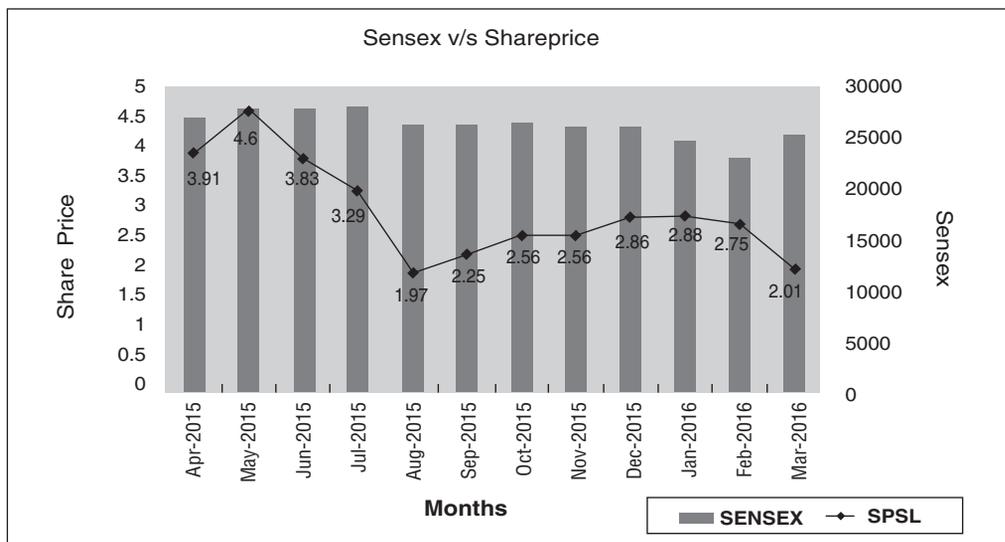
6.6 Market Price Data

The high / low market price of the shares for each month during the Financial Year 2015 - 16 on the Bombay Stock Exchange Limited are as mentioned below:



Month	Bombay Stock Exchange			S & P BSE SENSEX
	High	Low	Close	(Closing)
Apr -15	4.23	2.75	3.91	27011.31
May-15	5.96	3.71	4.6	27828.44
Jun -15	5.29	2.91	3.83	27780.83
Jul -15	4.39	2.83	3.29	28114.56
Aug-15	4.32	1.76	1.97	26283.09
Sep -15	2.99	1.67	2.25	26154.83
Oct -15	2.76	2.14	2.56	26656.83
Nov-15	2.68	1.94	2.56	26145.67
Dec-15	3.29	2.33	2.86	26117.54
Jan -16	3.48	2.07	2.88	24870.69
Feb -16	3.41	2.10	2.75	23002.00
Mar -16	2.90	1.77	2.01	25341.86

6.7 SPSSL's Share Price Movement compared to BSE Sensex



6.8 Unclaimed Fractional Entitlements

The amount of unclaimed fractional entitlement in respect of the sale of fractional shares of the Company which arose on account of demerger of the parent company, aggregating to ₹ 10,977.14/- is due for transfer to Investor Education and Protection Fund (IEPF) on 23rd March, 2017.

Any member, who has not claimed fractional entitlement is requested to approach the Company/the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 23rd March, 2017. The detailed list of unclaimed and unpaid amount lying with the Company is uploaded on the website: www.spsl.com

6.9 Registrar and Share Transfer Agents

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Share Transfer Agent, M/s. Sharex Dynamics (India) Pvt. Limited. The contact details are given hereunder:

Sharex Dynamics (India) Pvt. Limited

Unit – 1, Luthra Industrial Premises, Safed Pool,
Andheri Kurla Road, Andheri (E), Mumbai – 400 072

Email: sharexindia@vsnl.com **Website:** www.sharexindia.com

Tel: 9122 2851 5606 / 9122 2851 5644

Fax: 9122 2851 2885



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6.9 Share Transfer System

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agents within the prescribed time limit, provided the documents are found to be in order. Shares under objection are returned to the shareholder immediately. The Share Transfer Agents considers the transfer proposals generally on a fortnight basis.

6.10 Distribution of Shareholding

The shareholding distribution of the equity shares as on 31st March, 2016 is given below:

No. of Equity shares	Shareholders		Shares held in each class	
	Number	%	Number	%
Up to 100	33604	78.79	645047	0.78
101 to 200	2389	5.60	366870	0.44
201 to 500	2839	6.66	1027346	1.24
501 to 1,000	1658	3.89	1366518	1.65
1,001 to 5,000	1633	3.83	3709601	4.48
5,001 to 10,000	260	0.61	1914182	2.31
10,001 to 1,00,000	204	0.48	5134547	6.20
1,00,001 & above	65	0.15	68633931	82.89
Total	42652	100.00	82798042	100.00

6.11 Shareholding Pattern

The shareholding of different categories of the shareholders as on 31st March, 2016 is given below:-

Sr. No.	Category of Shareholders	No. of shares	Percentage of Shareholding
(A)	Shareholding of Promoter and Promoter Group		
a.	Promoters	44032362	53.18
b.	Promoter Body Corporates	8039906	9.71
	Total Shareholding of Promoter and Promoter Group (A)	52072268	62.89
(B)	Public Shareholding		
(i)	Institutions		
a.	Mutual funds	504	0.002
b.	Banks/ FI	252	0
c.	FIs	3781	0.005
	Total Public Institutions (B) (i)	4537	0.007
(ii)	Non Institutions		
a.	Indian Body Corporates	1401319	1.692
b.	Individuals	28216569	34.079
c.	NRI	1048553	1.266
d.	Clearing Members	54796	0.066
	Total Public Non Institution (B) (ii)	30721237	37.103
	Total Public Shareholding (B) = (B)(i) + (B)(ii)	30725774	37.11
	Total shareholding (A) + (B)	82798042	100

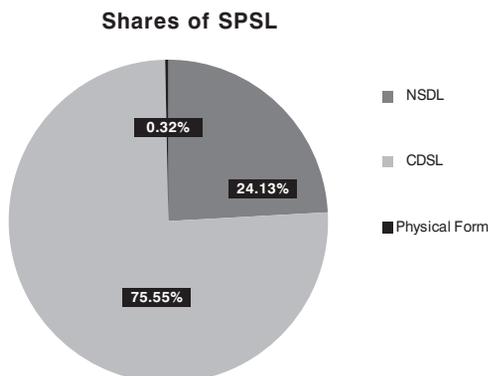
6.12 Dematerialisation of Shares

About 99.68 % (82531364 shares) of the total equity share capital are held in dematerialized form with NSDL and CDSL as on 31st March, 2016.

