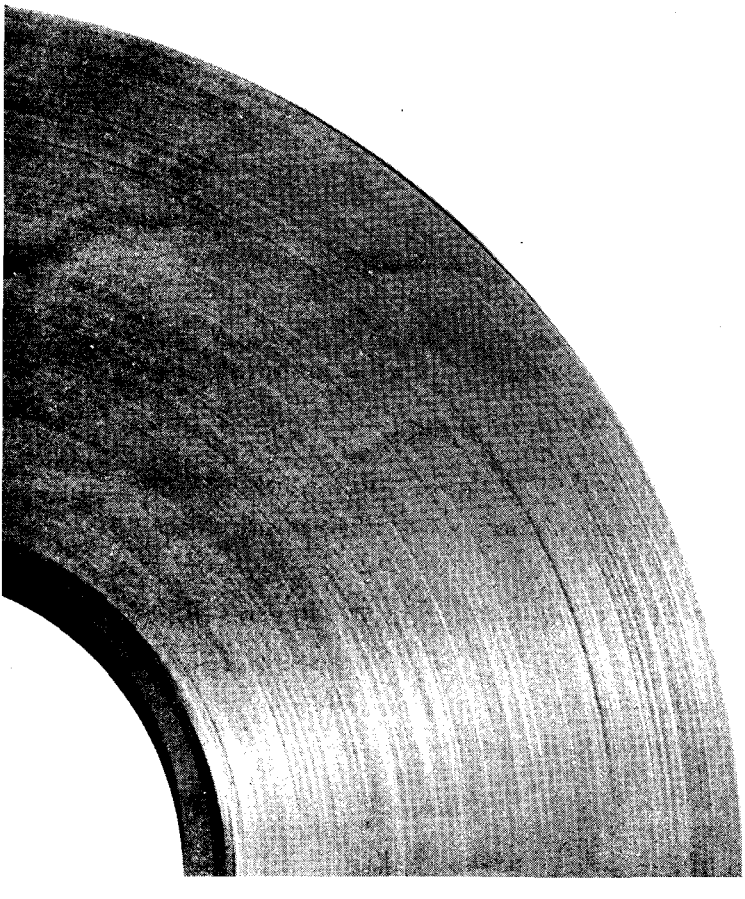
SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

SHREE PRECOATED STEELS LTD.

17th ANNUAL REPORT
2003 - 2004

ReportJunction.com



AN AJMERA GROUP ENTERPRISE

ISO 9001 REGISTERED
DNV
MGMT. SYS.
RvA C024
DNV Certification B.V, The Netherlands

MEMBER
ECCA
European Coil Coating Association

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

HIGHLIGHTS

- Gross Sales in excess of **Rs. 500 Crores (521.34 Crores)**
- Cash profit in excess of **Rs. 50 Crores (50.13 Crores)**
- PBDIT in excess of **Rs. 60 Crores (60.97 Crores)**
- Net profit after tax in excess of **Rs. 30 Crores (32.55 Crores)**
- Export Sales increased to **Rs. 370 Crores (370.51 Crores)**
- Capacity of CR Mill increased by **83 %**
- Capacity of CGL increased by **25 %**
- Capacity of CCL increased by **80 %**
- Net worth of the Company become positive
- Largest Exporter of CR & Colour Coated Coils/ Sheets from India

ReportJunction.com

CONTENTS

Corporate Information	3
Notice	4
Directors' Report	17
Management Discussion Analysis Report	22
Corporate Governance Report	24
Auditors' Report	31
Balance Sheet	34
Profit and Loss Account	35
Cash Flow Statement	36
Schedules forming part of Balance Sheet & Profit and Loss Account	37
Notes to Balance Sheet and Profit and Loss Account	43
Balance Sheet Abstract and Company's General Business Profile	52
Proxy Form	53

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Report Junction.com

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Chhotalal S. Ajmera Chairman & Managing Director
Shri Rajnikant S. Ajmera Managing Director
Shri Ishwarlal S. Ajmera Director
Shri M. Sivaramakrishnan Director - Technical
Shri Jagdish J. Doshi Director
Shri Ambalal C. Patel Additional Director
Shri K. Kannan Special Director BIFR
Shri Inderpal S. Kalra Nominee Director IDBI
(appointed w.e.f. 5th March 2004)
Shri T. Raghavendran Nominee Director
ICICI Bank Ltd. (resigned w.e.f. 30th April 2003)

