



**SHREE PRECOATED STEELS LIMITED**

**10<sup>th</sup>**

**ANNUAL REPORT  
2017-18**



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## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

<b>MR. AMBALAL C. PATEL</b>	- CHAIRMAN (NON-EXECUTIVE-INDEPENDENT DIRECTOR)
<b>MR. HARSH L. MEHTA</b>	- MANAGING DIRECTOR
<b>MR. JAGDISH J. DOSHI</b>	- INDEPENDENT DIRECTOR
<b>MRS. AARTI M. RAMANI</b>	- INDEPENDENT DIRECTOR
<b>MR. NILESH H. SARVAIYA</b>	- NON-EXECUTIVE (PROFESSIONAL DIRECTOR)

### **CHIEF FINANCIAL OFFICER**

MR. HARISH G. TAPARIA

### **ASST. COMPANY SECRETARY & COMPLIANCE OFFICER**

MR. AKSHAY R. SHARMA

### **REGISTERED OFFICE**

1, Ground Floor, Citi Mall, New Link Road,  
Andheri (W), Mumbai - 400 053  
Tel: +91-7208182677  
Email: spsl.investors@gmail.com  
Website: www.spsl.com

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

Sharex Dynamic (India) Private Limited  
Unit no. 1, Luthra Industrial Premises,  
Andheri-Kurla Road, Safed Pool,  
Andheri (E), Mumbai - 400 072  
Tel: +91-22-28515606, Fax: +91-22-28512885  
Email: sharexindia@vsnl.com  
Website: www.sharexindia.com

### **CORPORATE IDENTITY NUMBER (CIN)**

L70109MH2007PLC174206

### **AUDITORS**

M/s. V. Parekh & Associates,  
Chartered Accountants  
Firm Registration No.107488W  
Membership No.38615

### **BOOK CLOSURE DATE**

From Tuesday, 18<sup>th</sup> September, 2018  
to Friday, 21<sup>st</sup> September, 2018  
(Both days inclusive)

### **TENTH ANNUAL GENERAL MEETING**

Date	:	21 <sup>st</sup> September, 2018
Day	:	Friday
Time	:	11.00 a.m
Place	:	Activity Hall, Ground Floor, Juhu Vile Parle Gymkhana Club, N.S. Road, JVPD Scheme, Vile Parle (W), Mumbai - 400 049.

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.



## NOTICE

**NOTICE** is hereby given that the Tenth Annual General Meeting of the members of **Shree Precoated Steels Limited** (CIN: L70109MH2007PLC174206) will be held at Activity Hall, Ground Floor, Juhu Vile Parle Gymkhana Club, N.S. Road, JVPD Scheme, Vile Parle (W), Mumbai: 400 049, Maharashtra on Friday, 21<sup>st</sup> September, 2018 at 11.00 a.m. to transact the following businesses:

### ORDINARY BUSINESS:

#### 1. Adoption of Audited Financial Statements

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

**"RESOLVED THAT** the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2018 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board and Auditors thereon be and are hereby considered, approved and adopted."

#### 2. Re-appointment of Director

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

**"RESOLVED THAT** Mr. Harsh L. Mehta holding DIN:01738989, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Managing Director of the Company."

#### 3. 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, and pursuant to the resolution passed by the Members at the Sixth Annual General Meeting (AGM) held on September 27, 2014 appointing M/s. V. Parekh & Associates, Chartered Accountants (Firm Registration No. 107488W) Mumbai, as statutory auditors to hold office from the conclusion of the Sixth AGM till conclusion of the Eleventh AGM, the appointment of M/s. V. Parekh & Associates, Chartered Accountants (Firm Registration No. 107488W), as statutory auditors of the Company, to hold office from the conclusion of this Meeting i.e. Tenth Annual General Meeting until the conclusion of the Eleventh Annual General Meeting of the Company, be and is hereby ratified by the Members at a remuneration inclusive of 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 in consultation with the Auditors."

### SPECIAL BUSINESS:

#### 4. Reduction Of Reserves & Surplus and Share Capital of the Company

To consider and if thought fit, to give assent / dissent to the following resolution as a **Special Resolutions**:

**"RESOLVED THAT** pursuant to the provisions of Section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with rules, circulars, notifications, if any made there under, (including any statutory modification, amendment or re-enactment thereof for the time being in force), and the applicable provisions of the Memorandum and Articles of Association of the Company and pursuant to the relevant provisions of the National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and subject to the confirmation by the Hon'ble National Company Law Tribunal, (NCLT), Mumbai Bench and subject to such other consents, approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such terms, conditions or modifications as may be prescribed or imposed by the Hon'ble NCLT or by any statutory or regulatory authorities, while granting such approvals, consents or permissions and which may be agreed to or accepted by the Board of Directors of the Company (herein after referred to as "the Board" which term shall deem to mean and include any Committee duly constituted/ to be constituted by the Board and/or any director or any other person nominated or authorized by it to exercise its powers including the powers conferred by this resolution) consent and approval of the members be and is hereby accorded for reducing 95% of the Subscribed, Issued and Paid up Equity Capital of the Company and the entire amount lying to the credit of Capital Reserve and General Reserve (Capital Reduction) which shall be effected in the following manner:

- (i) the entire Capital Reserve of ₹ 30,00,000/- and General Reserve of ₹ 63,03,51,763/- shall stand reduced, written off and adjusted.
- (ii) the subscribed, issued and paid-up Capital shall stand reduced or otherwise altered from ₹ 82,79,80,420 /-divided into 8,27,98,042 equity shares of ₹ 10/- each to ₹ 4,13,99,020 divided into 8,27,98,042 equity shares of Rs.0.50/- each whereby 19/20 or 95% of existing subscribed, issued and paid-up equity share capital amounting to ₹ 78,65,81,400/- is extinguished and cancelled.



- (iii) The aggregate amount of Capital Reduction will be utilized to set off/ write off the accumulated carried forward losses to the extent of ₹ 141,99,33,163/-.
- (iv) No consideration in cash or in kind shall be payable to the shareholders in lieu of the Reduction, cancellation and extinguishment of the equity share capital.

**RESOLVED FURTHER THAT** upon Reduction, the issued, subscribed and paid-up capital of ₹ 4,13,99,020/- divided into 8,27,98,042 Equity Shares of ₹ 0.50/- each fully paid up shall be consolidated into 41,39,902 Equity Shares of Rs.10/- each fully paid up in such a manner that every 100 (Hundred) equity shares of ₹ 0.50/- each shall constitute 5 (Five) equity shares of Rs.10/- each credited as fully paid up ("**New Equity Shares**").

**RESOLVED FURTHER THAT** upon Reduction and Consolidation of the Share Capital being confirmed by the NCLT and becoming effective and operative and/or the receipt of such other approvals as may be required, the existing share certificates in relation to the existing equity shares of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up held in physical form shall be deemed to have been automatically cancelled by the Company and be of no effect on and after the Record Date and the Company may without requiring the surrender of the existing equity share certificate/s directly issue and dispatch the new share certificate/s of the Company, in lieu thereof and in the case of the Equity shares held in the dematerialized form, the number of consolidated Equity shares shall be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity shares of the Company before consolidation.

**RESOLVED FURTHER THAT** upon reduction and consolidation of the Share Capital being confirmed by the NCLT and becoming effective and operative and/or the receipt of such other approvals as may be required, no shareholder shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated into whole shares and the number of shares so arising shall be held by the authorized representative appointed by the Board who shall dispose off the said shares in the market at the best available price in one or more lots and the decision of the Company in this regards shall be final and binding to all concerned and the authorized representative shall severally hold the net sale proceeds of all such shares after deducting there from all costs, charges and expenses of such sale and shall thereafter distribute such sale proceeds to the members of the Company in proportion to their fractional entitlements.

**RESOLVED FURTHER THAT** the company shall not be required to use the words "and reduced" as part of its corporate name as there is neither any payment outgo nor it amount to extinguishing or reducing liability on its shares in respect of unpaid share capital.

**RESOLVED FURTHER THAT** any Director of the Company or any other person of the Company as may be nominated by the Board, be and each of them severally is authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the proposed Reduction including without limitation:-

1. To accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT and/or any other regulatory / statutory authorities while approving or sanctioning or as may be required for the purpose of resolving any doubts or difficulties that may arise as the Board may deem fit and proper.
  2. To Engage/appoint lawyer/consultant/advisor etc.
  3. To Sign and file of a Company Petition/ application, Affidavits, Vakalatnama and other relevant and necessary documents with NCLT and/or any other Regulatory Authorities and to do all such acts, deeds and things as they may deem necessary for obtaining their approval and sanction to the Proposed Reduction contemplated in this resolution
  4. To make such disclosure to regulatory authorities as may be required
  5. To sign any documents relating to the Capital Reduction
  6. To pass such accounting entries and/or making such other adjustments in the books of accounts as are considered necessary to give effect to the resolution
  7. To do all such acts, deeds, matters and things as may be deemed necessary, expedient, usual or proper.
5. **Approval for continuation of holding office of Non-Executive-Independent Directorship - Mr. Ambalal C Patel (DIN-00037870)**

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

**"RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India



(Listing Obligations and Disclosure Requirements) Regulations, 2015, which has been inserted by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, to be effective from 1<sup>st</sup> April, 2019 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the members of the Company be and is hereby granted for continuation of holding office of Non- Executive-Independent Director of the Company, by Mr. Ambalal C. Patel (DIN-00037870) who is above the age of 75 (Seventy Five) years as on 1<sup>st</sup> April, 2019, upto the expiry of his present term of office i.e. upto 12<sup>th</sup> August, 2019, on the existing terms and conditions as approved by the Members through an ordinary resolution passed at Annual General Meeting held on 27<sup>th</sup> September, 2014 .

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

**6. Approval for continuation of holding office of Non-Executive-Independent Directorship - Mr. Jagdish J. Doshi (DIN-00065162)**

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

“**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has been inserted by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, to be effective from 1<sup>st</sup> April, 2019 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the members of the Company be and is hereby granted for continuation of holding office of Non- Executive- Independent Director of the Company, by Mr. Jagdish J. Doshi (DIN-00065162) who is above the age of 75 (Seventy Five) years as on 1<sup>st</sup> April, 2019, upto the expiry of his present term of office i.e. upto 12<sup>th</sup> August, 2019, on the existing terms and conditions as approved by the Members through an ordinary resolution passed at Annual General Meeting held on 27<sup>th</sup> September, 2014 .

**RESOLVED FURTHER THAT** the Board of Directors

(including any Committee thereof) or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

**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 re-appointed is given in the Annexure I 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 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 (in respect of dematerialized shares) 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 Tuesday, 18<sup>th</sup> September, 2018 to Friday, 21<sup>st</sup> September, 2018 (both days inclusive) for Annual General Meeting.
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](mailto: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 a requisition for the same from a Member is received in writing not less than 3 days before the commencement of the Meeting.
11. All the documents referred to in the Notice & 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. The relevant documents referred to in the Notice & 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 arrangement 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 & e-mail id's etc. immediately to the Company's Registrar and Share Transfer Agent (RTA), 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](http://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 RTA, 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 RTA.
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](mailto: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](http://www.spsl.com) and can be downloaded, if required, by the Members.
20. 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.



## INSTRUCTION FOR E-VOTING

- a) 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).
- b) 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.
- c) 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.
- d) 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. 17<sup>th</sup> September, 2018 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 18<sup>th</sup> September, 2018 at 9:00 a.m and ends on 20<sup>th</sup> September, 2018 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 17<sup>th</sup> September, 2018, may cast their vote electronically
- f) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://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](http://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> <p>➤ 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. Sequence number is over printed on your ballot form.</p> <p>➤ 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.</p>
DOB	<p>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.</p>
Bank details	<p>Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the 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 Bank details field as mentioned in instruction (h)</p>

- 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 of SHREE PRECOATED STEELS LIMITED.
- 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". 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 existing 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](http://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](mailto: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](mailto: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 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
21. 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.
22. Ms. Shreya Shah, Practicing Company Secretary (Membership No. 39409) has been appointed as the Scrutinizer to scrutinize the e-voting process/Ballot/ Poll in a fair and transparent manner.
23. 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.
24. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.spsl.com](http://www.spsl.com) and will be communicated to BSE Limited where the shares of the Company are listed.
25. The route map showing directions to reach the venue of the Tenth AGM is given at the end of this Annual Report as required under Secretarial Standards - 2 issued by ICSI.



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

The Statement sets out all the material facts relating to the special business under item No. 4 of the accompanying Notice.

### Item No. 4

The Members may note that the accumulated losses of the company clearly show that the capital of the company is not adequately represented by the available assets and improvements in the performance of the company cannot be appropriately reflected unless past losses are written off. Accordingly, the Board of Directors considered it desirable to undertake right sizing of the Balance sheet based on current factual situation.

In view of the above, the Board of Directors of the Company, in their meeting held on 8<sup>th</sup> February, 2018 has accorded its approval for reduction of Capital involving reducing whole of the Capital Reserve and General Reserve and also 95% of the Subscribed, Issued and Paid up Capital of the Company aggregating to ₹ 141,99,33,163/- ( herein after referred to as the Capital Reduction) to be utilized to set off the accumulated losses to the extent subject to approval by the shareholder and Confirmation of the Hon'ble National Company Law Tribunal (NCLT), Mumbai. The Proposed writing off of the CAPITAL shall be made qua all the shareholders of the company owning share capital as specified in the resolution.

Accordingly, it is proposed that the Capital Reduction of ₹ 141,99,33,163/- to be utilized to set off accumulated losses of as appearing in the books of Accounts of the company in the following Manner:-

- the accumulated losses to the extent of ₹ 30,00,000/- as appearing in the Books of Accounts of the Company shall be adjusted against the Capital Reserve.
- the accumulated losses to the extent of ₹ 63,03,51,763/- as appearing in the Books of Accounts shall be written off against the General Reserve.
- the accumulated losses to the extent of ₹ 78,65,81,400/- as appearing in the Books of Accounts shall be written off against the issued, subscribed and paid up Equity share capital of the company, consisting of 8,27,98,042 equity shares, by reducing and cancelling the face and paid up value per equity share from ₹ 10 per Equity Share to ₹ 0.5 per Equity share.