Particulars of Shares	Equity Shares of ₹ 10/- each	
	Number	% of total Issued Capital
Dematerialized Form		
NSDL	19981601	24.13
CDSL	62549763	75.55
Sub - Total	82531364	99.68
Physical Form	266678	0.32
TOTAL	82798042	100.00



As on 31st March, 2016, the number of shares held in dematerialized and physical mode are as under:



Shares held in Demat or Electronic Form

For Shares transferred in electronic form, after confirmation of sale / purchase transaction from the Broker, Shareholders should approach their Depository Participants (DPs) with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to either Company or Share Transfer Agent to register such Share transfers in electronic/demat Form. For matters regarding shares held in demat/electronic form and for matters related to change of address, change of Bank mandates etc., shareholders should communicate directly with their respective Depository Participant.

Shares held in Physical form

For matters regarding shares transferred in physical form, share certificates, change of address etc., shareholders should communicate with Sharex Dynamic (India) Private Limited, the Registrar and Share Transfer Agent of the Company.

6.13 Mandatory requirement of PAN

SEBI vide its circular dated 7th January, 2010 has made it mandatory to furnish PAN copy in the following cases:

- (i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders;
- (ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder;
- (iii) Transposition of shares – in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders;
- (iv) Transfer of shares in physical form.

6.14 Reconciliation of Share Capital Audit

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchange. No discrepancies were noticed during these audits.

6.15 Address for Correspondence

- (a) The Compliance Officer,
"B-716, 7th Floor, Crystal Plaza,
New Link Road, Andheri (West),
Mumbai - 400 053.
Tel. No.: (022)-65526677
- (b) Exclusive e-mail id for Investor Grievances:
spsl.investors@gmail.com



6.16 Registered Office

B -716, 7th Floor, Crystal Plaza, New Link Road, Andheri (West), Mumbai - 400 053. Tel.: (022)-65526677

7. DISCLOSURES:

- a. The Company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions. This policy is available on the Company's website i.e. www.spsl.com
- b. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.
- c. During the year 2015-16, no materially significant transactions were entered into by the Company with the Promoters, Directors or the Management, or their relatives, that may have potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.
- d. The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.
- e. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- f. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- g. The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is hosted on the website of the Company: www.spsl.com.
- h. The Independent Directors have confirmed that they meet the criteria of Independence' as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. CEO/CFO CERTIFICATION:

The Managing Director (MD) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

9. CODE OF CONDUCT:

The Company has adopted the Code of Conduct for all employees of the Company, including the Managing Director. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Codes are posted on the Company's website.

All Board members and senior management personnel (as per SEBI Listing Regulations, 2015) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the Managing Director forms part of this Report.

Apart from receiving sitting fees that they are entitled to under the Companies Act, 2013 as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its associates. None of the Directors are inter-se related to each other as per the definition prescribed under Section 2(77) of the Companies Act, 2013.

The Directors and senior management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

10. DECLARATION BY MANAGING DIRECTOR:

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 2015-16.

Place: Mumbai
Date: May 19, 2016

Sanjay C. Ajmera
Managing Director
(DIN: 00012496)



CEO/CFO CERTIFICATION

We hereby certify that:

- a. We have reviewed the financial statements and the cash flow statement for the financial year 2015 - 16 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the companies affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. To the best of our knowledge and belief, there are no transactions entered into by the company during the financial year 2015-16 which are fraudulent, illegal or violative of the companies code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
- d. We have indicated to the Auditors and the Audit Committee –
 - Significant changes in internal control over the financial reporting during the financial year 2015-16.
 - Significant changes in accounting policies during the year 2015-16 and that the same have been disclosed in the notes to financial statements; and
 - There was no fraud of which we become aware of the management or an employee having a significant role in the company's internal control system over the financial reporting.

Place: Mumbai
Date: 19th May, 2016

Sanjay C. Ajmera
Managing Director

Harish Taparia
Chief Financial Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Shree Precoated Steels Limited
Mumbai

We have examined the compliance of Corporate Governance by Shree Precoated Steels Limited ('the Company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the Corporate Governance requirements as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Mumbai
Dated: 1st July, 2016

RASESH V. PAREKH (PARTNER)
Membership No. 38615



INDEPENDENT AUDITOR'S REPORT

The Members,

SHREE PRECOATED STEELS LIMITED

MUMBAI

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of **SHREE PRECOATED STEEL LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
6. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B, and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company does not have any pending litigations which would impact its financial position except matter pending before Hon'ble Supreme Court of India[refer Note No.28(b)]
- ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There is no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR AND ON BEHALF OF
V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN NO. 107488W**

Place: Mumbai
Dated : 19th May, 2016

**RASESH V. PAREKH - PARTNER
MEMBERSHIP NO. 38615**

ANNEXURE-A REFERRED TO IN PARAGRAPH 9 TO OUR REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016.