COMPANY SECRETARY

Shri Anil O. Somani

AUDITORS

M/s. V. Parekh & Associates

SOLICITORS

M/s. Pandya & Poonawala
M/s. Desai & Diwanji

BANKERS

Bank of Baroda - Mumbai
Abu Dhabi Commercial Bank Ltd. - Mumbai
Dena Bank - Mumbai
Allahabad Bank - Mumbai
The Federal Bank Ltd. - Mumbai

REGISTERED OFFICE

"Citi Mall", Link Road,
Andheri (West), Mumbai - 400 053

PLANT

Gat No. 740, Sanaswadi, Pune Nagar Road,
Tehsil Sirur, Pune - 412 208 (Maharashtra)

REGISTRAR & SHARE TRANSFER AGENT

Sharex (India) Private Limited
17/B, Dena Bank Building,
2nd floor, Horniman Circle,
Fort, Mumbai - 400 001

17th ANNUAL GENERAL MEETING

Date	:	**26 July 2004**
Day	:	**Monday**
Time	:	**3.00 p.m.**
Place	:	**"Citi Mall", Link Road, Andheri (West), Mumbai - 400 053**
Book Closure Dates	:	**July 22, 2004 to July 26, 2004 (both days inclusive)**

MANAGEMENT TEAM

Chhotalal S. Ajmera	-	Chairman & Managing Director
Rajnikant S. Ajmera	-	Managing Director
M. Sivaramakrishnan	-	Director Technical
P. Saxena	-	President Operations
Sanjay C. Ajmera	-	Executive Vice President
Ashwin B. Ajmera	-	Executive Vice President
Devendra P. Khandelwal	-	Deputy General Manager (Finance)
Anil O. Somani	-	Company Secretary

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

SHREE PRECOATED STEELS LIMITED
NOTICE

NOTICE *is hereby given that the Seventeenth Annual General Meeting of the shareholders of Shree Precoated Steels Limited will be held on Monday, the 26th July 2004 at 3.00 p.m. at "Citi Mall", Link Road, Andheri (W), Mumbai - 400 053 to transact the following business: -*

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 and the Profit and Loss Account ended on that date and the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Jagdish J. Doshi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. Appointment of Shri Ambalal C. Patel as Director of the Company:

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

"RESOLVED THAT in accordance with the provisions of the Companies Act, 1956, Shri Ambalal C. Patel, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. Alteration of and re-classification of Authorized Share Capital:

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

"RESOLVED THAT pursuant to the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, department or bodies as may be necessary, the Authorized Share Capital of the Company of Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) divided into 6,00,00,000 (Six Crores only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,50,00,000 (One Crores Fifty Lacs only) Redeemable Cumulative Preference Share Capital of Rs. 10/- (Rupees Ten Only) each be and is hereby increased to Rs. 100,00,00,000/- (Rs. One Hundred Crores only) divided into 8,50,00,000 (Eight Crores Fifty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,50,00,000 (One Crores Fifty Lacs only) Redeemable Cumulative Preference Share Capital of Rs. 10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

V. The Authorized Share Capital of the Company is Rs. 100,00,00,000/- (Rupees One Hundred Crores only) divided into Rs. 85,00,00,000/- (Rupees Eighty five Crores only) consisting of 8,50,00,000 (Eight Crores Fifty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each and Rs. 15,00,00,000/- (Rupees Fifteen Crores only) Cumulative Redeemable Preference Shares consisting of 1,50,00,000 (One Crores Fifty Lacs only) of Rs. 10/- (Rupee Ten only) each with rights, privileges and conditions attached thereto as provided by the Articles of Association of the Company for the time being with power to increase or reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes, and attach thereto respectively and preferential, qualified or special rights. Such rights shall not except where the terms of issue otherwise provide be alterable otherwise than pursuant to the provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Director of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard."

6. Alteration of Articles of Association:

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

"RESOLVED THAT pursuant to provisions of Section 31 of the Companies Act, 1956, (including any Statutory modification or re-enactment thereof for the time being in force), the Article 4 of the Articles of Association of the Company be altered to be read as under: -

4. The Authorized Share Capital of the Company is Rs. 100,00,00,000/- (Rupees One Hundred Crores only) divided into Rs. 85,00,00,000/- (Rupees Eighty five Crores only) consisting of 8,50,00,000 (Eight Crores Fifty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each and Rs. 15,00,00,000/- (Rupees Fifteen Crores only) Cumulative Redeemable Preference Shares consisting of 1,50,00,000 (One Crores Fifty Lacs only) of Rs. 10/- (Rupee Ten only) each.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Director of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard."