The Members may note that, if approved by the NCLT there is no impact on the networth of the company after the reduction and the position with regards to share capital, reserve & Surplus and status of accumulated losses in the books of the company shall be as under:-

(Amount in ₹)

Sr. No.	Particulars	Prior to Reduction	Reduced By	Post Reduction
1	Equity Share Capital	82,79,80,420	78,65,81,400	4,13,99,020
2	Capital Reserve	30,00,000	30,00,000	NIL
3	General Reserve	63,03,51,763	63,03,51,763	NIL
4	Balance of loss in the profit & Loss Account of the Company	(1,45,43,46,562)	(1,41,99,33,163)	(3,44,13,363)
5	Networth	69,85,657	-	69,85,657

After the Capital Reduction coming into effect, with the above reduction the subscribe, issued, paid-up capital comprising of 8,27,98,042 equity shares of ₹ 10/-each shall be consolidated/reorganized into 41,39,902 equity shares of ₹ 10/- each fully paid-up. Consequently, every shareholder of the Company whose name appears on the Register of Members on the Record Date shall be issued, 5 equity share of the face value of ₹ 10/- fully paid-up for every 100 equity share of the face value of ₹ 10/- each fully paid-up held by them in the Company prior to Reduction. For better understanding and clarity a shareholder in the Company will be holding shares as mentioned below:

Sr. No.	Particulars	No. of Shares	Paid-up Value Per share ₹	Total Value ₹
1	Before Reduction	100	10	1000/-
2	After Reduction	100	0.5	50/-
3	After Reorganized/ Consolidation	05	10	50/-

### Treatment of Fractional Entitlements

No New Equity Shares shall be issued by the Company in respect of the fractional entitlements, if any, to which the



shareholders of the Company may be entitled to in terms of the Capital Reduction and consolidation Ratio. The fractional entitlements of the relevant shareholders of the Company shall be consolidated and thereupon New Equity Shares shall be issued and allotted in lieu of thereof to such Director(s), Officer(s) or other person(s) as shall be nominated by the Company ["Representative"] who shall hold the shares in trust on behalf of the shareholders of the Company entitled to the fractional entitlements on the express understanding that such Representative, shall sell the same in the market at such time or times and at such price or prices, as deemed fit by such Representative, and the net sale proceeds thereof shall be distributed, subject to deduction of tax as applicable and related expenses, to the shareholders of the Company in proportion to their respective fractional entitlements.

To achieve the aforesaid objective, the Board of Director of the company thought it proper to approach the members for their approval as a special resolution in respect of Capital Reduction. Subsequent to the passing of the proposed resolution as provided for in the notice as special resolution, your company will approach the Hon'ble NCLT Mumbai Bench for necessary approval and shall file the necessary application/petition for approving the reduction as proposed in the attached resolution.

The shareholding pattern of the company prior to the reduction and post reduction, as proposed in terms of the resolution shall be as follows:-

Category	Prior to reduction		Post reduction*	
	No of shares	% of holding	No of shares	% of holding
Promoters and Promoter group	5,20,74,782	62.89	26,03,720	62.89
FII's	-	-	-	-
Financial Institutions/ Banks	721	0.001	35	0
Bodies Corporate	-	-	-	-
Non Resident Indians	-	-	-	-
Directors	3	0	0	0
Trusts	-	-	-	-
Public and Others	3,07,22,539	37.105	15,36,147	37.106
<b>Total</b>	<b>8,27,98,042</b>	<b>100</b>	<b>41,39,902</b>	<b>100</b>

\* The details of shareholding have been taken as on 24<sup>th</sup> February, 2018. However, the actual numbers will be different based on the shareholding pattern as on the Record Date.

Given the fact that the proposed extinguishment of reserves and reduction of paid-up equity share capital shall have no payment outgo to the equity shareholders of the company as the same is only to set off the accumulated losses appearing in the books of the company, the same will not cause any prejudice to the secured and unsecured creditors of the company or any third party.

The resolution also provides, inter-alia, that consequent to the approval of the NCLT and after registration of the Order and minute of reduction by the concerned Registrar of Companies, the amount of loss so adjusted, shall be given effect to in the books of accounts of the Company so as to present the true and correct view of the Balance Sheet of the Company.

The Bombay Stock Exchange has issued No Observation Letter dated 30<sup>th</sup> May, 2018, on the proposed Scheme of Reduction of Equity Share Capital of the Company.

Article 77 of the Articles of Association of the Company provides that the company may subject to the provisions of Section 66 and other applicable provisions, if any, of the Companies Act, 2013, by special resolution reduce its capital or Capital Reserves in any manner for the time being authorized by law.

Accordingly, the Board of Directors of the company recommends the resolution of Item No.4 for approval of members by way of a Special Resolution.

None of the directors of the company is concerned or interested in the said Resolution except to the extent of their holding in the equity share capital of the Company.

#### Item No. 5 & 6

Securities and Exchange Board of India (SEBI) has vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 09, 2018 issued the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("the Amendment Regulations") to be effective from 1<sup>st</sup> April, 2019. Regulation 17(1A) of the Listing Regulations, requires the listed entities to obtain approval of shareholders by way of Special Resolution to appoint or continue the directorship of Non-Executive Directors who have attained the age of 75 years. Regulation 17(1A) is going to be effective from 1<sup>st</sup> April, 2019.



## SHREE PRECOATED STEELS LIMITED

Accordingly, for continuation of directorship of Mr. Ambalal C. Patel and Mr. Jagdish J. Doshi, who will be above the age of 75 years as on 1<sup>st</sup> April, 2019, a special Resolution, has been proposed and justifications for the same is given below:

### Mr. Ambalal C. Patel

Name of the Company	Nature of Interest	Committees of the Board
<b>Public Limited Companies</b>		
Shree Precoated Steels Limited	Chairman	1. Audit Committee 2. Nomination and Remuneration Committee
Jindal Hotel Limited	Non-Executive, Independent	1. Audit Committee 2. Nomination and Remuneration Committee
S A L Steel Limited	Non-Executive, Independent	1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholder Relationship Committee
Sumeru Industries Limited	Non-Executive, Independent	1. Audit Committee 2. Risk Management Committee (Chairman) 3. Nomination and Remuneration Committee
Nandan Denim Limited	Non-Executive, Independent	1. Preferential Allotment Committee 2. Audit Committee (Chairman) 3. Risk Management Committee (Chairman)
CIL Nova Petrochemicals Limited	Non-Executive, Independent	1. Nomination and Remuneration Committee 2. Audit Committee (Chairman) 3. Stakeholders Relationship Committee (Chairman)

### Mr. Jagdish J. Doshi

Name of the Company	Nature of Interest	Committees of the Board
<b>Public Limited Companies</b>		
Shree Precoated Steels Limited	Independent Director	1. Audit Committee (Chairman) 2. Nomination and Remuneration Committee (Chairman) 3. Stakeholders Relationship Committee (Chairman)

The number of Meetings of the Board/Committees attended by Mr. Ambalal C. Patel and Mr. Jagdish J. Doshi during the year is given in the Corporate Governance Report.

Except Mr. Ambalal C. Patel and Mr. Jagdish J. Doshi, none of the Directors and Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 & 6 of the Notice respectively.

The Board of Directors recommends Special Resolution set out at Item No. 5 & 6 of the Notice for approval by the Members.

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

**Place :** Mumbai  
**Date :** 26<sup>th</sup> July, 2018

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

**CIN:** L70109MH2007PLC174206

#### Registered Office:

1, Ground Floor, Citi Mall, New Link Road, Andheri (W),  
Mumbai - 400 053, Maharashtra,

**Tel.:** +91-7208182677, **Email Id:** spsl.investors@gmail.com

**Website:** www.spsl.com



## ANNEXURE I

### TO ITEM NO. 2 OF THE NOTICE

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

<b>Name of the Director</b>	<b>Harsh L. Mehta</b>
Date of Birth	21 <sup>st</sup> October, 1981
Nationality	Indian
Date of Appointment on the Board	24 <sup>th</sup> May, 2016
Qualifications	B.Sc, M.Sc
Expertise in specific functional area	Over ten years of experience in the fields of Project Management, Finance & Legal.
Number of shares held in the Company	NIL
Listed/Unlisted Public Companies in which outside Directorship held as on 26 <sup>th</sup> July, 2018	Parsuns Traders Limited.
Chairmanships / Memberships of Committees of other Public companies	
1. Audit Committee	NIL
2. Stakeholders Relationship Committee	NIL
Relationship between Directors inter-se	N.A

## 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.



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION ANALYSIS

Dear Shareholders,

The Directors of your Company are presenting their 10<sup>th</sup> Annual Report, together with the Audited Statement of Accounts, for the year ended 31<sup>st</sup> March, 2018.

### FINANCIAL RESULTS:

(₹ in lakhs)

Particulars	For the year ended March 31 <sup>st</sup> , 2018	For the year ended March 31 <sup>st</sup> , 2017
Revenue from Operations (net)	-	239.72
Other Income	58.91	50.33
<b>Total Revenue</b>	<b>58.91</b>	<b>290.05</b>
Less: Total Expenses	93.89	868.81
(Loss) before Exceptional Items & Tax	(34.98)	(578.76)
Exceptional Item	-	-
(Loss) before Taxation	(34.98)	(578.76)
Less: Tax Expense	-	-
<b>Profit/(Loss) after tax</b>	<b>(34.98)</b>	<b>(578.76)</b>
Less: Minority Interest	-	-
Add: Comprehensive Income	4.10	2.00
(Loss) for the year after comprehensive income	(30.88)	(576.76)
Profit attributable to the shareholders of the Company	-	-
Opening balance in Statement of Profit and Loss	(14,543.46)	(13,966.70)
Amount available for appropriation	-	-
Transfer to general Reserve	-	-
<b>Closing Balance in the Statement of Profit and Loss</b>	<b>(14,574.34)</b>	<b>(14,543.46)</b>

### OPERATIONAL REVIEW :

Your Company posted Net Revenues of ₹ 58.91 Lakhs and Net Loss of ₹ 30.88 Lakhs for Financial Year 2017-18. The Net Revenues and Net Loss for Financial Year 2016-17 was ₹ 290.05 lakhs and ₹ 576.76 lakhs respectively. 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 on 31<sup>st</sup> March, 2018 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. The Board of Director of the Company has approved the scheme of Reduction of Equity Share Capital of the Company and received the No Observation Letter from BSE Limited.

### 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.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has complied with the provisions of section 185 & 186 of the Act to the extent applicable, with respect to the loans and investments made.

### RELATED PARTY TRANSACTIONS:

During the financial year the Company had not entered into any contract/ arrangement/transaction with related parties. There were 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.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable

Your Company has formulated a policy for dealing with related party transactions which is also available on website of the Company at [http://www.spsl.com/downloads/policies/RPT\\_POLICY-spsl.pdf](http://www.spsl.com/downloads/policies/RPT_POLICY-spsl.pdf)

### CORPORATE GOVERNANCE:

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance.

A separate statement on Corporate Governance together with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

### BOARD OF DIRECTORS:

As on 31<sup>st</sup> March, 2018, the Board comprised of 1 (one) Executive Director, 3 (three) Non-Executive Director Independent Directors and 1 (one) Non-Executive Professional Director.



### Directors & Key Managerial Personnel:

Mr. Harsh L. Mehta, Managing Director retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Approval of the members is being sought at the ensuing Annual General Meeting for his re-appointment and the requisite details in this connection is contained in the Notice convening the meeting.

Mr. Harsh L. Mehta, Managing Director, Mr. Akshay R. Sharma, Asst. Company Secretary and Mr. Harish G. Taparia, Chief Financial Officer, continued to function as Key Managerial Personnel of the Company during the year under review.

### 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 16(1)(b) and 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 Four times during the financial year 2017-18. The details of various Board Meetings are provided in the Corporate Governance Report. The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013 & SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015.

### Board Committees:

The Company had the following four Committees of the Board during the year 2017-18:

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 Corporate Governance Report.

### BOARD EVALUATION:

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The Board of Directors has expressed its satisfaction with the evaluation process.

### Nomination and Remuneration Policies:

The Board of Directors has formulated a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

The Board has also formulated a Policy relating to

remuneration of Directors, members of Senior Management and Key Managerial Personnel.

The Nomination and Remuneration Policy is available on company website .

### MANAGEMENT DISCUSSION ANALYSIS:

#### Market Review:

India was the world's third-largest steel producer in 2017. At the growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

Indian steel industries are classified into three categories such as major producers, main producers and secondary producers.

#### Company Overview:

The Management have rich experience of over four decades in the Steel related business and Real Estate business and have developed and established excellent business relationships in the Industry which can be helpful to the Company to form a strategic alliance with them in the future. The goodwill and expertise of the Company and Management is the greatest strength.

The Company has currently traded in Development rights and is exploring opportunities in real estate development and redevelopment projects. The company is focusing on projects related to trading of flats, development rights and investment in real estate, if right opportunity exist.

#### Opportunities:

India is expected to overtake Japan to become the world's second largest steel producer soon, and has envisaged achieving 300 MT of annual steel production capacity by 2030. Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in 2018.

India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, that has been approved by the Union Cabinet in May 2017, is expected to boost India's steel production. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

#### Challenge:

While the management of your Company is confident of creating and exploiting the opportunities, it also finds the following challenges in Steel and Real Estate Industry as followed:

1. **Regulatory Framework:** The need to have a regulatory framework Authority in centre arose in 2015. The RERA Act, is now expected to bring transparency in the sector. This will also help check delay in delayed possessions and unfair practices;



2. **Lending Rate:** With the rate of interest being high and unchanged for a long period of time and also cost of living increasing, not many buyers were able to take the step ahead and own a house.
3. **Slow approvals:** Streamlining the approval process is another issue faced by the Authorities. Delayed approval continue to pose lot of challenges for the developer community. Delays cost increase in prices, loss of confidence of investors and more pilation of stock. Single Window Clearance is long awaited and much anticipated for ease of Industry.
4. **Land cost:** In order to implement affordable housing for all, Government should offer land at subsidized rates. Further, the success of "Housing for ALL by 2022" requires a close coordination between Government and Private bodies.
5. **Increased cost of finance:** The overall sentiment remain subdued due to lack of Investment support in the market. Insufficient funds posed a tough challenge for the developers.

## EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure A**.

## PARTICULARS OF EMPLOYEES:

The prescribed particulars of Employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure B** to this Report.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Boards' Report for the year ended 31<sup>st</sup> March, 2018 is given in the separate Annexure of this Report.

The Annual Report excluding the aforesaid Annexure is being sent to the Members of the Company in terms with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company during working hours, on the day of the ensuing Annual General Meeting.

## CORPORATE SOCIAL RESPONSIBILITY:

Since the Company does not have net profits in any financial year in accordance with Section 135 of the Companies Act, 2013, the Company is not required to undertake any activity under CSR Rules.

## 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 Eleventh Annual General Meeting and to authorize the Board of Directors or Committee thereof to

fix their remuneration. They have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

Note on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

### b. Secretarial Auditors:

1. The board had appointed Ms. Shreya Shah, Practising Company secretary, to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure C** to this report.
2. The Secretarial Audit Report contains one Qualification as stated by the Secretarial Auditor in her Report in Point no. 5 regarding name of the company is not in line with the activities carried by the company.
3. The Board of Directors have planed to change the main object and name of company in line with operation, after Reduction of Equity Share Capital.

## MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF COMPANY:

During the Financial Year the Board of Directors of the Company has approved the Scheme of Reduction of Equity share Capital and had made an application to BSE (Stock Exchange) for obtaining No Observation Letter. However the BSE has issue the No Observation letter on 30<sup>th</sup> May, 2018.

## INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Financial Controls are an integrated part of the risk Management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes.