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016, we report that:

1. In respect of it's Fixed Assets:
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) These fixed assets have been physically verified by the management at reasonable intervals. Discrepancies noticed during the course of such verification are dealt with adequately in the books of accounts.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records, The Company does not have any Immovable Property as a Fixed Assets except Land shown in Fixed Assets is in dispute and not registered in the name of the Company.
2. In respect of it's inventories:
 - (a) Physical verification of inventory 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.
3. The company has not granted any loans, secured or unsecured to the company to companies, firms, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. The Company has not accepted deposits, the directives issued by the Reserve Bank of India and the provision of Section 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under.
5. The Central Government has not prescribed maintenance of Cost Records under Section 148(1) of the Act in respect of the 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.



6. a. The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax and other statutory dues to the extent applicable to it. There is no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b. The Company does not have any dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute, except the amount involved and forum where dispute is pending given below:-

Name of Statute	Nature of Dues	Amount (₹ in Lacs)	Year	Forum where pending
Service Tax	GTA of Service	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.
Arbitration Award	Damages for non Supply of goods	1565.41	2005-06	Hon'ble Supreme Court of India (Refer note no. 28(b))

7. In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
8. In our opinion and according to the information and explanations given to us the company has not given any guarantee for loans taken by other from bank and institution.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. And the Money raised by way of term loans were applied for the purposes for which those are raised.
10. Based on the audit procedure performed and information and explanation given by the Management, we report that no fraud on or by the Company has been noticed or reports during the year.

**FOR AND ON BEHALF OF
V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN NO. 107488W**

Place: Mumbai **RASESH V. PAREKH - PARTNER**
Dated : 19th May, 2016 **MEMBERSHIP NO. 38615**

ANNEXURE - B TO THE AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROL UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **SHREE PRECOATED STEELS LIMITED** ("the company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of

internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF THE INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed 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. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR AND ON BEHALF OF
V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN NO. 107488W**

Place: Mumbai
Dated : 19th May, 2016

**RASESH V. PAREKH - PARTNER
MEMBERSHIP NO. 38615**

**SHREE PRECOATED STEELS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Notes	As on 31 st March, 2016 (₹ In lacs)	As on 31 st March, 2015 (₹ In lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	8279.80	8279.80
(b) Reserves and Surplus	4	(7633.19)	(7039.45)
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	11.30	1538.24
(b) Other Long term liabilities	6	188.11	585.31
(c) Long term provisions	7	18.97	16.39
(3) Current Liabilities			
(a) Trade payables	8	302.15	450.95
(b) Other current liabilities	9	38.22	25.54
Total		1205.36	3856.78
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	31.64	85.86
(b) Long-term loans and advances	11	1.36	0.36
(2) Current assets			
(a) Inventories	12	160.18	1117.29
(b) Trade receivables	13	133.24	209.63
(c) Cash and cash equivalents	14	34.84	13.62
(d) Short-term loans and advances	15	312.83	1414.98
(e) Other current assets	16	531.27	1015.04
Total		1205.36	3856.78
Significant Accounting policies and notes to the Financial Statements	2		

As per our report of even date

For and on behalf of

V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. 107488W

For & on behalf of Board Of Directors of

SHREE PRECOATED STEELS LIMITED

RASESH V. PAREKH
PARTNER
Membership No. 38615

A .C. PATEL
CHAIRMAN
(DIN: 00037870)

DHAVAL R. AJMERA
DIRECTOR
(DIN: 00012504)

HARISH G. TAPARIA
CHIEF FINANCIAL OFFICER

NITIKA S. SINGH
ASST. COMPANY SECRETARY

Place: Mumbai
Dated: 19th May, 2016

Place: Mumbai
Dated: 19th May, 2016



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Notes	Year ended 31 st March, 2016 (₹ In lacs)	Year ended 31 st March, 2015 (₹ In lacs)
I. Revenue from operations	17	1,284.98	2,612.31
II. Other Income	18	-	-
III. Total Revenue (I + II)		1,284.98	2,612.31
IV. Expenses:			
Purchase of Stock in Trade		-	307.89
Construction & Other expenses	19	1,226.51	1,750.49
Changes in inventories of finished goods, work in progress and Stock-in-trade	20	162.91	(92.74)
Employee benefit expenses	21	94.60	62.89
Financial costs	22	3.99	0.89
Depreciation and amortization expenses	10	3.24	3.58
Other expenses	23	387.47	36.12
Total Expenses (IV)		1,878.72	2,069.12
V. Profit / (Loss) before exceptional and extraordinary items and tax	(III - IV)	(593.74)	543.19
VI. Exceptional Items		-	650.08
VII. Profit / (Loss) before extraordinary items and tax (V + VI)		(593.74)	1,193.27
VIII. Profit / (Loss) before tax		(593.74)	1,193.27
IX. Tax expense:			
(1) Adjustment During the year		-	-
(2) Deferred tax		-	-
X. Profit / (Loss) for the year from continuing operations		(593.74)	1,193.27
XI. Extraordinary Items		-	-
XII. Surplus / (Deficit) for the year		(593.74)	1,193.27
XIII. Earning per equity share before exceptional / extraordinary items and after Tax:			
(1) Basic	24	(0.72)	0.66
(2) Diluted	24	-	-
Significant Accounting policies and notes to the Financial Statements	2		

As per our report of even date

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

RASESH V. PAREKH
 PARTNER
 Membership No. 38615

For & on behalf of Board Of Directors of
SHREE PRECOATED STEELS LIMITED

A .C. PATEL
 CHAIRMAN
 (DIN: 00037870)

DHAVAL R. AJMERA
 DIRECTOR
 (DIN: 00012504)