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

7. Appointment of Shri Chhotalal S. Ajmera as Chairman & Managing Director:

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the approval of the Central Government, if necessary, the Company hereby approves of the appointment of Shri Chhotalal S. Ajmera as the Chairman & Managing Director of the Company for the period of five years with effect from 1st August 2004, on the terms and conditions and remuneration payable to him as set out in the draft Agreement submitted to this Meeting and for the purpose of identification initialed by a Director, which Agreement is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said remuneration and/or Agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendment thereto in such manner as may be agreed to between the Directors and Shri Chhotalal S. Ajmera."

8. Appointment of Shri Rajnikant S. Ajmera as Managing Director:

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the approval of the Central Government, if necessary, the Company hereby approves of the appointment of Shri Rajnikant S. Ajmera as the Managing Director of the Company, for the period of five years with effect from 1st August 2004, on the terms and conditions and remuneration payable to him as set out in the draft Agreement submitted to this Meeting and for the purpose of identification initialed by a Director, which Agreement is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said remuneration and/or Agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendment thereto in such manner as may be agreed to between the Directors and Shri Rajnikant S. Ajmera."

9. Appointment of Shri Ishwarlal S. Ajmera, as a Wholetime Director:

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the approval of the Central Government, if necessary, the Company hereby approves of the appointment of Shri Ishwarlal S. Ajmera, as a Wholetime Director of the Company, liable to retire by rotation, for a period of five years with effect from 1st August 2004, on the terms and conditions and remuneration payable to him as set out in the draft Agreement submitted to this Meeting and for the purpose of identification initialed by a Director, which Agreement is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of said remuneration and/or Agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendment thereto in such manner as may be agreed to between the Directors and Shri Ishwarlal S. Ajmera."

10. Reappointment of and fixation of remuneration payable to Shri Sanjay C. Ajmera as an Executive - Vice President - a relative of a Director:

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

"RESOLVED THAT pursuant to the provisions of Section 314 of the Companies Act, 1956, read with the Director's Relatives (Office or Place of Profit) Rules, 2003, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, department or bodies as may be necessary, the Company hereby accords its consent and approval for the re-appointment of Shri Sanjay C. Ajmera, a relative of Shri Chhotalal S. Ajmera, Chairman & Managing Director of the Company, holding and continue to hold office or place of profit in the Company as an Executive - Vice President on a salary of Rs. 42,000/- per month (in the scale of Rs. 42,000/- per month to Rs. 67,000/- per month) together with the usual perquisites, allowances, benefits, amenities and facilities including staff superannuation fund, retiring gratuity and provident fund benefits applicable to other employees occupying similar post or posts within the same salary scale or grade with effect from 1st August 2004.

RESOLVED FURTHER THAT in the event of the salary and perquisites as aforesaid exceeding Rs. 50,000/- per month, the approval of the Central Government will be obtained as required in accordance with the provisions of the Companies Act, 1956 read with the Director's Relatives (Office or Place of Profit) Rules, 2003."

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

11. Appointment of and fixation of remuneration payable to Shri Manoj I. Ajmera as an Executive - Vice President - a relative of a Director:

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

"RESOLVED THAT pursuant to the provisions of Section 314 of the Companies Act, 1956, read with the Director's Relatives (Office or Place of Profit) Rules, 2003, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, department or bodies as may be necessary, the Company hereby accords its consent and approval for the appointment of Shri Manoj I. Ajmera, a relative of Shri Ishwarlal S. Ajmera, Director of the Company, holding and continue to hold office or place of profit in the Company as an Executive - Vice President on a salary of Rs. 45,200/- per month (in the scale of Rs. 45,200/- per month to Rs. 70,200/- per month) together with the usual perquisites, allowances, benefits, amenities and facilities including staff superannuation fund, retiring gratuity and provident fund benefits applicable to other employees occupying similar post or posts within the same salary scale or grade with effect from 1st August 2004.

RESOLVED FURTHER THAT in the event of the salary and perquisites as aforesaid exceeding Rs. 50,000/- per month, the approval of the Central Government will be obtained as required in accordance with the provisions of the Companies Act, 1956 read with the Director's Relatives (Office or Place of Profit) Rules, 2003."