Assurance on the effectiveness of the internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional expert as well as testing of the internal financial control system by the internal auditors during the course of their audit. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

## VIGIL MECHANISM:

A "Vigil Mechanism Policy" for Directors and employees of the Company is constituted, to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on rising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

## DIRECTOR'S RESPONSIBILITY STATEMENT:

As required under the provision of Section 134 of the Companies act 2013, your Director's State that:

- 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 & FOREIGN EXCHANGE OUTGO:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

During the year, there were no foreign exchanges earnings/outgo, in previous year was ₹ 461.04 lakhs.

#### RISK MANAGEMENT:

Your Company has an elaborate risk Management procedure and adopted a systematic approach to mitigate risk associated with accomplishment of objectives, operations, revenues and regulations. Your Company believes that this would ensure mitigating steps proactively and help to achieve stated objectives. The entity's objectives can be viewed in the context of four categories Strategic,

Operations, Reporting and Compliance. The Company consider activities at all levels of the organization.

The key risks and mitigating actions are also placed before the Audit Committee of the Company. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company risk management system.

#### GENERAL DISCLOSURE:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (sweat equity shares) to employees of the Company under ESOS.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company operations in future.
5. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
6. No fraud has been reported by the Auditors to the Audit Committee or the Board.

#### ACKNOWLEDGEMENT:

The Board of Directors wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees. Your Directors take this opportunity to express their grateful appreciation for the encouragement, cooperation and support received by the Company from the local authorities, bankers, customers, suppliers and business associates. The directors are thankful to the esteemed shareholders for their Continued support and the confidence reposed in the Company and its management.

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

**Place:** Mumbai

**Date:** 26<sup>th</sup> July, 2018

**CIN:** L70109MH2007PLC174206

#### Registered Office:

1, Ground Floor, Citi Mall, New Link Road, Andheri (W),  
Mumbai, Maharashtra - 400 053

**Tel.:** +91 7208182677, **Email Id:** spsl.investors@gmail.com

**Website:** www.spsl.com

**AMBALAL C. PATEL**

CHAIRMAN

DIN: 00037870



**ANNEXURE “A”**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March, 2018

[Pursuant to Section 92(3) of the Companies act, 2013 read with  
The Companies (Management and Administration) Rules, 2014]

**(A) REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	L70109MH2007PLC174206
<b>Registration Date</b>	17 <sup>th</sup> September, 2007
<b>Name of the Company</b>	<b>Shree Precoated Steels Ltd.</b>
<b>Category of the Company</b>	Company Limited by Shares
<b>Sub-Category of the Company</b>	Indian Non-Government Company
<b>Address of the Registered office and contact details</b>	1, Ground Floor, Citi Mall, New Link Road, Andheri (W) Mumbai: 400 053, <b>Tel.:</b> +91 7208182677
<b>Whether listed company</b>	Yes, Listed on BSE
<b>Name, Address and Contact details of Registrar and Transfer Agent</b>	Sharex Dynamic (India) Private Limited Unit -1, Luthra Ind. Premises, 44-E, M. Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai: 400 072 Tel: +91 22 28515606/44 Email: investors@sharexindia.com Web:www.sharexindia.com

**(B) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

<b>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
a.	Real Estate Activities	6810 & 6820	100

**(C) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

<b>Sr. No.</b>	<b>Name &amp; Address of the Company</b>	<b>CIN/GLN</b>	<b>HOLDING / SUBSIDIARY / ASSOCIATE</b>	<b>% of shares held</b>
a.	----- 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 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) PROMOTERS									
(1) INDIAN									
(a) individual	44033512	1364	44034876	53.183	44034876	0	44034876	53.183	0
(b) Central Govt.	0	0	0	0.000	0	0	0	0.000	0
(c) State Govt(s).	0	0	0	0.000	0	0	0	0.000	0
(d) Bodies Corpp.	8039906	0	8039906	9.710	8039906	0	8039906	9.710	0
(e) FI / Banks	0	0	0	0.000	0	0	0	0.000	0
(f) Any Other	0	0	0	0.000	0	0	0	0.000	0
Sub-total (A) (1)	52073418	1364	52074782	62.893	52074782	0	52074782	62.893	0
(2) FOREIGN									
(a) Individual NRI	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 / FI	0	0	0	0	0	0	0	0	0
(e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f) 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)	52073418	1364	52074782	62.893	52074782	0	52074782	62.893	0
(B) (1) PUBLIC SHAREHOLDING									
(a) Mutual Funds	504	0	504	0.001	504	0	504	0.001	0.000
(b) Banks / FI	217	0	217	0.000	217	0	217	0.000	0.000
(c) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(d) State Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
(g) FIIs	0	0	0	0.000	0	0	0	0.000	0.000
(h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
Sub-total (B1):-	721	0	721	0.001	721	0	721	0.001	0



## SHREE PRECOATED STEELS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) NON-INSTITUTIONS									
(a) Bodies Corp.									
(i) Indian	1041498	854	1042352	1.259	1044927	854	1045781	1.263	0.004
(ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.000
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	8503603	258972	8762575	10.583	8498876	256830	8755706	10.575	-0.008
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	19327368	0	19327368	23.343	19448117	0	19448117	23.489	0.146
(c) Other (specify)									
Non-Resident Indians	1099466	4788	1104254	1.334	1103158	4788	1107946	1.338	0.004
Overseas Corporate Bodies	2644	0	2644	0.003	0	0	0	0.000	-0.003
Foreign Nationals	0	0	0	0.000	0	0	0	0.000	0
Clearing Members	483346	0	483346	0.584	364989	0	364989	0.441	-0.143
Trusts	0	0	0	0.000	0	0	0	0.000	0
Sub-total (B) (2)	30457925	264614	30722539	37.106	30460067	262472	30722539	37.106	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	30458646	264614	30723260	37.107	30460788	262472	30723260	37.107	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	82532064	265978	82798042	100.00	82535570	262472	82798042	100.00	0

### ii. Shareholding of the Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% changes 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	FAHRENHEIT FUN AND GAMES PRIVATE LIMITED	5833333	7.045	0.000	5833333	7.045	0.000	0.000
2	VIMLABEN B AJMERA	3683253	4.448	0.000	3683253	4.448	0.000	0.000
3	CHHOTALAL S AJMERA	3433304	4.147	0.000	3433304	4.147	0.000	0.000
4	RAJNIKANT S AJMERA HUF	2111074	2.55	0.000	2111074	2.55	0.000	0.000
5	RAJNIKANT S AJMERA	2096909	2.533	0.000	2096909	2.533	0.000	0.000
6	DHAVAL R AJMERA	1839910	2.222	0.000	1839910	2.222	0.000	0.000
7	CHHOTALAL S AJMERA HUF	1773002	2.141	0.000	1773002	2.141	0.000	0.000
8	MANOJ I AJMERA	1751655	2.116	0.000	1751655	2.116	0.000	0.000



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% changes 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	
9	SHASHIKANT SHAMALJI AJMERA	1694152	2.046	0.000	1694152	2.046	0.000	0.000
10	SANJAY C AJMERA	1686472	2.037	0.000	1686472	2.037	0.000	0.000
11	BHARTI R AJMERA	1644615	1.986	0.000	1644615	1.986	0.000	0.000
12	BHAVANA S AJMERA	1642233	1.983	0.000	1642233	1.983	0.000	0.000
13	AJMERA CEMENTS PRIVATE LTD	1505702	1.819	0.000	1505702	1.819	0.000	0.000
14	MAYUR S AJMERA	1496908	1.808	0.000	1496908	1.808	0.000	0.000
15	MUMUKSHU A AJMERA	1496182	1.807	0.000	1496182	1.807	0.000	0.000
16	KOKILABEN SHASHIKANT AJMERA	1421817	1.717	0.000	1421817	1.717	0.000	0.000
17	PRACHI DHAVAL AJMERA	1412051	1.705	0.000	1412051	1.705	0.000	0.000
18	ATUL C AJMERA	1251586	1.512	0.000	1251586	1.512	0.000	0.000
19	RUSHI M AJMERA	1150940	1.39	0.000	1150940	1.39	0.000	0.000
20	BHANUMATI CHHAGANLAL AJMERA	1149969	1.389	0.000	1149969	1.389	0.000	0.000
21	HETAL S AJMERA	1059182	1.279	0.000	1059182	1.279	0.000	0.000
22	NATWARLAL S AJMERA	1059077	1.279	0.000	1059077	1.279	0.000	0.000
23	ISHWARLAL S AJMERA HUF	1037027	1.252	0.000	1037027	1.252	0.000	0.000
24	SONALI A AJMERA	1001423	1.209	0.000	1001423	1.209	0.000	0.000
25	RUPAL M AJMERA	940956	1.136	0.000	940956	1.136	0.000	0.000
26	CHARMI PARAS PAREKH	938940	1.134	0.000	938940	1.134	0.000	0.000
27	HENALI JAYANT AJMERA	932227	1.126	0.000	932227	1.126	0.000	0.000
28	JYOTIBEN N AJMERA	921713	1.113	0.000	921713	1.113	0.000	0.000
29	SANJAY C AJMERA HUF	906108	1.094	0.000	906108	1.094	0.000	0.000
30	AAGNA S AJMERA	836108	1.01	0.000	836108	1.01	0.000	0.000
31	ATUL C AJMERA HUF	776608	0.938	0.000	776608	0.938	0.000	0.000
32	RUSHABH INVESTMENT PRIVATE LIMITED	700000	0.845	0.845	700000	0.845	0.845	0.000
33	CHHAGANLAL S AJMERA	479461	0.579	0.000	479461	0.579	0.000	0.000
34	TANVI M AJMERA	311775	0.377	0.000	311775	0.377	0.000	0.000
35	AASHISH ATUL AJMERA	77777	0.094	0.000	77777	0.094	0.000	0.000
36	SONAL BIMAL MEHTA	9490	0.011	0.000	9490	0.011	0.000	0.000
37	MEGHA S AJMERA	8043	0.01	0.000	8043	0.01	0.000	0.000
38	BIMAL ANANTRAI MEHTA	2100	0.003	0.000	2100	0.003	0.000	0.000
39	CHAITALI INVESTMENT PVT LTD	871	0.001	0.000	871	0.001	0.000	0.000
40	RITA MITUL MEHTA	805	0.001	0.000	805	0.001	0.000	0.000
41	HARSHADRAI MULJI SARVAIYA	24	0	0.000	24	0	0.000	0.000
	<b>Total</b>	<b>52074782</b>	<b>62.893</b>	<b>0.845</b>	<b>52074782</b>	<b>62.893</b>	<b>0.845</b>	<b>0.000</b>

iii. Change in the Promoters Shareholding (Please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.of shares	
N.A.								



## SHREE PRECOATED STEELS LIMITED

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

Sr. No.	Name of Shareholder	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
1	SHAILESH B AJMERA	663670	0.802	01-04-2017				
				13-10-2017	995145	Buy	1658815	2.003
				15-12-2017	566039	Buy	2224854	2.687
	- Closing Balance			31-03-2018			2224854	2.687
2	ASHWIN B AJMERA	1199998	1.449	01-04-2017				
				13-10-2017	464668	Buy	1664666	2.011
				15-12-2017	558406	Buy	2223072	2.685
	- Closing Balance			31-03-2018			2223072	2.685
3	BANDISH B AJMERA	887069	1.071	01-04-2017				
				13-10-2017	1050158	Buy	1937227	2.34
				15-12-2017	279209	Buy	2216436	2.677
	- Closing Balance			31-03-2018			2216436	2.677
4	NIMISH S AJMERA	1711022	2.067	01-04-2017				
	- Closing Balance			31-03-2018		No Change	1711022	2.067
5	TWISHAL N AJMERA	974625	1.177	01-04-2017				
	- Closing Balance			31-03-2018		No Change	974625	1.177
6	NIMISH S AJMERA HUF	883127	1.067	01-04-2017				
	- Closing Balance			31-03-2018		No Change	883127	1.067
7	MANOJKUMAR BRAHMBHATT	651636	0.787	01-04-2017				
	- Closing Balance			31-03-2018		No Change	651636	0.787
8	SHASHIKANT S AJMERA HUF	598416	0.723	01-04-2017				
	- Closing Balance			31-03-2018		No Change	598416	0.723
9	CHHAGANLAL S AJMERA HUF	525279	0.634	01-04-2017				
	- Closing Balance			31-03-2018		No Change	525279	0.634
10	NATWARLAL S AJMERA HUF	483012	0.583	01-04-2017				
	- Closing Balance			31-03-2018		No Change	483012	0.583
11	ROOPA SHAILESH AJMERA	995145	1.202	01-04-2017				
	- Closing Balance			13-10-2017	-995145	Sold	0	0
12	MONA B AJMERA	725368	0.876	01-04-2017				
	- Closing Balance			13-10-2017	-725368	Sold	0	0



## v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares at the beginning /end of the Year	% of the Shares of the company	No. of shares	% of total Shares of the company
1	<b>Mr. Harsh L. Mehta</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0
2	<b>Mr. Ambalal C. Patel</b>				
	At the beginning of the year	4	0	4	0
	At the end of the year			4	0
3	<b>Mr. Jagdish J. Doshi</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0
4	<b>Ms. Aarti M. Ramani</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0
5	<b>Mr. Nilesh H. Sarvaiya</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0
6	<b>Mr. Harish G. Taparai</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0
7	<b>Mr. Akshay Sharma</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0

## vi. Indebtedness

(Amount in ₹)

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



## SHREE PRECOATED STEELS LIMITED

### vii. Remuneration of Directors and Key Managerial Personnel

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD / WTD / Manager	Total Amount
		Mr. Harsh L. Mehta (Managing Director)	
1	Gross salary	1,307,710.00	1,307,710.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(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	-	-
	<b>Total (A)</b>	1,307,710.00	1,307,710.00
	Ceiling as per the Act	within the limit as approved by the Sharholders	

#### b) Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Jagdish J. Doshi	Mr. Ambalal C. Patel	Mrs. Aarti M. Ramani	Mr. Nilesh H. Sarvaiya	
1.	<b>Independent/ Non Executive Directors</b>					
	• Fee for attending board / committee meetings	50,000	50,000	25,000	40,000	165,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	50,000	50,000	25,000	40,000	165,000
2.	<b>Other Non-Executive Directors</b>					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	50,000	50,000	25,000	40,000	165,000
	<b>Overall Ceiling as per the Act</b>	N.A.				



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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		
		Mr Harish G Taparia (CFO)	Mr. Akshay R. Sharma (Asst. Company Secretary)	Total
1	Gross salary	1,723,800	378,628	2,102,428
	(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	-	-	-
	Others, please specify	-	-	-
	<b>Total</b>	<b>1,723,800</b>	<b>378,628</b>	<b>2,102,428</b>

## VIII. Penalties/Punishment/ Compounding of Offence:

There were no penalties/punishment/compounding of offences for bench of any section of Companies Act against the Company or its Directors or other Officers in default, if any, during the year under review.



**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

**Disclosure for Annual Report**

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

<b>Name of the Directors</b>	<b>Ratio to the Median</b>
Mr. Harsh L. Mehta	1.76

- (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;

<b>Name of the Directors / KMPs</b>	<b>% Increase</b>
Harsh L. Mehta	Nil
Harish G. Taparia	Nil
Akshay R. Sharma	Nil

- (iii) The percentage increase in the median remuneration of employees in the financial year: Nil.
- (iv) The number of permanent employees on the rolls of Company as on March 31, 2018 : 4
- (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:

There was no increase in 17-18 for all employees

The compensation decisions for this year was taken after considering the company's overall business performance and compensation budget reviewed by the management basis of companies Profitability.