HARISH G. TAPARIA
 CHIEF FINANCIAL OFFICER

NITIKA S. SINGH
 ASST. COMPANY SECRETARY

Place: Mumbai
Dated: 19th May, 2016

Place: Mumbai
Dated: 19th May, 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Year ended 31 st March, 2016 (₹ In lacs)	Year ended 31 st March, 2015 (₹ In lacs)
Cash Flow From Operating Activities:		
Profit / (Loss) before tax	(593.74)	543.19
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortisation	3.24	3.58
Interest Expense	3.99	0.89
Exceptional / Extra ordinary Items	-	650.08
Operating Profit / (Loss) before working capital changes	(586.51)	1197.74
Movements in working capital:		
Increase/(decrease) in trade payables	(148.80)	(92.20)
Increase/(decrease) in long term provision	2.58	7.97
Increase/(decrease) in Other Long term Liabilities	(397.20)	51.83
Increase/(decrease) in Other Current Liabilities	12.68	17.02
Decrease/(increase) in trade receivables	76.38	64.89
Decrease/(increase) in inventories	957.11	437.10
Decrease/(increase) in long term loans and advances	(1.00)	-
Decrease/(increase) in short term loans and advances	1102.15	(1408.99)
Decrease/(increase) in other Non current assets	-	-
Decrease/(increase) in other current assets	483.77	(499.09)
Cash generated from/(used in) operating activities	1501.17	(223.73)
Direct taxes paid	-	-
Net cash flow from/(used in) operating activities (A)	1501.17	(223.73)
Cash flow from investing activities:		
Purchase of fixed assets including intangible assets, CWIP	50.98	(85.85)
Proceeds from sale of assets	-	-
Proceeds from sale of assets	-	-
Net cash flow from/(used in) investing activities (B)	50.98	(85.85)
Cash flow from financing activities:		
Proceed/(Repayment) of long term borrowings	(1526.94)	38.24
Interest paid	(3.99)	(0.89)
Net cash flow from/(used in) financing activities (C)	(1530.93)	37.35
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	21.22	(272.22)
Cash and cash equivalents at the beginning of the year	13.62	285.84
Cash and cash equivalents at the end of the year	34.84	13.62
Significant Accounting policies and notes to the Financial Statements 2	-	-

As per our report of even date

For and on behalf of

V. PAREKH & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No. 107488W

For & on behalf of Board Of Directors of

SHREE PRECOATED STEELS LIMITED

RASESH V. PAREKH

PARTNER

Membership No. 38615

A .C. PATEL

CHAIRMAN

(DIN: 00037870)

DHAVAL R. AJMERA

DIRECTOR

(DIN: 00012504)

HARISH G. TAPARIA

CHIEF FINANCIAL OFFICER

NITIKA S. SINGH

ASST. COMPANY SECRETARY

Place: Mumbai

Dated: 19th May, 2016

Place: Mumbai

Dated: 19th May, 2016



Notes to Financial Statements for the Year ended 31st March, 2016

NOTES TO ACCOUNTS

1. CORPORATE INFORMATION:

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

2. SIGNIFICANT ACCOUNTING POLICIES:

a. 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 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of The Companies Act, 2013 and the provisions of the Act to the extent applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

**Notes to Financial Statements for the Year ended 31st March, 2016**

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.



Notes to Financial Statements for the Year ended 31st March, 2016

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 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,

**Notes to Financial Statements for the Year ended 31st March, 2016**

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.

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 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 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, 2016

Sr. No.	Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
		₹ In lacs		₹ In lacs	
3	Share capital				
	Authorised				
	8,50,00,000 (Previous year 8,50,00,000) Equity Shares of ₹ 10/- each		8,500.00		8,500.00
			<u>8,500.00</u>		<u>8,500.00</u>
	Issued, subscribed and fully paid up				
	8,27,98,042 (Previous Year 8,27,98,042) Equity Shares of ₹ 10/- each fully paid up.		8,279.80		8,279.80
			<u>8,279.80</u>		<u>8,279.80</u>
a.	Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
	Equity shares	As at 31 st March, 2016		As at 31 st March, 2015	
		Nos.	₹ In lacs	Nos.	₹ 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	<u>82,798,042</u>	<u>8,279.80</u>	<u>82,798,042</u>	<u>8,279.80</u>
b.	Term/rights attached to equity shares				
	The company has only one class of equity shares having a par value of ₹ 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 31 st March, 2016, the amount of per share dividend recognised as distributions to equity shareholders was ₹ NIL (Previous Year ₹ 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:				
		As at 31 st March, 2016		As at 31 st March, 2015	
		No. of shares		No. of shares	
	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, 2016

Sr. No.	Particulars	As at 31 st March, 2016 (₹ In lacs)		As at 31 st March, 2015 (₹ In lacs)	
	For the period of five years starting from preceding date				
		No. of Shares		No. of Shares	
	F.Y. 2015-2016	NIL		NIL	
	F.Y. 2014-2015	NIL		NIL	
	F.Y. 2013-2014	NIL		NIL	
	F.Y. 2012-2013	NIL		NIL	
	F.Y. 2011-2012	NIL		NIL	
d	Details of shareholders holding more than 5% shares in the company				
		Nos.	% holding	Nos.	% holding
	Equity shares of ₹ 10 each fully paid Fahrenheit Fun and Games 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		6,303.51	
	Closing Balance	6,303.51		6,303.51	
	Surplus/(deficit) in the statement of profit and loss				
	Balance as per last financial statements (A)	(13,372.96)		(14,566.23)	
	Add: Surplus / (deficit) for the Year (B)	(593.74)		1,193.27	
	Closing Balance (A+B)	(13,966.70)		(13,372.96)	
	Total Reserves and Surplus	(7,633.19)		(7,039.45)	



Notes to Financial Statements for the Year ended 31st March, 2016

Sr. No.	Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
		(₹ In lacs)		(₹ In lacs)	
5	Long-term borrowings				
	From Corporate Bodies		-		1,500.00
	Others		11.30		38.24
	Total		11.30		1,538.24
	The above amount includes				
	Secured borrowings		11.30		1,538.24
	Unsecured borrowings		-		-
	Total Amount		11.30		1,538.24
	The Company borrowed term loan aggregating to ₹ NIL (Previous Year ₹ 1500.00 lacs) by secured against company's moveable properties, Book Debts and receivables. Others includes, Vehicle loan borrowed from ICICI Bank Limited @ interest rate of 9.99% p.a. against security of Vehicle.				
6	Other long term Liability				
	Others		182.60		334.42
	Advance from customers		5.51		250.89
	Total		188.11		585.31
7	Long term Provisions				
	Provisions for employee benefits				
	Provision for gratuity		4.87		6.72
	Provision for leave benefits		14.10		9.67
	Total		18.97		16.39
8	Trade payables				
	Trade payables (including acceptance)				
	Due to micro and small enterprises (Refer note no: 29)		-		-
	Others		302.15		450.95
	Total		302.15		450.95
9	Other Current Liabilities				
	Current maturities of long term borrowings		9.49		21.95
	Others		28.73		3.59
	Total		38.22		25.54