12. Appointment of and fixation of remuneration payable to Shri Jayant I. Ajmera as an Executive - Vice President - a relative of a Director:

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

"RESOLVED THAT pursuant to the provisions of Section 314 of the Companies Act, 1956, read with the Director's Relatives (Office or Place of Profit) Rules, 2003, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, department or bodies as may be necessary, the Company hereby accords its consent and approval for the appointment of Shri Jayant I Ajmera, a relative of Shri Ishwarlal S. Ajmera, Director of the Company, holding and continue to hold office or place of profit in the Company as an Executive - Vice President on a salary of Rs. 29,500/- per month (in the scale of Rs. 29,500/- per month to Rs. 51,500/- per month) together with the usual perquisites, allowances, benefits, amenities and facilities including staff superannuation fund, retiring gratuity and provident fund benefits applicable to other employees occupying similar post or posts within the same salary scale or grade with effect from 1st August 2004.

RESOLVED FURTHER THAT in the event of the salary and perquisites as aforesaid exceeding Rs. 50,000/- per month, the approval of the Central Government will be obtained as required in accordance with the provisions of the Companies Act, 1956 read with the Director's Relatives (Office or Place of Profit) Rules, 2003."

13. Appointment of and fixation of remuneration payable to Shri Shashikant S. Ajmera as an Executive - Vice President - a relative of a Director:

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

"RESOLVED THAT pursuant to the provisions of Section 314 of the Companies Act, 1956, read with the Director's Relatives (Office or Place of Profit) Rules, 2003, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, department or bodies as may be necessary, the Company hereby accords its consent and approval for the appointment of Shri Shashikant S. Ajmera, related to Shri Chhotalal S. Ajmera, Chairman & Managing Director, Shri Rajnikant S. Ajmera, Managing Director and Shri Ishwarlal S. Ajmera, Director of the Company, holding and continue to hold office or place of profit in the Company as an Executive - Vice President on a salary of Rs. 30,000/- per month (in the scale of Rs. 30,000/- per month to Rs. 55,000/- per month) together with the usual perquisites, allowances, benefits, amenities and facilities including staff superannuation fund, retiring gratuity and provident fund benefits applicable to other employees occupying similar post or posts within the same salary scale or grade with effect from 1st August 2004.

RESOLVED FURTHER THAT in the event of the salary and perquisites as aforesaid exceeding Rs. 50,000/- per month, the approval of the Central Government will be obtained as required in accordance with the provisions of the Companies Act, 1956 read with the Director's Relatives (Office or place of Profit) Rules, 2003."

14. Increase in the Borrowing Power Limit under Section 293 (1) (d) of the Act:

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

"RESOLVED THAT in supersession of the Resolution earlier passed at the Extra Ordinary General Meeting of the Company held on 21st March 2003 and pursuant to Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any such sums of money which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the Paid-up Capital of the Company and its Free Reserves, that is to say, Reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 600.00 Crores (Rupees Six Hundred Crores Only)."

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

15. Raising of Funds through issue of Equity and Equity Linked Securities :

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

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to any approval, consent, permission and / or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as is "the Appropriate Authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as the "requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called, "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution), the Board be and is hereby authorized to create, offer, issue and allot, from time to time in one or more tranches, Equity Shares to Investors / groups, domestic / foreign Institutions, Institutional Investors, Banks, Mutual Funds, Companies, Bodies Corporate or other entities, whether or not such investors are Members of the Company, under a preferential issue through offer letter and / or circular and / or information memorandum and / or such other documents / writings, in such a manner and on such terms and conditions as may be determined by the Board in its absolute discretion; provided that the price of the Equity Shares so issued shall not be less than the price calculated as per the formula (including the premium if any) being the price with respect to the Relevant Date as prescribed under Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and the aggregate number of the Equity Shares so issued shall not exceed 66,00,000 (Sixty Six Lacs only) of the face value of Rs. 10/- each.

RESOLVED FURTHER THAT the Equity Shares allotted in terms of this Resolution shall rank pari- passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to effect to the issue or allotment of aforesaid Equity Shares and listing thereof with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of the said Shares and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or the Chairman & Managing Director or any one or more Wholetime Directors or officers of the Company to give effect to the aforesaid Resolution."