We hereby confirm that the remuneration paid is as per the remuneration policy recommended by the Nomination and Remuneration Committee of the Company and as adopted by the Company.

**Mr. Ambalal C. Patel**  
(Chairman)  
DIN: 00037870

Place; Mumbai

Date: 26<sup>th</sup> July, 2018



## ANNEXURE C

### FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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**  
1, Ground Floor, Citi Mall, New Link Road,  
Andheri - (W), Mumbai - 400053

I 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 31<sup>st</sup> March, 2018. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2018, 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. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to me at its Registered office for the financial year ended on 31<sup>st</sup> March 2018, 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, 2015; and
    - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 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:
  - (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - (vi) 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 my 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. I have also examined compliance with the applicable clauses of the Secretarial Standards with regard to Meetings of Board of Directors (SS-1), General Meetings (SS-2) and Dividends (SS-3) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

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 my knowledge except non-compliance in respect of:

Regulation 45 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 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.

**I 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.

**I further report that:**

1. 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 period under review.
2. 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.
3. 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.

**I 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.

**I further report that** during the year under report, following events/actions occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

Approval of the Scheme of Reduction of Capital under Section 66 and other relevant provisions of the Companies Act, 2013 by the Board of Directors at their meeting held on February 08, 2018.

Place: Mumbai.  
Date: 26<sup>th</sup> July, 2018

**CS SHREYA SHAH**  
**Practising Company Secretary**  
ACS 39409/CoP No. 15859

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**

To,  
The Members,  
**SHREE PRECOATED STEELS LIMITED**  
1, Ground Floor, Citi Mall, New Link Road,  
Andheri - West, Mumbai - 400053

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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 efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai.  
Date: 26<sup>th</sup> July, 2018

**CS SHREYA SHAH**  
**Practising Company Secretary**  
ACS 39409/CoP No. 15859



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("Act").

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

### 2. BOARD OF DIRECTORS:

- As on March 31, 2018, the Company has five Directors. Of the five Directors, four (i.e. 80%) are Non-Executive Directors out of which three (i.e. 60%) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2018 have been made by the Directors. None of the Directors are related to each other.
- Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.
- Four Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: 22<sup>nd</sup> May, 2017; 18<sup>th</sup> August, 2017; 8<sup>th</sup> December, 2017 and 8<sup>th</sup> February, 2018.

The necessary quorum was present for all the meetings.

- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2018 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Sr. No.	Name of Directors	Category	No. of Board Meeting Attended	Whether attended Last AGM	Directorship in other Companies	Position on committees of board of other Indian Company as	
						Chairman	Member
1	Mr. Ambalal C. Patel	Chairman, Non-Executive Independent Director	4	Yes	6	3	6
2	Mrs. Aarti M. Ramani	Independent Women Director	4	Yes	1	-	1
3	Mr. Jagdish J. Doshi	Independent Director	4	Yes	3	2	-
4	Mr. Nilesh H. Sarvaiya	Non-executive Professional Director	4	Yes	1	-	1
5	Mr. Harsh L. Mehta	Executive Director	4	Yes	1	-	1



- f. During the year 2017-18, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- g. During the year 2017-18, one meeting of the Independent Directors were held on February 8, 2018. The Independent Directors, inter-alia, have reviewed the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole.
- h. The Board periodically reviews the compliance reports of all laws applicable to the Company.

### 3. COMMITTEE OF THE BOARD:

- A. There are four statutory committees that have been formed considering the needs of the Company and best practices in Corporate Governance, details of which are as follows:

Name of the Committee	Extract of Terms of Reference	Category & composition		Other details
		Name	Category	
Audit Committee	Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. <ul style="list-style-type: none"> <li>Oversight of financial reporting process.</li> <li>Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.</li> <li>Evaluation of internal financial controls and risk management systems.</li> <li>Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.</li> <li>Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.</li> <li>Carrying out any other function as may be assigned to the committee by the board from time to time.</li> </ul>	Mr. Jagdish J. Doshi (Chairman)	Independent Director	<ul style="list-style-type: none"> <li>Four meetings of the Audit Committee were held during the year and the gap between two meetings did not exceed one hundred and twenty days.</li> <li>Committee invites such of the executives particularly the head of the finance function, representatives of the statutory auditors and internal auditors, as it considers appropriate, to be Present at its meetings.</li> <li>The Asst. Company Secretary acts as the Secretary to the Audit Committee.</li> </ul>
		Mr. Ambalal C. Patel	Independent Director	
		Mr. Nilesh H. Sarvaiya	Non-Executive Professional Director	
Nomination and Remuneration Committee	Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act. <ul style="list-style-type: none"> <li>Recommend to the Board its composition and the set up and composition of the committees.</li> <li>Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.</li> <li>Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.</li> </ul>	Mr. Jagdish J. Doshi (Chairman)	Independent Director	<ul style="list-style-type: none"> <li>One Nomination and Remuneration Committee meeting was held during the year.</li> <li>The Company does not have any Employee Stock Option Scheme.</li> <li>Details of Performance Evaluation Criteria and Remuneration Policy are provided in this report.</li> </ul>
		Mr. Ambalal C. Patel	Independent Director	
		Mr. Nilesh H. Sarvaiya	Non-Executive Professional Director	



Name of the Committee	Extract of Terms of Reference	Category & composition		Other details
	<ul style="list-style-type: none"> <li>Recommend to the Board the Remuneration Policy for directors, Key Managerial Personnel, as well as the rest of employees.</li> <li>Oversee familiarization programmes for directors.</li> </ul>			
Stakeholders Relationship Committee	Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. <ul style="list-style-type: none"> <li>Consider and resolve the grievances of security holders.</li> <li>Consider and approve issue of share certificates, transfer and transmission of securities, etc.</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>Four meeting of the Stakeholders' Relationship Committee was held during the year.</li> <li>The Stakeholders Relationship Committee reviews and ensures the existence of proper system for timely resolution of grievance of the security holders of the company including complaints related to transfer of Shares, non receipt of Balance Sheet etc.</li> <li>Details of investor complaints and the Compliance Officer are provided in this report.</li> </ul>
		Mr. Jagdish J. Doshi (Chairman)	Independent Director	
		Mr. Harsh L. Mehta	Managing Director	
Corporate Social Responsibility	Committee is constituted in line with the provisions of Section 135 of the Act. <ul style="list-style-type: none"> <li>Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.</li> <li>Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.</li> <li>Monitor the CSR Policy.</li> </ul>	<b>Name</b>	<b>Category</b>	The Company was not required to spend towards CSR Activity during the year as per Section 135 of the Companies Act, 2013 as average profit of the last 3 year was negative.
		Mr. Harsh L. Mehta (Chairman)	Managing Director	
		Mr. Nilesh H. Sarvaiya	Non-Executive Professional Director	
		Mr. Jagdish J. Doshi	Independent Director	

## B. Stakeholders Relationship Committee - Other Details:

- i. Name, designation and address of Compliance Officer:

Mr. Akshay R. Sharma

Asst. Company Secretary & Compliance Officer can be contacted at:-

Shree Precoated Steels Limited

1, Ground Floor, Citi Mall, New Link Road

Andheri (W), Mumbai: 400 053

Tel: +91 7208182677; Email: spsl.investors@gmail.com

- ii. Details of investor complaints received and redressed during the year 2017-18 are as follows:

Opening Balance	Received during the year	Resolved during the Year	Closing Balance
Nil	One	One	Nil

## C. Nomination and Remuneration Committee – other details

### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration



Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

#### 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 Board Meetings / Committee Meeting as detailed hereunder:

- 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 Managerial Remuneration Rule, 2014;
- 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;

#### D. Details of the Remuneration paid for the year ended March 31, 2018:

Sr. No	Name of Directors	Remuneration ₹	Sitting Fees ₹	No. of shares held
1	Mr. Jagdish J. Doshi	NA	50,000	0
2	Mr. Ambalal C. Patel	NA	50,000	4
3	Mrs. Aarti M. Ramani	NA	25,000	0
4	Mr. Nilesh H. Sarvaiya	NA	40,000	0
5	Mr. Harsh L. Mehta	13,07,710	NA	0

#### E. Numbers of Meeting held and Attendance records:

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
No. of Meeting	4	1	4
Dates of Meeting	22 <sup>nd</sup> May, 2017; 18 <sup>th</sup> August, 2017; 8 <sup>th</sup> December, 2017; 8 <sup>th</sup> February, 2018	05 <sup>th</sup> March, 2018	7 <sup>th</sup> April, 2017; 7 <sup>th</sup> July, 2017; 6 <sup>th</sup> October, 2017; 7 <sup>th</sup> January, 2018
<b>No. of Meetings Attended</b>			
<b>Name of Member</b>			
Mr. Jagdish J. Doshi	4	1	4
Mr. Ambalal C. Patel	4	1	-
Mr. Nilesh H. Sarvaiya	4	1	-
Mr. Harsh L. Mehta	-	-	1
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings.		

#### 4. GENERAL BODY MEETINGS:

##### Annual General Meeting of the earlier three years:

Details of Annual General Meeting (AGM) are as under:

Financial Year	Details of day, date, time and venue where AGM was held	Summary of Special Resolutions passed
2016-17	<b>9<sup>th</sup> AGM</b> was conducted on Friday, 29 <sup>th</sup> September, 2017 at 11:00 a.m. at Activity Hall, Gr. Floor, Juhu Vile Parle Gymkhana Club, JVPD Scheme, Vile Parle (W), Mumbai - 400 049	No special resolutions passed by the Company's Shareholders in Annual General Meeting.
2015-16	<b>8<sup>th</sup> AGM</b> was conducted on Friday, 26 <sup>th</sup> August, 2016 at 12.30 p.m. at Activity Hall, Gr. Floor, Juhu Vile Parle Gymkhana Club, JVPD Scheme, Vile Parle (W), Mumbai - 400 049	1. To Appoint Mr. Harsh L. Mehta as a Managing Director. 2. Revision in terms of remuneration of Mr. Dhaval R. Ajmera. 3. To adopt new set of Articles of Association.



## SHREE PRECOATED STEELS LIMITED

Financial Year	Details of day, date, time and venue where AGM was held	Summary of Special Resolutions passed
2014-15	<b>7<sup>th</sup> AGM</b> was conducted on Friday, 25 <sup>th</sup> 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	No special resolutions passed by the Company's Shareholders in Annual General Meeting.

### Postal Ballot:-

For the year ended March 31, 2018 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

### 5. OTHER DISCLOSURES :

Particulars	Legal Requirement	Details	Website Link for details/policy
Familiarization Programme for Independent Directors	Regulations 25(7) and 46 of SEBI Listing Regulations.	Details of familiarization programme imparted to Independent Directors are available on the Company's website.	<a href="http://spsl.com/downloads/familiarisation-of-ID-of-SPSL.pdf">http://spsl.com/downloads/familiarisation-of-ID-of-SPSL.pdf</a>
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act.	Terms and conditions of appointment of Independent Directors are available on the Company's website.	<a href="http://spsl.com/downloads/policies/Draft-letter-containing-terms-and-conditions-of-ID.pdf">http://spsl.com/downloads/policies/Draft-letter-containing-terms-and-conditions-of-ID.pdf</a>
Code of Conduct	Regulation 17 of SEBI Listing Regulations.	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2018. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.	<a href="http://spsl.com/downloads/policies/Code-of-Conduct.pdf">http://spsl.com/downloads/policies/Code-of-Conduct.pdf</a>
Reconciliation of Share Capital Audit Report	Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 and SEBI Circular No D&CC / FITTC/ Cir- 16/2002 dated December 31, 2002.	A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.	<a href="http://spsl.com/stock-exchange-intimation.php">http://spsl.com/stock-exchange-intimation.php</a>
Policy on archival and preservation of documents	Regulation 9 of SEBI Listing Regulations.	The Company has adopted a policy on archival and preservation of documents.	<a href="http://spsl.com/downloads/policies/archival-policy-SPSL.pdf">http://spsl.com/downloads/policies/archival-policy-SPSL.pdf</a>
Policy on determination of materiality for disclosures	Regulation 23 of SEBI Listing Regulations.	The Company has adopted a policy on determination of materiality for disclosures.	<a href="http://spsl.com/downloads/policies/basis-of-materiality-for-disclosure-to-stk-exchanges-spsl.pdf">http://spsl.com/downloads/policies/basis-of-materiality-for-disclosure-to-stk-exchanges-spsl.pdf</a>



Particulars	Legal Requirement	Details	Website Link for details/policy
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations.	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	<a href="http://spsl.com/downloads/policies/whistle-blower-policy-spsl.pdf">http://spsl.com/downloads/policies/whistle-blower-policy-spsl.pdf</a>
Details of Non-Compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V(C) 10(b) to the SEBI Listing Regulations.	There were no cases of non-compliance during the last three financial years 2015-16, 2016-17 and 2017-18.	
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act.	There are no material related party transactions during the year that have conflict with the interest of the Company. The Board's approved policy for related party transactions is uploaded on the website of the Company.	<a href="http://spsl.com/downloads/policies/RPT_POLICY-spsl.pdf">http://spsl.com/downloads/policies/RPT_POLICY-spsl.pdf</a>

## 6. MEANS OF COMMUNICATION :

### i. Financial results:

The Company has regularly furnished quarterly, half-yearly and yearly financial results of the Company, through electronic filing systems to the stock exchange where the shares of the Company are listed within 30 (Thirty) minutes (as applicable under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), from conclusion of the Board meeting.

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

### ii. Website:

General Information on the company, official news releases and presentations to analysts & institutional investors are also posted on the company's website.

The Company's website [www.spsl.com](http://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.

### iii. SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redressal system. The silent 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.



## SHREE PRECOATED STEELS LIMITED

### 7. GENERAL SHAREHOLDER'S INFORMATION:

#### 7.1 Annual General Meeting:

Day & Date	Friday, 21 <sup>st</sup> September, 2018
Time	11:00 a.m
Venue	"Activity Hall", Ground Floor, Juhu Vile Parle Gymkhana Club, N.S. Road, JVPD Scheme, Vile Parle (West), Mumbai - 400 049.