Notes to Financial Statements for the Year ended 31st March, 2016

Note No.10 for Tangible Assets

(₹ In lacs)

Sr. No	Particulars	Gross Block			Depreciation			Net Block			
		As at 01.04.2015	Additions	Adjustment During the year	As at 31.03.2016	Dep. On 01.04.2015	For the Year	Adjustment During the year	Upto 31-Mar-16	As at 31-Mar-15	As at 31-Mar-16
1	Land	3.45	-	-	3.45	-	-	-	-	3.45	3.45
2	Vehicles	198.77	31.43	(85.84)	144.36	116.36	3.24	(3.43)	116.17	28.19	82.41
	TOTAL	202.22	31.43	(85.84)	147.81	116.36	3.24	(3.43)	116.17	31.64	85.86
	Previous Year	116.38	85.84	-	202.22	112.78	3.58	-	116.36	85.86	3.60

Note: * The adjustment represents the replace of vehicle due to default in the earlier vehicle.

PREVIOUS YEAR:

Note No.10 for Tangible Assets

(₹ In lacs)

Sr. No	Particulars	Gross Block			Depreciation			Net Block			
		As at 01.04.2014	Additions	Deletions During the year	As at 31.03.2015	Dep. On 01.04.2014	For the Year	On Deletion	Upto 31-Mar-15	As at 31-Mar-14	As at 31-Mar-15
1	Land	3.45	-	-	3.45	-	-	-	-	3.45	3.45
2	Vehicles	112.93	85.84	-	198.77	112.78	3.58	-	116.36	82.41	0.15
	TOTAL	116.38	85.84	-	202.22	112.78	3.58	-	116.36	85.86	3.60
	Previous Year	116.38	-	-	116.38	105.91	6.87	-	112.78	3.60	10.47

Notes to Financial Statements for the Year ended 31st March, 2016

Sr. No.	Particulars	As at 31 st March, 2016		As at 31 st March, 2015		
		(₹ In lacs)		(₹ In lacs)		
11	Long term loans and advances					
	Security deposits					
	Secured, considered good		-		-	
	unsecured, considered good		1.36		0.36	
	Doubtful		-		-	
			1.36		0.36	
	Provision for doubtful advances		-		-	
	Total		1.36		0.36	
12	Inventories:(Valued at lower of Cost and net realisable value)					
	Stock in Trade		160.18		323.09	
	Work in Progress:					
	Opening	794.20		1324.04		
	Add: Additions during the year	432.31		1220.65		
		1,226.51		2,544.69		
	Less: Cost transferred to Profit & Loss account	1226.51		1750.49		
	Closing Work in Progress		-		794.20	
			160.18		1117.29	
	Total		160.18		1117.29	
13	Trade receivables					
	Outstanding for a period exceeding six months from the date they are due for payment					
	Secured, considered good					
	Unsecured, considered good		120.44		120.44	
	Doubtful		-		-	
			120.44		120.44	
	Provisions for doubtful receivables		-		-	
		Total(A)		120.44		120.44
	Other Receivables:					
	Secured, considered good		-		-	
	Unsecured, considered good		12.80		89.19	
	Doubtful		-		-	
			12.80		89.19	
Provisions for doubtful receivables		-		-		
	Total(B)		12.80		89.19	
	Total (A+B)		133.24		209.63	

**Notes to Financial Statements for the Year ended 31st March, 2016**

Sr. No.	Particulars	As at 31 st March, 2016		As at 31 st March, 2015		
		(₹ In lacs)		(₹ In lacs)		
14	Cash and cash equivalent					
	Balance with banks:					
	On current accounts		33.91		13.28	
	Cash on Hand		0.93		0.33	
	Total		34.84		13.62	
15	Short term loans and advances					
	Unsecured, considered good:					
	Advances to related parties		268.17		1,383.33	
		(A)	268.17		1,383.33	
	Other loans and advances					
	Advance income tax (net of provision for taxation)		44.66		31.65	
	Prepaid expenses		-		-	
		(B)	44.66		31.65	
		Total (A) + (B)		312.83		1,414.98
	16	Other current assets:				
Advance to Suppliers:(Unsecured)			25.94		42.27	
Doubtful			-		-	
			25.94		42.27	
Less: Provision for Doubtful advances			-		-	
			25.94		42.27	
Other Current Assets			505.33		972.77	
	Total		531.27		1,015.04	

Notes to Financial Statements for the Year ended 31st March, 2016

Sr. No.	Particulars	Year ended 31 st March, 2016 (₹ in lacs)	Year ended 31 st March, 2015 (₹ in lacs)
17	Revenue from operations		
	Sales of products		
	Sale of Flats	1284.98	2612.31
	Other operating revenue		
	Others	-	-
	Revenue from operations	<u>1284.98</u>	<u>2612.31</u>
18	Other Income		
	Interest income on		
	Bank deposits	-	-
	others	-	-
		<u>-</u>	<u>-</u>
19	Construction and Other Expenses:		
	Material Cost	268.14	376.56
	Labour Cost	778.12	1344.49
	Legal & Professional Expenses	4.60	3.84
	Marketing Expenses	161.70	21.12
	Other Expenses	13.95	4.49
		<u>1226.51</u>	<u>1750.49</u>
20	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
	Stock in Trade at the beginning of the Year	323.09	230.35
	Stock in Trade at the end of the Year	160.18	323.09
	(Increase)/Decrease in Stock in Trade	<u>162.91</u>	<u>(92.74)</u>
21	Employee benefit expenses:		
	Salaries, wages and bonus	94.05	59.10
	Gratuity expense	-	3.42
	Staff welfare expenses	0.55	0.37
		<u>94.60</u>	<u>62.89</u>
22	Financial costs		
	Interest	3.99	0.89
		<u>3.99</u>	<u>0.89</u>