#### 7.2 Tentative Financial Calendar:

Year Ending	March 31, 2019
AGM in	September, 2019
Book Closure	4 days prior to AGM

#### 7.3 Stock Codes/Symbol:

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

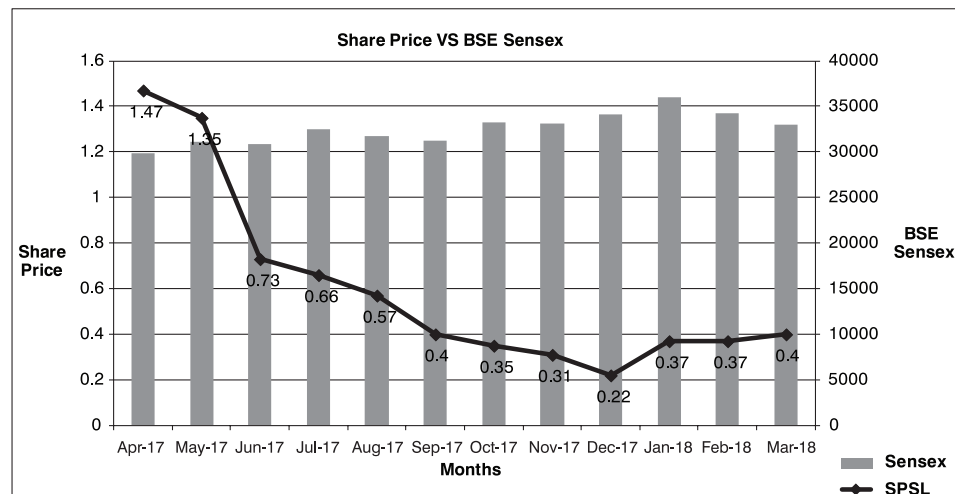
Listing Fees as applicable have been paid.

#### 7.4 Market Price Data:

The high / low market price of the shares for each month during the Financial Year 2017 - 18 on the Bombay Stock Exchange Limited are as mentioned below:

Month	Bombay Stock Exchange			S & P BSE SENSEX
	High	Low	Close	(Closing)
Apr -17	1.79	1.34	1.47	29918.4
May-17	1.6	1.18	1.35	31145.8
Jun -17	1.3	0.73	0.73	30921.61
Jul -17	0.72	0.64	0.66	32514.94
Aug-17	0.63	0.53	0.57	31730.49
Sep -17	0.57	0.38	0.4	31283.72
Oct -17	0.42	0.33	0.35	33213.13
Nov-17	0.36	0.28	0.31	33149.35
Dec-17	0.3	0.2	0.22	34056.83
Jan -18	0.37	0.2	0.37	35965.02
Feb -18	0.39	0.37	0.37	34184.04
Mar -18	0.4	0.36	0.4	32968.68

#### 7.5 Performance of the share price of the company in comparison to the BSE Sensex





## 7.6 Registrars and Transfer Agents:

### 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: + 91 22 2851 5606 / + 91 22 2851 5644; Fax: + 91 22 2851 2885

## 7.7 Share Transfer System:

Transfers of equity shares in electronic form are done through the depositories with no involvement of the Company. Transfers of equity shares in physical form are processed by Sharex (Dynamic) India Pvt. Ltd. within 15 working days from the date of receipt, if the documents are complete in all respects. The Directors or certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

## 7.8 Distribution of Shareholding as on 31<sup>st</sup> March, 2018:

### a. Distribution of shareholding by size:

No. of Equity shares	Shareholders		Shares held in each class	
	Number	%	Number	%
Up to 100	32832	78.98	620019	0.75
101 to 200	2280	5.48	349814	0.42
201 to 500	2664	6.41	965441	1.17
501 to 1,000	1580	3.80	1303133	1.62
1,001 to 5,000	1620	3.90	3735606	4.51
5,001 to 10,000	292	0.70	2165508	2.62
10,001 to 1,00,000	243	0.58	6210906	7.50
1,00,001 & above	59	0.14	67447615	81.46
<b>Total</b>	<b>41570</b>	<b>100.00</b>	<b>82798042</b>	<b>100.00</b>

### b. Distribution of Shareholding by Category :

Sr. No.	Category	No. of shares	Percentage of Shareholding
1	Promoter	52074782	62.894
2	Residential Individual	28203823	34.063
3	Private Corporate Bodies	1045781	1.263
4	Financial Institutions/Banks and Mutual Funds	721	0.001
5	Venture Capital Funds	-	-
6	NRI's and OCB	1107946	1.338
7	Clearing Member	364989	0.441
	<b>TOTAL</b>	<b>82798042</b>	<b>100</b>

### c. Top ten equity shareholders of the company as on March 31, 2018:

Sr. No	Name of the Shareholders	No. of Shares	% of holding
1	Shailesh B Ajmera	2224854	2.687
2	Ashwin B Ajmera	2223072	2.685
3	Bandish B Ajmera	2216436	2.677
4	Nimish S Ajmera	1711022	2.067
5	Twishal N Ajmera	974625	1.177
6	Nimish S Ajmera HUF	883127	1.067
7	Manojkumar Brahmbhatt	651636	0.787
8	Shashikant S Ajmera HUF	598416	0.723
9	Chhaganlal S Ajmera HUF	525279	0.634
10	Natwarlal S Ajmera HUF	483012	0.583



## SHREE PRECOATED STEELS LIMITED

### 7.9 Dematerialisation of Shares:

The Company's shares are compulsorily traded in dematerialised form on BSE. Equity shares of the Company representing 99.68% of the Company's equity share capital are dematerialised as on March 31, 2018. Under the Depository System, the International Securities Identification Number (ISIN) INE318K01017 allotted to the Company.

Particulars of Shares	Equity Shares of ₹ 10/- each	
	Number	% of total Issued Capital
Dematerialized Form		
NSDL	2,23,71,569	27.02
CDSL	6,01,64,001	72.66
<b>Sub - Total (A)</b>	<b>8,25,35,570</b>	<b>99.68</b>
Physical Form	2,62,472	0.32
<b>Sub - Total (B)</b>	<b>2,62,472</b>	<b>0.32</b>
<b>TOTAL (A + B)</b>	<b>82798042</b>	<b>100.00</b>

### 7.10 Address for Correspondence:

The Compliance Officer,  
1, Ground Floor, Citi Mall,  
New Link Road, Andheri (West),  
Mumbai - 400 053.  
Tel. No.: +91 7208182677  
Email id: investors.spsl@gmail.com

### 7.11 Mandatory requirement of PAN:

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

- Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders;
- Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
- 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.
- Transfer of share in physical form.

### 7.12 KYC-Update of Shareholder in Physical Form:

Pursuant to SEBI Circular No.SEBI/HO/MIRSD/DOP1/VIR/P/2018/73 Dated 20<sup>th</sup> April 2018, which state that every share holder holds shares in Physical Form to need updating their Pan card and Bank Details with their respective Registrar & Share Transfer Agent.

In this context, Company has dispatched Standard KYC letter (specifying the list of documents required) and Standard KYC Form (to be submitted by the shareholder along with the specified documents) to the shareholders on 6<sup>th</sup> July, 2018 as 1<sup>st</sup> intimation asking to record /update KYC details. While asking for PAN and Bank Account details (as stated in circular) Company have taken this opportunity further requesting the shareholders to update their other details such as email id, mobile no. nomination details (if any) so as to get all the details of the shareholder registered and updated in one instance, which shall form a part of KYC.

Further company will give 2<sup>nd</sup> and 3<sup>rd</sup> Intimation in the gap of 30 days respectively, who has not yet submitted KYC Form alongwith its enclosure for KYC updation.

Request you to kindly forward the duly filled in KYC form along with self attested copies of supporting documents for all the "Required" remarks within 21days from the date of intimation letter. Single copy of supporting document is sufficient for updating multiple subjects.



### 7.13 Compulsory Dematerialiation

Pursuant to SEBI notification and BSE Circular dated 5<sup>th</sup> July, 2018, amending Regulation 40 of SEBI (LODR) Regulations, 2015, it is advised by SEBI to Registrar and Transfer Agent and the Company to send reminder letters to shareholders holding shares in physical form, to transfer their shares in demat form only.

The RTA shall be sending 3 reminders, preferably in the gap of 30 days about the same. Post 5<sup>th</sup> December, 2018 shares shall be barred from transfer if it's in physical form. Kindly contact the Compliance Officer of the Company or Registrar and Transfer Agent to seek assistance in dematerialising the shares before 5<sup>th</sup> December, 2018.

Notice

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors including the code for Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2018, received from the members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel means the Chief Financial Officer, Asst. Company Secretary as on March 31, 2018

Director's Report

**Date:** 24<sup>th</sup> May, 2018

**Place:** Mumbai

**Harsh L. Mehta**  
Managing Director

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## **MD & CEO/CFO CERTIFICATION**

We hereby certify that:

- a. We have reviewed the financial statements and the cash flow statement for the financial year 2017 - 18 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 2017-18 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 2017-18.
  - Significant changes in accounting policies during the year 2017-18 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.

**Harsh L. Mehta**  
**Managing Director**

Place: Mumbai  
Date : 24<sup>th</sup> May, 2018

**Harish Taparia**  
**Chief Financial Officer**

Place: Mumbai  
Date : 24<sup>th</sup> May, 2018



## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

### SHREE PRECOATED STEELS LIMITED

MUMBAI,

We have examined the compliance of conditions of Corporate Governance by **SHREE PRECOATED STEELS LIMITED** ("the Company"), for the year ended on 31 March 2018, as per regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

We 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**  
Firm regn no. 107488W

Mumbai,

Dated : 26<sup>th</sup> July, 2018

**Rasesh V. Parekh**  
Partner  
Membership no. 38615

**INDEPENDENT AUDITOR'S REPORT**

The Members,

**SHREE PRECOATED STEELS LIMITED**

MUMBAI,

**Report on the Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of SHREE PRECOATED STEELS LIMITED ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, 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 Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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.

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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account
- d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, 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.
- ii. the Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. there has been no delay in transferring the 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**

**RASESH V. PAREKH  
PARTNER**

Place: Mumbai,  
Dated : 24<sup>th</sup> May, 2018

Membership No. 38615

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## ANNEXURE-A TO THE AUDITOR'S REPORT

**The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2018, we report that:**

- (i) (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 of the Company, does not have any immovable properties as a fixed asset.
- (ii) (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.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has prescribed maintenance of cost records under Section 148 and as per the explanation given to us, the company has maintained prima facie requisite records as per Section 148.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees 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) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax duty of customs or cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Service Tax income tax and sales tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Input Service Credit	0.07	2007-2008	Custom Excise & Service Tax Appellate Tribunal

- (viii) 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.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments), term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly reporting under clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

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

Place: Mumbai,  
Dated : 24<sup>th</sup> May, 2018



## ANNEXURE-B TO THE AUDITORS' REPORT

### REPORT ON THE INTERNAL FINANCIAL CONTROLS 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<sup>st</sup> March 2018 in conjunction with our audit of the standalone Ind AS 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.

#### Auditors' 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 standalone Ind AS 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 Internal Financial Controls 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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<sup>st</sup> March 2018, 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**

**RASESH V. PAREKH  
PARTNER**

Membership No. 38615

Place: Mumbai,  
Dated : 24<sup>th</sup> May, 2018



# SHREE PRECOATED STEELS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As on 31 <sup>st</sup> March, 2018 (₹ In lakhs)	As on 31 <sup>st</sup> March, 2017 (₹ In lakhs)	As on 1 <sup>st</sup> April, 2016 (₹ In lakhs)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant And Equipment	3	3.45	3.45	31.64
<b>Financial Assets</b>				
Trade Receivables	4	123.46	120.44	120.44
Loans	5	0.51	0.60	1.30
<b>Others Financial Assets</b>				
Other Non-Current Assets	6	383.16	392.72	516.86
<b>Total Non-Current Assets</b>		<b>510.58</b>	<b>517.21</b>	<b>670.24</b>
<b>Current Assets</b>				
Inventories	7	-	-	160.18
<b>Financial Assets</b>				
Trade Receivables	8	-	9.84	12.81
Cash And Cash Equivalents	9	8.09	43.49	34.37
Bank Balances other than above	10	-	0.47	0.47
Loans	11	-	45.45	268.16
Current Tax Assets (Net)	12	12.61	9.74	10.56
Other Current Assets	13	48.76	46.00	48.57
<b>Total Current Assets</b>		<b>69.46</b>	<b>154.99</b>	<b>535.12</b>
<b>TOTAL ASSETS</b>		<b>580.04</b>	<b>672.20</b>	<b>1,205.36</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	14	8,279.80	8,279.80	8,279.80
<b>Other Equity</b>	15	<b>(8,240.83)</b>	<b>(8,209.95)</b>	<b>(7,633.19)</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16	-	-	11.30
Trade Payables	17	305.23	369.64	298.50
Provisions	18	194.01	193.47	200.07
Other Non-Current Liabilities	19	6.93	7.20	6.53
<b>Total Non Current Liabilities</b>		<b>545.14</b>	<b>640.16</b>	<b>1,163.01</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Trade Payables	20	0.45	4.81	3.65
Other Financial Liabilities	21	-	0.47	9.96
Other Current Liabilities	22	34.31	26.76	28.74
Provisions	23	0.14	-	-
<b>Total Current Liabilities</b>		<b>34.90</b>	<b>32.04</b>	<b>42.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>580.04</b>	<b>672.20</b>	<b>1,205.36</b>
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

**HARSH L MEHTA**

MANAGING DIRECTOR

DIN: 01738989

**HARISH G. TAPARIA**

CHIEF FINANCIAL OFFICER

**AKSHAY R. SHARMA**

ASST. COMPANY SECRETARY

Place: Mumbai

Dated: 24<sup>th</sup> May, 2018

Place: Mumbai

Dated: 24<sup>th</sup> May, 2018



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2018 (₹ In lakhs)	Year ended 31 <sup>st</sup> March, 2017 (₹ In lakhs)
<b>Revenue from Operations</b>	24	-	239.72
<b>Other Income</b>	25	<b>58.91</b>	50.33
<b>Total Income</b>		<b>58.91</b>	290.05
<b>Expenses:</b>			
Changes In Inventories Of Finished Goods, Work In Progress And Stock-In-Trade	26	-	160.18
Employee Benefit Expenses	27	<b>48.44</b>	48.74
Finance Costs	28	-	2.04
Depreciation And Amortization Expense	29	-	0.93
Other Expenses	30	<b>45.45</b>	656.92
<b>Total Expenses</b>		<b>93.89</b>	868.81
<b>(Loss) Before Exceptional Items and Tax</b>		<b>(34.98)</b>	(578.76)
<b>Exceptional Items</b>		-	-
<b>(Loss) Before Tax Expenses</b>		<b>(34.98)</b>	(578.76)
(1) Current Tax		-	-
(2) Deferred tax		-	-
<b>(Loss) for the year</b>		<b>(34.98)</b>	(578.76)
<b>Other Comprehensive Income</b>			
- Gain on Fair Value of defined benefit plans as per actuarial valuation		<b>4.10</b>	2.00
Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		<b>(30.88)</b>	(576.76)
Earnings Per Equity Share face value ₹ 10/-	31		
(1) Basic		<b>(0.04)</b>	(0.70)
(2) Diluted		<b>(0.04)</b>	(0.70)
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 &amp; on behalf of Board Of Directors of