Notes to Financial Statements for the Year ended 31st March, 2016

Sr. No.	Particulars	Year ended 31 st March, 2016 (₹ in lacs)	Year ended 31 st March, 2015 (₹ in lacs)
23	Other Expenses		
	Repairs and maintenance - Others	0.02	0.22
	Advertising and sales promotions	0.27	0.66
	Travelling and Conveyance	1.84	2.64
	Payment to Auditors	1.05	1.05
	Miscellaneous Expenses	1.86	7.44
	Communication Expenses	1.32	1.01
	Legal & Professional Fees	24.87	4.60
	Vehicle Expenses	0.74	0.18
	Share Transfer & Mailing Expenses	3.29	2.58
	Listing Fees	2.00	1.87
	Membership and Subscription	2.69	2.24
	Bank charges	0.01	0.02
	Insurance	0.62	0.49
	Postage & Courier	5.35	3.14
	Professional Tax (Company)	0.02	0.02
	Rent	1.60	2.82
	Printing & Stationery expenses	4.29	3.85
	Compensation Expenses	41.84	-
	Sundry Balances written off	292.45	-
	Sitting Fees	1.35	1.30
		<u>387.47</u>	<u>36.12</u>
	Payment to Auditor:		
	As Auditor:		
	Audit fee	0.75	0.75
	Tax audit fee	0.30	0.30
	In other capacity:		
	Other services (certification fees)	-	-
		<u>1.05</u>	<u>1.05</u>
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 (A)	(59,373,724)	54318816
	No. of outstanding equity share (B)	82798042	82798042
	Earning per share (EPS) (A)/(B)	<u>(0.72)</u>	<u>0.66</u>



Notes to Financial Statements for the Year ended 31st March, 2016

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 ₹ as on 31.03.2016		
		Gratuity (Unfunded)	Leave Salary (Unfunded)	Total
[I]	Reconciliation in Present Value of Obligation (PVO) - defined benefits			
	Current Service Cost	108399	145009	253408
		1,99,299	2,35,599	4,34,898
	Interest Cost	52088	74932	127020
		29,711	46,040	75,751
	Actuarial (gain)/ losses	(345462)	223036	(122426)
		1,12,961	1,73,670	2,86,631
	Benefits Paid	-	-	-
		-	-	-
	Past service cost	-	-	-
		-	-	-
	PVO at the beginning of the year	672097	966862	1638959
		3,30,126	5,11,553	8,41,679
	PVO at end of the year	487122	1409839	1896961
		6,72,097	9,66,862	16,38,959
[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 year	487122	1409839	1896961
		6,72,097	9,66,862	16,38,959
	Fair value of plan assets at end of the year	NIL	NIL	NIL
		NIL	NIL	NIL
	Funded status	-	-	-
		-	-	-
	Unrecognised actuarial (gain)/ losses	-	-	-
		-	-	-
	Net assets/(liability) recognised in the balance sheet	(487122)	1409839	922717
		(6,72,097)	(9,66,862)	(16,38,959)

Notes to Financial Statements for the Year ended 31st March, 2016

Sr. No.	Particulars	Amount in ₹ as on 31.03.2016		
		Gratuity (Unfunded)	Leave Salary (Unfunded)	Total
[IV]	Net cost for the year ended March 31, 2016 :			
	Current Service Cost	108399	145009	253408
		1,99,299	2,35,599	4,34,898
	Interest Cost	52088	74932	127020
		29,711	46,040	75,751
	Expected Return on plan assets	NIL	NIL	NIL
		NIL	NIL	NIL
	Actuarial (gain)/ losses	(345462)	223036	(122426)
		1,12,961	1,73,670	2,86,631
	Net Cost	(184975)	442977	258002
		3,41,971	4,55,309	7,97,280
[V]	Category of assets as at March 31, 2016	-	-	-
		-	-	-
[VI]	Actual return of plan assets	-	-	-
		-	-	-
[VII]	Assumption used in accounting for the Gratuity & Leave Salary plan:			
	Discount rate (%)	8%	8%	
		7.75%	7.75%	
	Salary escalation rate(%)	8.5%	8.5%	
		8%	8%	
	Expected amount of return on plan assets	-	-	-
		-	-	-

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

26. Segment Information:

The Company primarily deals in the business of Real Estate and hence there is no Primary reportable segment in the context of Accounting Standard – 17 issued by Institute of Chartered Accountants of India (ICAI).

27. Related Party Disclosures:

The related party and relationships, as identified by the Management and relied upon by the Auditors are given herein below:

a. List of related parties and their relationship:

Name of the Party
A.G. Estate Private Limited
Ajmera Cement Private Limited
Ajmera Realty & Infra India Ltd.
Ajmera Housing Corporation Bangalore
Ajmera Housing Corporation
Ajmera Steel Strips Limited
Bombay Freezco Private Limited
Jolly Brothers Private Limited
Vijay Nagar Apartment
Rushabh Investments Pvt. Ltd.
Yogi Nagar Vasahat Private Limited
Four Brothers
Nilkanth Tech Park Private Limited



Notes to Financial Statements for the Year ended 31st March, 2016

b. Directors and their relatives:

Name of the Party	Relationship
Sanjay C Ajmera	Managing Director
Hetal S. Ajmera	Relative
Mayur S. Ajmera	Relative
Aagna S. Ajmera	Relative
Atul C. Ajmera	Relative
Dhaval R. Ajmera	Director
Prachi D. Ajmera	Relative
Mokshi D. Ajmera	Relative
Naysha D. Ajmera	Relative
Chaitali K. Parekh	Relative
Rajnikant S. Ajmera	Relative
Bharati R. Ajmera	Relative

c. Key Managerial Personnel :

- i) Mr. Sanjay C. Ajmera (Managing Director)
- ii) Mr. Harish G. Taparia (Chief Financial Officer)
- iii) Ms. Nitika S. Singh (Asst. Company Secretary)

Relatives of Key Managerial Personnel :

- Mrs. Hetal S. Ajmera
- Mr. Mayur S. Ajmera
- Late Shri Chhotalal S. Ajmera
- Mrs. Sonal B. Mehta
- Mrs. Madhubala H. Taparia
- Ms. Vartika S. Singh
- Ms. Aashna S. Ajmera
- Mr. Atul C. Ajmera
- Late Smt. Veenaben C. Ajmera
- Mr. Shashiprakash S. Singh
- Mrs. Gayatri S. Singh
- Ms. Monika S. Singh

d. Disclosure in respect of transactions with related parties:

Nature of Transaction	Related Parties	(₹ In lakhs)	
		2015-16 Amount (₹)	2014-15 Amount (₹)
	Subsidiaries		
Finance Received / (repaid)	Ajmera Cements Private Limited	(1500.00)	838.56
Advance paid towards purchase of flats	Ajmera Housing Corporation, Bangalore	268.16	-
Advances paid (received)	Ajmera Cements Private Limited	(1383.33)	1383.33

28. Contingent Liabilities:

- a) Contingent Liabilities not provided for in respect of:

Name of Statute	Nature of Dues	Amount (₹ 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.

- (b) Liability arise on account of International Arbitration Award passed against Company, endorsed by Hon'ble Bombay High Court, amounting to 20.71 Lakh Euros equivalent to ₹ 1565.41 Lakhs. The Company Preferred Special Leave Petition before Hon'ble Supreme Court of India and the Hon'ble Supreme Court of India stayed on 11th May 2016 operation of award subject to Deposit of ₹ 500 Lakhs.



Notes to Financial Statements for the Year ended 31st March, 2016

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

- a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year : Nil
- b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.
- c) The amount of Interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006
- d) The amount of Interest accrued and remaining unpaid at the end of each accounting year Nil
- e) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil

The above information and that given in note no.8 –“Trade Payables” regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of available with the company. This has been relied upon by the auditors.

30. TAXATION:

- (a) During the Year, the Company has not made any provision for income tax including Minimum Alternate Tax (MAT) on account of accumulated losses as per Income Tax Act as well as under Companies Act.
- (b) The Company has, on account of substantial unabsorbed Depreciation and Business Loss as per Income Tax Act 1961. However, as a prudent policy, the said Deferred Tax Asset has not been recognized, which is in accordance with the Accounting Standard 22.

31. Value of Import Calculated on CIF Basis: - NIL

32. Earnings & Expenditure in Foreign Currency (accrual basis): - NIL

33. Imported and indigenous raw materials, components and spare parts consumed: - NIL

34. Regrouping of Previous Year Figures.

The company has reclassified/regrouped/rearranged previous year figures to conform to this year's classification/regrouping/rearrangement.

- 35. The balances in Debtors, Creditors, bank balances and advance accounts are subject to confirmation and reconciliation if any. However, as per the management opinion no material impact on financial statements out of such reconciliation is anticipated.

As per our report of even date
For and on behalf of
V. PAREKH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. 107488W

For & on behalf of Board Of Directors of
SHREE PRECOATED STEELS LIMITED

RASESH V. PAREKH
PARTNER
Membership No. 38615

A . C. PATEL
CHAIRMAN
(DIN: 00037870)

DHAVAL R. AJMERA
DIRECTOR
(DIN: 00012504)

HARISH G. TAPARIA
CHIEF FINANCIAL OFFICER

NITIKA S. SINGH
ASST. COMPANY SECRETARY

Place: Mumbai
Dated: 19th May, 2016

Place: Mumbai
Dated: 19th May, 2016

FORM NO. SH-13
NOMINATION FORM

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules 2014]

To,

Shree Precoated Steels Limited

B-716, 7th Floor, Crystal Plaza,
New Link Road, Andheri (West),
Mumbai – 400053

I/We _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No.	No. of Securities	Certificates No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

- (a) Name :
- (b) Date of Birth :
- (c) Father's/Mother's/Spouse's name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail id :
- (h) Relationship with the security holder :

(3) IN CASE NOMINEE IS A MINOR -

- (a) Date of birth :
- (b) Date of attaining majority :
- (c) Name of guardian :
- (d) Address of guardian :

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY -

- (a) Name :
- (b) Date of Birth :
- (c) Father's/Mother's/Spouse's name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail id :
- (h) Relationship with the security holder :
- (i) Relationship with the minor nominee :

Name : _____

Address : _____

Name of the Security Holder(s) : _____

Signature : _____

Witness with name and address : _____

SHREE PRECOATED STEELS LIMITED

CIN : L70109MH2007PLC174206

Registered office : B-716, 7th Floor, Crystal Plaza, New Link Road, Andheri (West), Mumbai – 400053.

Tel. No. : +91-22-65526677 | Email Id: spsl.investors@gmail.com | Website: www.spsl.com

ATTENDANCE SLIP

(To be presented at the entrance)

I/we hereby record my/our presence at 8th Annual General Meeting of the Company held on 26th August, 2016 at 12:30 p.m. at Activity Hall, Ground Floor, Juhu Gymkhana Club, J.V.P.D Scheme, Vile Parle (W), Mumbai-400049.

Folio No. _____ DP ID No. _____ Client ID No. _____
Name of the Member _____ Signature _____
Name of the Proxyholder _____ Signature _____

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

SHREE PRECOATED STEELS LIMITED

CIN : L70109MH2007PLC174206

Registered office : B-716, 7th Floor, Crystal Plaza, New Link Road, Andheri (West), Mumbai – 400053.