**SHREE PRECOATED STEELS LIMITED****A.C. PATEL**

CHAIRMAN

DIN: 00037870

**HARISH G. TAPARIA**

CHIEF FINANCIAL OFFICER

**HARSH L MEHTA**

MANAGING DIRECTOR

DIN: 01738989

**AKSHAY R. SHARMA**

ASST. COMPANY SECRETARY

**Place:** Mumbai**Dated:** 24<sup>th</sup> May, 2018**Place:** Mumbai**Dated:** 24<sup>th</sup> May, 2018


**STATEMENT OF CHANGES IN EQUITY**

			As at					
		Notes	March 31, 2018		March 31, 2017		April 1, 2016	
			No. of shares	Amount ₹ in Lakhs	No. of shares	Amount ₹ in Lakhs	No. of shares	Amount ₹ in Lakhs
(a)	Equity Share Capital							
	Balance at the beginnig of reporting period	15	82,798,042	8,279.80	82,798,042	8,279.80	82,798,042	8,279.80
	Balance at the end of the reporting period	15	82,798,042	8,279.80	82,798,042	8,279.80	82,798,042	8,279.80
Reserve and Surplus								
				Capital Reserve	Securities Premium	General Reserve	Surplus/ (deficit) in the statement of profit and loss	Total
(b)	Other Equity ₹ in Lakhs							
	Balance as on April 1, 2016	15		30.00	-	6,303.51	(13,966.70)	(7,633.19)
	Add:							
	Transfer from Profit & Loss:							-
	(Loss) for the Year			-	-	-	(576.76)	(576.76)
	Adjustment to Construction Cost and Work In Progress and Excepted Credit Loss			-	-	-	-	-
	Less:							
	Interim & Final Equity Dividend			-	-	-	-	-
	Tax on Proposed Equity dividend			-	-	-	-	-
	Transfer to General Reserve			-	-	-	-	-
	Balance at March 31, 2017	15		30.00	-	6,303.51	(14,543.46)	(8,209.95)
	Add:							
	Transfer from Profit & Loss							-
	(Loss) for the year			-	-	-	(30.88)	(30.88)
	Adjustment to Construction Cost and Work In Progress and Excepted Credit Loss			-	-	-	-	-



				Reserve and Surplus				
				Capital Reserve	Securities Premium	General Reserve	Surplus/ (deficit) in the statement of profit and loss	Total
Less:								
Interim & Final Equity Dividend				-	-	-	-	-
Tax on Proposed Equity dividend				-	-	-	-	-
Transfer to General Reserve				-	-	-	-	-
<b>Balance at March 31, 2018</b>	<b>15</b>			<b>30.00</b>	<b>-</b>	<b>6,303.51</b>	<b>(14,574.34)</b>	<b>(8,240.83)</b>

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

**Place:** Mumbai  
**Dated:** 24<sup>th</sup> May, 2018

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

**A.C. PATEL**  
CHAIRMAN  
DIN: 00037870

**HARISH G. TAPARIA**  
CHIEF FINANCIAL OFFICER

**Place:** Mumbai  
**Dated:** 24<sup>th</sup> May, 2018

**HARSH L MEHTA**  
MANAGING DIRECTOR  
DIN: 01738989

**AKSHAY R. SHARMA**  
ASST. COMPANY SECRETARY


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	Year ended 31 <sup>st</sup> March, 2018 (₹ In lakhs)	Year ended 31 <sup>st</sup> March, 2017 (₹ In lakhs)
<b>Cash Flow From Operating Activities:</b>		
<b>Loss before tax as per Statement of Profit and Loss</b>	<b>(30.88)</b>	<b>(576.76)</b>
<b>Adjustments for</b>		
Depreciation and amortisation	-	0.93
Interest Income(including fair value change in financial instruments)	-	-
Interest expenses(including fair value change in financial instruments)	-	2.04
Re-Measurement gains/(losses)on defined benefit plans	-	-
Dividend Income	-	-
Loss / (profit) on sale of investments (net)	-	-
Loss / (gain) from foregin exchange fluctuation (net)	-	-
(Gain) / Loss on sale / discarding of investment properties (net)	-	-
(Gain) / Loss on sale / discarding of property, plant and equipment (net)	-	-
Sundry balances written off / (back)	-	-
<b>Operating Profit before working capital changes</b>	<b>(30.88)</b>	<b>(573.79)</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in trade payables	<b>(68.75)</b>	72.30
Increase/(decrease) in Other Liabilities	<b>6.80</b>	(10.79)
Increase/(decrease) in provisions	<b>0.68</b>	(6.60)
Increase/(decrease) in loans and advances	<b>45.55</b>	223.42
Decrease/(increase) in trade receivables	<b>6.80</b>	2.96
Decrease/(increase) in inventories	-	160.18
<b>Cash generated from/(used in) operating activities</b>	<b>(39.80)</b>	<b>(132.32)</b>
Direct taxes paid	-	-
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(39.80)</b>	<b>(132.32)</b>
<b>Cash flow from investing activities:</b>		
(Acquisition) / (adjustments) / sale of property , plant and equipment, investment properties, intangible assets / addition to capital work in progress (net)	-	27.26
(Increase) / decrease in other assets	<b>3.93</b>	127.52
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>3.93</b>	<b>154.78</b>
<b>Cash flow from financing activities:</b>		
Repayment of borrowings	-	(11.30)
Interest paid	-	(2.04)
Dividend paid (including dividend distribution tax)	-	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>-</b>	<b>(13.34)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A) + (B) + ( C)</b>	<b>(35.87)</b>	<b>9.12</b>
Add: Cash and cash equivalents at the beginning of the year	<b>43.96</b>	<b>34.84</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>8.09</b>	<b>43.96</b>

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

**HARSH L MEHTA**

MANAGING DIRECTOR

DIN: 01738989

**HARISH G. TAPARIA**

CHIEF FINANCIAL OFFICER

**AKSHAY R. SHARMA**

ASST. COMPANY SECRETARY

**Place:** Mumbai

**Dated:** 24<sup>th</sup> May, 2018

**Place:** Mumbai

**Dated:** 24<sup>th</sup> May, 2018



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

### NOTES TO ACCOUNTS

#### 1. CORPORATE INFORMATION

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

#### 2. Significant Accounting Policy

##### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of of The Companies Act, 2013 Read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA') as amended by the Companies (Indian Accounting Standards) rules, 2016.

For all periods up to and including the year ended March 31<sup>st</sup> 2016 the Company prepared its financial statements in accordance with Accounting Standards notified under the section 133 of of The Companies Act, 2013 Read with rule 7 of the Companies (Indian Accounting Standards) Rules 2014 (Indian GAAP) as amended from time to time.

The financial statements for the year ended March 31<sup>st</sup> 2018 are the company's first Ind As financial statement. The company had adopted Ind AS standards effective from April 1, 2016 with comparative for the year ended March 31<sup>st</sup> 2017 and April 1, 2016 being restated and the adoptions were carried out in accordance with Ind AS 101 - first time adoption of Indian Accounting standards. All applicable Ind AS have been applied consistently and retrospectively wherever required. Please refer to note 2.24 for information on how the Company has adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in Accounting Policies below.

##### 2.2 Current and Non Current Classification

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

- It is expected to be realized/ settled, or is intended for sale or consumption, In the companies normal operating cycle or
- It is held primarily for the purpose of being traded or

- It is expected to be realized/due to be settled within 12 months after the reporting date or
- 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
- 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

##### 2.3 Property, Plant and Equipment (PPE)

###### Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost 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 costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized instatement of profit or loss as incurred.

###### Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (asset-out below) prescribed in Schedule II to the Act:

Asset Category	Estimated Useful Life
Plant & Equipments	15 Years
Furniture & fixtures	10 Years
Vehicles	8 Years
Office equipments	5 Years
Computer Hardware	3 Years

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

###### De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or



## **Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018**

loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognized.

### **2.4 Intangible Assets**

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

#### **Subsequent measurement (amortisation)**

The cost of capitalized software is amortized over a period of 6 years from the date of its acquisition.

### **2.5 Borrowing cost**

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

### **2.6 Investments**

Investment in equity instruments of subsidiaries, joint ventures and associates

Investment in equity instruments of subsidiaries, joint ventures and associates are stated at cost as per Ind AS 27 'Separate Financial Statements'

### **2.7 Inventories:**

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/items purchased specifically for projects are taken as consumed as and when incurred/ received.

Work-in-progress - Contractual: Cost of work yet to be certified/ billed, as it pertains to contract costs that

relate to future activity on the contract, are recognised as contract work-in-progress provided it is probable that they will be recovered. Contractual work-in-progress is valued at lower of cost and net realisable value.

Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.

Finished goods - Flats: Valued at lower of cost and net realisable value.

Building materials purchased, not identified with any specific project are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

Land inventory: Valued at lower of cost and net realisable value.

### **2.8 Revenue Recognition**

- 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.

The projects commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognised for the first time on or after April 1, 2012.

Revenue from real estate projects including revenue from sale of undivided share of land [group housing] is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Where the Company still has



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognised by applying the percentage of completion method only if the following thresholds have been met:

- (a) all critical approvals necessary for the commencement of the project have been obtained;
- (b) the expenditure incurred on construction and development costs (excluding land cost) is not less than 25 % of the total estimated construction and development costs;
- (c) at least 25 % of the saleable project area is secured by contracts/agreements with buyers; and
- (d) at least 10 % of the contracts/agreements value are realised at the reporting date in respect of such contracts/agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, project revenue (including from sale of undivided share of land) and project costs associated with the real estate project should be recognised as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs). Revenue is recognized on execution of either an agreement or a letter of allotment

### 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.

## 2.9 Unbilled Revenue

Revenue recognized based on percentage of completion method, as per policy on revenue, over and above the amount due as per the payment plans agreed with the customers.

## 2.10 Cost of revenue

Cost of constructed properties includes cost of land (including cost of development rights/land under agreements to purchase), estimated internal development costs, external development charges, borrowing costs, overheads, construction costs and development/construction materials, which is charged to the statement of profit and loss based on the revenue recognized as explained in accounting policy for revenue from real estate projects above, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the specific project.

## 2.11 Foreign Currency Transactions

### Functional and Presentation Currency

The financial statements are presented in Indian Rupees (Rs.) which is also the functional and presentation currency of the Company.

### Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

## 2.12 Employee Benefit Expenses

### Provident Fund

The Company makes contribution to statutory provident funding accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

### Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments

**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018**

for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Company's defined benefit plan is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

**Other long-term employee benefits**

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of discounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

**Short-term employee benefits**

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.

**2.13 Taxation**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the Specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for Taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant on-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

**2.14 Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

### 2.15 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### 2.16 Trade Receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

### 2.17 Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The

Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### 2.18 Cash and Cash Equivalent

Cash and cash equivalents comprise cash in hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.19 Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

#### Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

### 2.20 Operating leases

Leases in which the lesser does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases.

#### Company as a lessee

Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

#### Company as a lessor

Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.



## **Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018**

### **2.21 Financial Instruments**

#### **Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair Value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

#### **Subsequent measurement of Financial Assets**

- i) Financial assets carried at amortised cost – a financial asset is measured at the amortised cost, if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii) Investments in equity instruments of subsidiaries, joint ventures and associates – Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

#### **De-recognition of financial assets**

A financial asset is primarily de-recognized when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **Subsequent measurement of Financial Assets**

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

#### **De-recognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the

Same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **2.22 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity

shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **2.23 Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

#### **Significant management judgements**

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

**Revenue and inventories** – The Company recognizes revenue using the percentage of completion method. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information.

**Useful lives of depreciable/ amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

and economic obsolescence that may change the utility of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Group used valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input i.e. significant to the fair value measurement as a whole.;

Level 1. Quoted prices(unadjusted) in active markets for identical assets and liabilities

Level 2. Input other than quoted prices included within level 1 that are observable for the assets or liabilities either directly(i.e. as prices) or indirectly (i.e. derived from prices)

Level 3. Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

### 2.24 First Time Adoption Policies

#### Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies have been applied consistently in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). An explanation of how the transition from financial statements prepared in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows is set-out in the following tables and notes:

#### Reconciliation of total equity as at 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016

Particulars	31 <sup>st</sup> March 2017			1 <sup>st</sup> April 2016		
	Previous GAAP	Effect of transition to Ind AS	IND-AS	Previous GAAP	Effect of transition to Ind AS	IND-AS
<b>Assets</b>						
<b>Non-current assets</b>						
Property, Plant and Equipment	3.45	-	3.45	31.64	-	31.64
<b>Financial Assets</b>						
Trade Receivables	120.44	-	120.44	120.44	-	120.44
Loans	0.61	(0.01)	0.60	1.36	(0.06)	1.30
Other non-current assets	392.72	-	392.72	516.86	-	516.86
<b>Current assets</b>						
Inventories	-	-	-	160.18	-	160.18
Financial Assets						
Trade Receivables	9.84	-	9.834	12.81	-	12.81
Cash and cash equivalents	43.49	-	43.49	34.37	-	34.37
Bank balances other than above	0.47	-	0.47	0.47	-	0.47
Loans	45.45	-	45.45	268.16	-	268.16
Current Tax Assets (Net)	9.74	-	9.74	10.56	-	10.56
Other current assets	45.99	0.01	46.00	48.51	0.06	48.56
<b>Equity and Liabilities</b>						
<b>Equity</b>						
Equity Share capital	8,279.80	-	8,279.80	8,279.80	-	8,279.80
Other Equity	(8,209.96)	-	(8,209.95)	(7,633.19)	-	(7,633.19)



**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018**

Particulars	31 <sup>st</sup> March 2017			1 <sup>st</sup> April 2016		
	Previous GAAP	Effect of transition to Ind AS	IND-AS	Previous GAAP	Effect of transition to Ind AS	IND-AS
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Financial Liabilities						
Borrowings	-	-	-	11.30	-	11.30
Trade Payables	369.64	-	369.64	298.50	-	298.50
Provisions	193.47	-	193.47	200.07	-	200.07
Other non-current liabilities	7.20	-	7.20	6.53	-	6.53
<b>Current liabilities</b>						
Financial Liabilities						
Trade payables	4.81	-	4.81	3.65	-	3.65
Other financial liabilities	0.47	-	0.47	9.96	-	9.96
Other current liabilities	26.76	-	26.76	28.74	-	28.74

**Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March 2017**

**Reconciliation of Total Equity**

Particulars	31 <sup>st</sup> March 2017		
	Previous GAAP	Effect of transition to Ind AS	IND-AS
<b>Revenue From Operations</b>	239.72	-	239.72
Other Income	50.33	0.00	50.33
<b>Total Income</b>	<b>290.05</b>	<b>0.00</b>	<b>290.05</b>
Expenses			
Construction Cost	-	-	-
Employee benefits expense	46.74	2.00	48.74
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	160.18	-	160.18
Finance costs	2.04	-	2.04
Depreciation and amortization expense	0.93	-	0.93
Other expenses	656.92	0.00	656.92
<b>Total expenses</b>	<b>866.81</b>	<b>2.00</b>	<b>868.81</b>
(Loss) before exceptional items and tax	(576.76 )	(2.00)	(578.76)
Exceptional Items	-	-	-
(Loss) before tax	(576.76 )	(2.00)	(578.76)
<b>Tax expense:</b>			
(1) Current tax	-	-	-
(2) Deferred tax	-	-	-
(Loss) for the year from continuing operations	(576.76)	(2.00)	(578.76)
Gain on fair value of defined benefit plans as per actuarial valuation	-	2.00	-
Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)	(576.76)	-	(576.76)

**2.25 IND-AS Optional Exemptions**

**1. Deemed cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

property, plant and equipment and intangible assets at their previous GAAP carrying value.