Tel. No. : +91-22-65526677 | Email Id: spsl.investors@gmail.com | Website: www.spsl.com

Form No. MGT 11

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and the Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)		E-mail ID	
Registered Address		Folio No. / Client No.	
		DP ID	

I/We, being the Holder(s) of _____ shares of the Shree Precoated Steels Ltd hereby appoint;

1 Name	
Address	
Email ID	Signature

of falling him/her

2 Name	
Address	
Email ID	Signature

of falling him/her

3 Name	
Address	
Email ID	Signature

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of the company, to be held on 26th August, 2016 at 12:30 pm at Activity Hall, Ground Floor, Juhu Gymkhana Club, J.V.P.D Scheme, Vile Parle (W), Mumbai-400 049 and at any adjournment thereof in respect of such resolutions as are indicated below:-



* I wish my above proxy to vote as indicated in the box below:

Sr. No.	Resolution	For	Against
1	To Consider and adopt Audited Financial Statements for the year ended March 31, 2016 together with the Reports of Auditors thereon..		
2	To ratify the appointment of M/s. V. Parekh & Associates, Chartered Accountants (Reg. no. 107488W) and to fix their remuneration.		
3	To consider appointment of Mr. Harsh L. Mehta as Director.		
4	To consider appointment of Mr. Harsh L. Mehta as Managing Director.		
5	To consider revision in remuneration of Mr. Dhaval R. Ajmera, Director.		
6	To change the designation of Mr. Nilesh Sarvaiya as Non Executive Professional Director.		
7	To Adopt the new set of Articles of Association for the Company.		

Signed this _____ Day of _____ 2016

Revenue
stamp

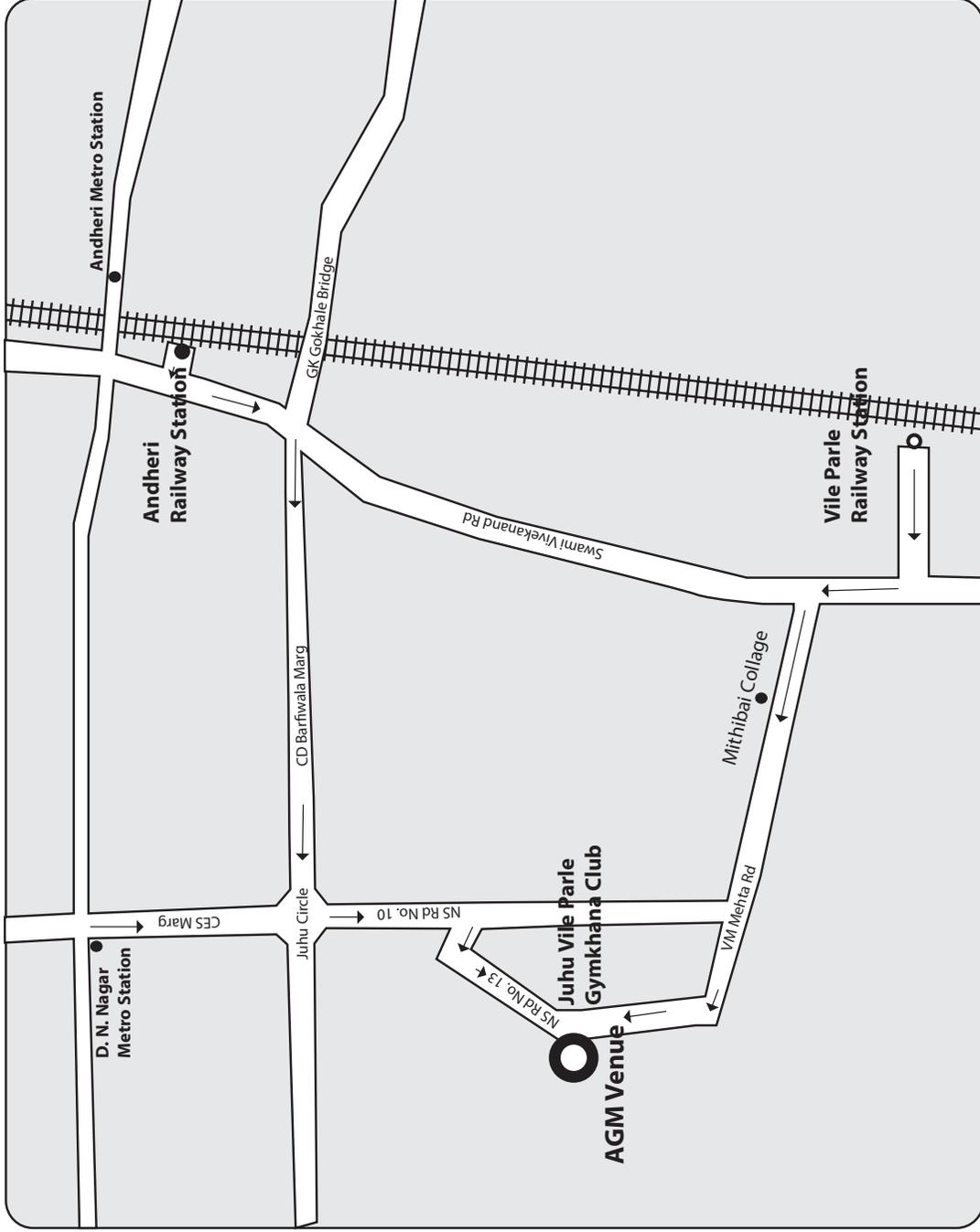
Signature of Shareholder(s) _____

Signature of Proxy holder(s) (1) _____ (2) _____ (3) _____

Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2) A proxy need not to be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
- 6) * It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

AGM ROUTE MAP



REGISTERED POST / COURIER

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 - 400 072.**