### 2. Investment

Ind AS 101 permits a first-time adopter to continue previous GAAP carrying value for investment in equity instrument of subsidiaries, associates and joint ventures. Accordingly, the Company has elected to apply the said exemption.

### 3. Business Combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date.

Business combinations occurring prior to the transition date have not been restated.

### 2.26 Ind AS mandatory exceptions

#### 1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Impairment of financial assets based on expected credit loss model.

#### 2. Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

### 2.27 RECENT ACCOUNTING PRONOUNCEMENTS

#### 1. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

Appendix B to Ind AS 21, foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of corporate Affairs ("MCA") has notified the companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The group is evaluating the requirement of the amendment and impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

#### 2. Ind AS 115, Revenue from contract with customers:

In March 2018, the ministry of corporate Affairs has notified the companies (Indian Accounting Standards) Amended Rules 2018, ("amended rules"). As per the amended rules, Ind AS 115, "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18 "Revenue" and is applicable for all accounting periods commencing on or after April 1, 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from April 1, 2018.

#### The Standard permits two possible methods of transition:

- i) Retrospective approach- Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (cumulative catch-up approach)

The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.



Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

Note 3 : Property, Plant and Equipment (PPE)

(₹ In lakhs)

DESCRIPTION	Gross Block			Accumulated Depreciation			Net Block	
	April 1, 2017	Additions	Deductions	March 31, 2018	April 1, 2017	Additions	Deductions	March 31, 2018
Land	3.45	-	-	3.45	-	-	-	3.45
Vehicles	112.94	-	-	112.94	112.94	-	-	-
<b>TOTAL</b>	<b>116.39</b>	<b>-</b>	<b>-</b>	<b>116.39</b>	<b>112.94</b>	<b>-</b>	<b>-</b>	<b>3.45</b>

DESCRIPTION	Gross Block			Accumulated Depreciation			Net Block	
	April 1, 2016	Additions	Deductions	March 31, 2017	April 1, 2016	Additions	Deductions	March 31, 2017
Land	3.45	-	-	3.45	-	-	-	3.45
Vehicles	144.36	-	31.42	112.94	116.17	0.93	4.16	28.19
<b>TOTAL</b>	<b>147.81</b>	<b>-</b>	<b>31.42</b>	<b>116.39</b>	<b>116.17</b>	<b>0.93</b>	<b>4.16</b>	<b>31.64</b>



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2018 ₹ in Lakhs	As at 31 <sup>st</sup> March, 2017 ₹ in Lakhs	As at 1 <sup>st</sup> April 2016 ₹ in Lakhs
4	<b>Trade Receivables</b>			
	<b>Unsecured</b>			
(a)	<b>Over six months from the date they were due for payment</b>			
	Considered good	120.44	120.44	120.44
	Doubtful	-	-	-
(b)	<b>Others</b>			
	Considered good	3.02	-	-
	Doubtful	-	-	-
	<b>Total</b>	<b>123.46</b>	<b>120.44</b>	<b>120.44</b>
	<b>Movement in allowance for credit loss</b>			
	<b>Particulars</b>	<b>Amount</b>		
	Opening Balance as on 01.04.2016	-		
	(+) Provided during the year	-		
	(-) Reversal during the year	-		
	Closing Balance as on 31.03.2017	-		
	(+) Provided during the year	-		
	(-) Reversal during the year	-		
	Closing Balance as on 31.03.2018	-		
5	<b>Loans and Advances</b>			
	<u>Security deposits</u>			
	Unsecured, considered good	0.51	0.60	1.30
	Doubtful	-	-	-
	<b>Total</b>	<b>0.51</b>	<b>0.60</b>	<b>1.30</b>
6	<b>Other Non Current Assets</b>			
	Prepaid Expenses	-	0.15	0.15
	Other Receivables	383.16	392.57	516.71
	<b>Total</b>	<b>383.16</b>	<b>392.72</b>	<b>516.86</b>
7	<b>Inventories</b>			
	<b>Stock in Trade</b>			160.18
	<b>Work In Progress:</b>			
	Opening Balance	-	-	794.20
	Add: Additions during the year			432.31
		-	-	1,226.51
	Less/Add: Changes in WIP on account of IND-AS	-	-	-
	<b>Total</b>	-	-	1,226.51
	Less: Transferred to Statement of Profit & Loss	-	-	1,226.51
	<b>Closing Work In Progress</b>	-	-	-
	<b>Total</b>	-	-	160.18
	Inventory is Valued at Cost			



**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2018 ₹ in Lakhs</b>	<b>As at 31<sup>st</sup> March, 2017 ₹ in Lakhs</b>	<b>As at 1<sup>st</sup> April 2016 ₹ in Lakhs</b>
<b>8</b>	<b>Trade Receivables</b>			
	<b>Unsecured</b>			
	<b>Over six months from the date they were due for payment</b>			
	Considered good	-	-	-
	Doubtful	-	-	-
	<b>Others</b>			
	Considered good	-	9.84	12.81
	Doubtful	-	-	-
	<b>Total</b>	-	9.84	12.81
<b>9</b>	<b>Cash and Bank Balances</b>			
	Cash and cash equivalents			
	Balances with banks			
	- In current accounts	6.63	42.41	33.44
	Cash in hand	1.46	1.08	0.93
	<b>Total</b>	8.09	43.49	34.37
<b>10</b>	<b>Bank Balance other than above</b>			
	- In Share Application Money Refundable	-	0.47	0.47
	<b>Total</b>	-	0.47	0.47
<b>11</b>	<b>Loans</b>			
	Advances to related parties	-	45.45	268.16
	<b>Total</b>	-	45.45	268.16
<b>12</b>	<b>Current Tax Assets(Net)</b>			
	Advance Tax (net of Provisions)	12.61	9.74	10.56
	<b>Total</b>	12.61	9.74	10.56
<b>13</b>	<b>Other Current Assets</b>			
	Balance with Government Authorities	31.74	27.96	25.94
	Prepaid Expenses	-	0.01	0.06
	Advances to Suppliers - Unsecured	17.00	18.03	22.56
	Other Current Assets	0.02	-	0.01
	<b>Total</b>	48.76	46.00	48.57



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2018 ₹ in Lakhs	As at 31 <sup>st</sup> March, 2017 ₹ in Lakhs	As at 1 <sup>st</sup> April 2016 ₹ in Lakhs
14	<b>Equity Share Capital</b>			
	<b>Authorised</b>			
	8,50,00,000 (Previous year 8,50,00,000) Equity Shares of ₹ 10/- each	8,500.00	8,500.00	8,500.00
	<b>Issued Subscribed and Paid up</b>			
	8,27,98,042 (Previous Year 8,27,98,042) Equity Shares of ₹ 10/- each fully paid up.	8,279.80	8,279.80	8,279.80
	<b>Total</b>	<b>8,279.80</b>	<b>8,279.80</b>	<b>8,279.80</b>

a.	Reconciliation of shares outstanding at the beginning and at the end of the reporting period						
	Equity shares	Nos.	Amount in Lakhs	Nos.	Amount in Lakhs	Nos.	Amount in Lakhs
	At the beginning of the Year	82,798,042	8,279.80	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 period	82,798,042	8,279.80	82,798,042	8,279.80	82,798,042	8,279.80
b.	Term/rights attached						
	The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.						
	During the year ended 31 <sup>st</sup> March, 2018, the amount of per share dividend recognised as distributions to equity shareholders was Rs. NIL (Previous Year Rs. NIL).						
c.	Shares held by holding/ultimate holding company and/or their subsidiaries/associates						
						No. of shares	No. of shares
						-	-
d.	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:						
					31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April 2016
					No. of shares	No. of shares	No. of shares
	Equity shares allotted as fully paid bonus shares by capitalisation of securities premium.				Nil	Nil	Nil
	Equity shares allotted as fully paid-up pursuant to contracts for considerations other than cash.				Nil	Nil	Nil
	Equity shares bought back by the company				Nil	Nil	Nil


**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018**

For the period of five years starting from preceding date						
		No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
F.Y. 2016-2017		NIL	NIL	NIL	NIL	NIL
F.Y. 2015-2016		NIL	NIL	NIL	NIL	NIL
F.Y. 2014-2015		NIL	NIL	NIL	NIL	NIL
F.Y. 2013-2014		NIL	NIL	NIL	NIL	NIL
F.Y. 2012-2013		NIL	NIL	NIL	NIL	NIL
<b>e. Details of shareholders holding more than 5% shares in the company</b>						
	Nos.	% holding	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	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.						

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2018 ₹ in Lakhs	As at 31 <sup>st</sup> March, 2017 ₹ in Lakhs	As at 1 <sup>st</sup> April 2016 ₹ in Lakhs
15	<b>Other Equity</b>			
	<b>Reserves and Surplus</b>			
	<b>Capital Reserve</b>			
	Balance as per last financial statements	30.00	30.00	30.00
	Less: amount transferred to the statement of profit and loss as reduction from depreciation	-	-	-
	<b>Closing Balance</b> (A)	30.00	30.00	30.00
	<b>General Reserve</b>			
	Balance as per last financial statements	6,303.51	6,303.51	6,303.51
	<b>Add/Less:</b>			
	Transfer from Profit and Loss Account	-	-	-
	<b>Closing Balance</b> (B)	6,303.51	6,303.51	6,303.51
	<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>			
	Balance as per last financial statements	(14,543.46)	(13,966.70)	(13,372.96)
	Add: (Deficit)/Surplus for the Year	(30.88)	(576.76)	(593.74)
		(14,574.34)	(14,543.46)	(13,966.70)
	<b>Add: Adjustment as per IND-AS</b>			
	Unwinding of Interest on rental deposit	-	-	-
	Adjustment to Construction Cost and WIP	-	-	-
	<b>Closing Balance</b> (C)	(14,574.34)	(14,543.46)	(13,966.70)
	<b>Total</b> (A+B+C)	(8,240.83)	(8,209.95)	(7,633.19)



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2018 ₹ in Lakhs	As at 31 <sup>st</sup> March, 2017 ₹ in Lakhs	As at 1 <sup>st</sup> April 2016 ₹ in Lakhs
<b>16</b>	<b>Non Current Borrowings</b>			
	Vehicle Loan from bank	-	-	11.30
	<b>Total</b>	-	-	11.30
<b>17</b>	<b>Trade Payables</b>			
	Due to micro and small enterprises (refer note. No.39)	-	-	-
	Others	305.23	369.64	298.50
	<b>Total</b>	305.23	369.64	298.50
<b>18</b>	<b>Provisions</b>			
	Provision for Gratuity	5.90	4.91	4.87
	Provision for Leave Encashment	7.11	7.56	14.10
	Others	181.00	181.00	181.10
	<b>Total</b>	194.01	193.47	200.07
<b>19</b>	<b>Other Non Current Liabilities</b>			
	Advance from Customers	6.93	6.92	6.30
	Others	-	0.28	0.23
	<b>Total</b>	6.93	7.20	6.53
<b>20</b>	<b>Trade Payables</b>			
	Due to micro and small enterprises (refer Note No.39)	-	-	-
	Others	0.45	4.81	3.65
	<b>Total</b>	0.45	4.81	3.65
<b>21</b>	<b>Other Financial Liabilities</b>			
	Current Maturities of long term debt	-	-	9.49
	Share Application Money Refundable	-	0.47	0.47
	<b>Total</b>	-	0.47	9.96
<b>22</b>	<b>Other Current Liabilities</b>			
	Statutory Dues	0.71	0.93	5.83
	Employee Benefit Expenses Payable	-	1.06	-
	Others	33.60	24.77	22.91
	<b>Total</b>	34.31	26.76	28.74
<b>23</b>	<b>Provisions</b>			
	Provision for Gratuity	0.07	-	-
	Provision for leave benefits	0.07	-	-
	<b>Total</b>	0.14	-	-



**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2018 ₹ in Lakhs</b>	<b>Year ended 31<sup>st</sup> March, 2017 ₹ in Lakhs</b>
<b>24</b>	<b>REVENUE FROM OPERATIONS</b>		
	<b>Sale of products</b>		
	Sale of Flats	-	239.72
	<b>Total</b>	-	239.72
<b>25</b>	<b>OTHER INCOME</b>		
	Other Income	58.91	50.33
	<b>Total</b>	58.91	50.33
<b>26</b>	<b>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b>		
	Inventory of finished goods at the beginning of the year	-	160.18
	Inventory of finished goods at the end of the year	-	-
	<b>Decrease in Stock</b>	-	160.18
<b>27</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries, wages and bonus	46.24	46.32
	Gratuity expense	1.66	2.04
	Staff welfare expenses	0.54	0.38
	<b>Total</b>	48.44	48.74
<b>28</b>	<b>FINANCE COST</b>		
	Borrowing Cost	-	2.04
	<b>Total</b>	-	2.04
<b>29</b>	<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
	Depreciation Expense	-	0.93
	<b>Total</b>	-	0.93



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2018 ₹ in Lakhs	Year ended 31 <sup>st</sup> March, 2017 ₹ in Lakhs
30	<b>OTHER EXPENSES</b>		
	Advertising and sales promotions	0.54	0.45
	Travelling and Conveyance	0.70	8.25
	Payment to Auditors	0.50	1.05
	Miscellaneous Expenses	7.34	1.26
	Communication Expenses	0.66	0.92
	Legal & Professional Fees	6.07	26.80
	Vehicle Expenses	-	1.63
	Share Transfer & Mailing Expenses	3.41	2.60
	Listing Fees	9.30	2.00
	Membership and Subscription	2.77	3.06
	Bank charges	0.33	0.94
	Postage & Courier	5.42	6.13
	Rent	1.20	2.39
	Printing & Stationery expenses	5.66	4.59
	Compensation Expenses	-	4.41
	Sundry Balances written off	-	124.14
	Loss on Sale of Asset	-	3.26
	Audit Sitting Fees	0.50	0.60
	Legal Claim Settlement	-	461.04
	Board Meeting Fees	1.05	1.40
	<b>Total</b>	<b>45.45</b>	<b>656.92</b>
	<b>Payment to Auditors:</b>		
	Audit fee	0.50	0.75
	Tax audit fee	-	0.30
	<b>Total</b>	<b>0.50</b>	<b>1.05</b>
31	<b>Earning per Share (EPS)</b>		
	The following reflects the profit and share data used in the basic and diluted EPS computations		
	(Loss) after tax	(3,088,435)	(57,676,018)
	Weighted average number of equity shares outstanding during the year	82,798,042	82,798,042
	<b>Earning per share (EPS):</b>		
	Basic	(0.04)	(0.70)
	Diluted	(0.04)	(0.70)

### 32. Contingent Liabilities not provided for in respect of:

Name of the statute	Nature of dues	Amount (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Input Service Credit	0.07	2007-2008	Custom Excise & Service Tax Appellate Tribunal



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

### 33. Sitting Fess paid to Directors other than Managing / Whole time Directors:

(₹ In Lakhs)

Particulars	2017-2018	2016-2017
Sitting Fees	1.65	4.58
<b>Total</b>	<b>1.65</b>	<b>4.58</b>

### 34. Audit Fees paid

(₹ In Lakhs)

Particulars	2017-2018	2016-17
Audit fees	0.50	0.75
Tax Audit fees	-	0.30
<b>Total</b>	<b>0.50</b>	<b>1.05</b>

### 35. Deferred Taxation:

- 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.
- 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 Ind AS 12.

### 36. Employee Benefit

Consequent to Ind AS 19 "Employee Benefits", the company has reviewed and revised its accounting policy in respect of employee benefits.

Amount in lakhs

Sr. No.	Particulars	As on 31.03.2018		
		Gratuity (Unfunded)	Leave Salary (Unfunded)	Total
[I]	<b>Reconciliation in Present Value of Obligation (PVO) - defined benefits</b>			
	Current Service Cost	1.29	2.55	3.84
		1.24	0.02	1.26
	Interest Cost	0.37	0.57	0.94
		0.39	1.13	1.52
	Actuarial (gain)/ losses	(0.61)	(3.50)	(4.11)
		(1.59)	(7.29)	(8.88)
	Benefits Paid	-	-	-
		-	0.40	0.40
	Past service cost	-	-	-
	PVO at the beginning of the year	4.91	7.56	12.47
		4.87	14.10	18.97
	PVO at end of the year	5.96	7.19	13.15
		4.91	7.56	12.47



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

Sr. No.	Particulars	As on 31.03.2018		
		Gratuity (Unfunded)	Leave Salary (Unfunded)	Total
[II]	<b>Change in fair value of plan assets :</b>	-		
	Expected Return on plan assets	-	-	-
	Actuarial (gain)/ losses	-	-	-
		-		
	Contribution by employers	-	-	-
	Benefits Paid	-	-	-
	Fair value of plan assets at the beginning of the year	-	-	-
	Fair value of plan assets at end of the year	-	-	-
[III]	<b>Reconciliation of PVO and fair value of plan assets :</b>			
	PVO at end of year	<b>5.96</b>	<b>7.19</b>	<b>13.15</b>
		4.91	7.56	12.47
	Fair value of plan assets at end of the year			
	Funded status	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	Unrecognised actuarial (gain)/ losses			
	Net assets/(liability) recognised in the balance sheet	<b>(5.96)</b>	<b>(7.19)</b>	<b>(13.15)</b>
		(4.91)	(7.56)	(12.47)
[IV]	<b>Net cost for the year ended March 31, 2018</b>			
	Current Service Cost	<b>1.29</b>	<b>2.55</b>	<b>3.84</b>
		1.24	0.02	1.26
	Interest Cost	<b>0.37</b>	<b>0.57</b>	<b>0.94</b>
		0.39	1.13	1.52
	Expected Return on plan assets			
	Actuarial (gain)/ losses	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
		NIL	NIL	NIL
	Net Cost	-	-	-
		<b>0.03</b>	<b>(6.13)</b>	<b>(6.10)</b>
[V]	<b>Category of assets as at March 31, 2018</b>	-	-	-
		-	-	-
[VI]	<b>Actual return of plan assets</b>	-	-	-
		-	-	-
[VII]	<b>Assumption used in accounting for the Gratuity &amp; Leave Salary plan:</b>			
	Discount rate (%)	<b>7.75%</b>	<b>7.75%</b>	-
		7.5%	7.5%	-
	Salary escalation rate(%)	<b>8.5%</b>	<b>8.5%</b>	-
		8.5%	8.5%	-
	Expected amount of return on plan assets	-	-	-

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



37. The Company primarily deals in the business of Real Estate and hence there is no Primary reportable segment in the context of Ind AS 108.

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

Name of the Party
Ajmera Housing Corporation, Bangalore

Name of the Party	Relationship
Mr. Harsh L. Mehta	Managing Director
Mr. Lalit J. Mehta	Relative
Mrs. Amish H. Mehta	Relative
Mrs. Kumud L. Mehta	Relative
Mr. Akshar H. Mehta	Relative
Mr. Nilesh H. Sarvaiya	Non-Executive Director
Mrs. Bhaumi N. Sarvaiya	Relative
Mr. Harshadrai M. Sarvaiya	Relative
Mrs. Madhu H. Sarvaiya	Relative
Ms. Khushali N. Sarvaiya	Relative
Ms. Mehak N. Sarvaiya	Relative

- i) Mr. Harsh L. Mehta (Managing Director)#
- ii) Mr. Harish G. Taparia (Chief Financial Officer)\*
- iii) Mr. Akshay R. Sharma (Asst. Company Secretary)\*\*

# Mr. Lalit J. Mehta                      # Mrs. Amish H. Mehta  
# Mrs. Kumud L. Mehta                # Mr. Akshar H. Mehta  
\* Mrs. Madhubala H. Taparia          \*\* Mr. Rajkumar G. Sharma  
\*\* Ms.Savita R. Sharma

Transactions	Closing Balance		
	31.03.18	31.03.17	01.04.16
Ajmera Housing Corporation – Bangalore	-	45.45	181.80

Name of Related Party	Relationship	Advance Paid	Advance Received	Maximum O/S during the year
Ajmera Housing Corporation – Bangalore	Associates	-	-	-
		165.65	433.36	347.00
Figures in Bold represents current financial year & others represents for previous year.				



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

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

- The principal amount Rs. NIL (Previous Year: NIL) and the interest due thereon is NIL (Previous Year: NIL) remaining unpaid to any supplier at the end of each accounting year 2017-18.
- 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.
- 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.
- The amount of Interest accrued and remaining unpaid at the end of each accounting year Nil.
- 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.17 & 20 –“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.

- The Company has re – assessed the useful life of assets for the purpose of determination of depreciation in the manner prescribed under the Schedule II of the Companies Act, 2013.

### 41. Capital Management Policy

- Safeguard our ability to continue as a going concern, and
- Maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, subject to relevant permissions and compliances, adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>Net Debt</b>			
Non-Current Borrowings	-	-	11.30
Current Borrowings	-	-	-
Current Maturities of LTD	-	-	-
(-) Cash and Cash Equivalent	-8.09	-43.49	-34.37
<b>Total</b>	<b>-8.09</b>	<b>-43.49</b>	<b>-23.07</b>
<b>Total Equity</b>			
Equity Share Capital	8,279.80	8,279.80	8,279.80
Other Equity	(8,240.83)	(8,209.95)	(7,633.19)
<b>Total</b>	<b>38.97</b>	<b>69.85</b>	<b>646.61</b>
<b>Debt Equity Ratio</b>	<b>(0.21)</b>	<b>(0.62)</b>	<b>(0.04)</b>


**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018**
**42. Financial Risk Management: Disclosure of Financial Instruments by category**

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31.03.2018			31.03.2017			01.04.2016		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>									
Investment in subsidiaries, associates and joint ventures*	-	-	-	-	-	-	-	-	-
Security Deposits	-	-	-	-	-	-	-	-	-
Loans advanced to related parties	-	-	-	-	-	-	-	-	-
Other loans and Advances	-	-	0.51	-	-	46.05	-	-	269.46
Other financial assets	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Trade Receivables	-	-	123.46	-	-	130.28	-	-	133.25
Other Non-Current Assets	-	-	383.16	-	-	392.72	-	-	516.86
Cash & Cash Equivalent	-	-	8.09	-	-	43.49	-	-	34.37
Other Bank Balances	-	-	-	-	-	0.47	-	-	0.47
	-	-	<b>515.22</b>	-	-	<b>613.01</b>	-	-	<b>954.41</b>
<b>Financial Liabilities</b>									
Borrowings	-	-	-	-	-	-	-	-	11.30
Trade Payables	-	-	305.68	-	-	374.45	-	-	302.15
Other Financial Liabilities	-	-	-	-	-	0.47	-	-	9.96
Security Deposits	-	-	-	-	-	-	-	-	-

\* All the investments in subsidiaries, associates and joint ventures are stated at cost as per Ind AS 27 'Separate Financial Statements'.

**Types of Risk and its management**

The Group's activities expose it to market risk, liquidity risk and credit risk. Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**a. Credit Risk**

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

**b. Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.



## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2018

### c. Foreign Currency Risk

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the Group's functional currency.

### 43. Capital and other commitments

Capital and other commitments on account of revenue as well as capital nature is ₹ NIL (Previous Year: ₹ NIL)

### 44. Earnings & Expenditure in Foreign Currency (accrual basis): - Expenses: ₹ NIL (Previous Year: ₹ 461.04 lakhs)

45. The Balance in Debtors, Creditors, few Bank Accounts balances and Advances accounts are subject to confirmation and reconciliation, if any. However as per management opinion no material impact on financial statements out of such reconciliation is anticipated.

### 46. Subsequent events

There is no subsequent event reported after the date of financial statements.

### 47. Regrouping of Previous Year Figures

The company has regrouped / rearranged and reclassified previous year figures to conform to current year's classification.

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

**Place:** Mumbai

**Dated:** 24<sup>th</sup> May, 2018

For & on behalf of Board Of Directors of

**SHREE PRECOATED STEELS LIMITED**

**A.C. PATEL**

CHAIRMAN

DIN: 00037870

**HARISH G. TAPARIA**

CHIEF FINANCIAL OFFICER

**Place:** Mumbai

**Dated:** 24<sup>th</sup> May, 2018

**HARSH L MEHTA**

MANAGING DIRECTOR

DIN: 01738989

**AKSHAY R. SHARMA**

ASST. COMPANY SECRETARY

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**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**  
**1, Ground Floor, Citi Mall, New Link Road,**  
**Andheri (W) 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 : 1, Ground Floor Citi Mall, New Link Road, Andheri (West), Mumbai – 400053.

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

### ATTENDANCE SLIP

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I/we hereby record my/our presence at 10<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> September, 2018 at 11:00 a.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 \_\_\_\_\_

Number of Shares \_\_\_\_\_

- Only Member/Proxy holder can attend the Meeting.
- Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.



## SHREE PRECOATED STEELS LIMITED

CIN : L70109MH2007PLC174206

Registered office : 1, Ground Floor Citi Mall, New Link Road, Andheri (West), Mumbai – 400053.

Tel. No. : +91-22-65526677 | Email Id: investors.spsl@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 \_\_\_\_\_ number shares of 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	

As my/our proxy to attend and vote ( on a poll ) for me/us and on my/our behalf at the 10<sup>th</sup> Annual General Meeting of the company, to be held on 21<sup>st</sup> September, 2018 at 11:00 am at Activity Hall, Ground Floor, Juhu Gymkhana Club, J.V.P.D Scheme, Vile Parle (W), Mumbai-400049 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
	<b>Ordinary Business</b>		
1	To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Mr. Harsh L. Mehta (DIN: 01738989), Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.		
3	To ratify appointment of the Auditors of the Company and to fix their remuneration.		
	<b>Special Business</b>		
4	To reduce Reserves & Surplus and Equity Share Capital of the Company.		
5	To approve continuation of holding office of Non-Executive-Independent Directorship - Mr. Ambalal C Patel (DIN-00037870).		
6	To approve continuation of holding office of Non-Executive-Independent Directorship - Mr. Jagdish J. Doshi (DIN-00065162).		

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2018

Signature of Shareholder(s) \_\_\_\_\_

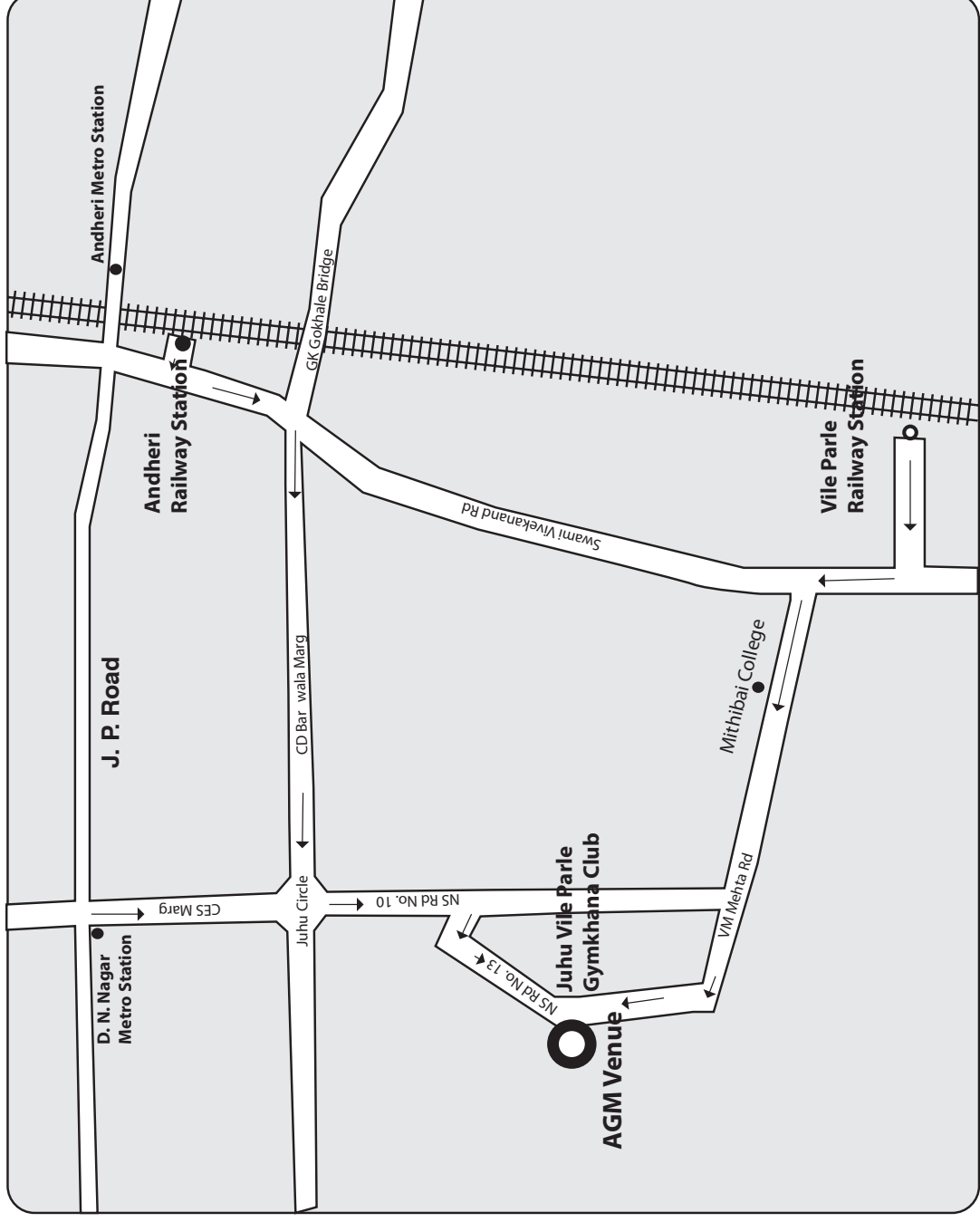
Revenue  
stamp

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.**