16. Raising of funds through issue of securities in the International Markets:

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

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange where the securities of the Company are listed and subject to any guidelines, regulations, approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as "the Appropriate Authorities") and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "the requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution), the Board be and is hereby authorized to create, offer, issue and allot, in international offerings any Securities including Global Depository Receipts (GDR) and / or American Depository Receipt (ADR) convertible into Equity Shares, Preference Shares whether Cumulative or Non-Cumulative / Redeemable / Convertible at the option of the Company and / or at the option of the holders of the security raising and / or listing Capital at London Stock Exchange (LSE) and / or Alternate Investment Market (London)-(AIM) either Equity or Preference or by any other structured instrument convertible into Equity and/or Preference Shares and/or securities linked to Equity Shares/Preference Shares and/or any instrument or securities representing convertible securities such as convertible Debenture, Foreign Currency Convertible Bonds (FCCB), bonds or warrants convertible into Equity Shares/Preference Shares (hereinafter referred to as "Securities") to be subscribed by Foreign Investors / Institutions and/or Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Trust and / or individuals or otherwise, whether or not such persons / entities / investors are Members of the Company, whether in Indian currency or Foreign currency. Such issue and allotment shall be made at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions including with the differential rights as to dividend, voting or otherwise and in such manner as the Board may, in its absolute discretion think fit, in consultation with the Lead Managers, Underwriters, Advisors or other intermediaries; provided however that the issue of Securities as above shall not result in increase of the issued and subscribed Equity Shares capital of the Company by more than 1,50,00,000 (One Crores Fifty Lacs) Equity Shares of the face value of Rs. 10/- each.

www.reportjunction.com

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms or combination of terms including as to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever, and all such matters as are provided in Securities offering of this nature including terms for issue of such Securities or variation of the conversion price of the Security during the tenure of the Securities and the Company is also entitled to enter into and execute all such arrangements as the case may be with any Lead Managers, Managers, Underwriters, Bankers, Financial Institutions, Solicitors, Advisors, Guarantors, Depositories, Custodians and other intermediaries in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerages, fees or payment of their remuneration for their services or the like, and also to seek the listing of such securities on one or more Stock Exchanges including international Stock Exchanges, wherever permissible.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorized by the Company for the issue of Securities in registered or bearer from with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practice and regulations, and under the forms and practices prevalent in Securities markets.

RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the Securities in the international market and may be governed by applicable Laws.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized to issue and allot such number of Shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such Shares being pari passu with the then existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in the best interest of the Company and as is permissible at Law.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described in paragraph (a) above, the Board or any Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, maters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwrites and all other agencies/ intermediaries by way of commission, brokerage, fees and the like as may be involved."

17. Employee's Stock-Option scheme:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of Memorandum and Articles of Association of the Company and the regulations / guidelines prescribed by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions and subject to such conditions as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include a Compensation Committee constituted by the Board to exercise its powers, including the powers conferred by this Resolution is hereby authorized to accept), the Board be and is hereby authorized on behalf of the Company to create, issue, offer and allot at any time, to or for the benefit of such person or persons who are in the permanent employment of the Company and the Directors of the Company (other than an employee who is a promoter or belongs to the promoter group or a Director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company), Equity Shares and/or Securities convertible into Equity Shares, representing underlying Equity Shares or Securities convertible into Equity Shares of the Company under any Employee Stock Option Scheme (hereinafter referred to as **"the Scheme / ESOS"**) at such price, in such manner, during such period, to implement the Scheme (with or without modifications and variations) in one or more tranches and on such other terms and conditions as the Board may decide prior to the issue and offer thereof, for, or which upon exercise or conversion could give rise to the issue of Equity Shares not exceeding in the aggregate 33,00,000 (Thirty three Lacs only) of the face value of Rs. 10/- each.

RESOLVED FURTHER THAT subject to the terms stated herein, the Equity Shares or other Securities as specified above allotted pursuant to the aforesaid Resolution shall in all respects rank pari passu inter se as also with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or Instruments representing the same, as described above, under any ESOS, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) (including to amend or modify any of the terms of such issue or allotment), without being required to seek any further consent or approval of the members, as it may, in its absolute discretion, deem fit.

www.reportjunction.com

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or any one or more Whole-time Directors of the Company."

Mumbai
19th June, 2004

Registered Office:
"Citi Mall", Link Road,
Andheri (W), Mumbai - 400 053

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

ANIL O. SOMANI
Company Secretary

NOTES:

I A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF OR HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

II The information required to be provided under the Listing Agreement entered in to with the Stock Exchange, Mumbai (BSE), regarding the Directors who are proposed to be appointed / re-appointed and an Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Resolutions set out at Item Nos. 7, 8 & 9 of the Notice are annexed hereto.

III The Register of Members and Share Transfer Books of the Company will remain closed for Five days from the Thursday, 22nd July 2004 to the Monday, 26th July 2004 (both days inclusive).

IV All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company during the office hours on all working days except Sundays between 11.00 a. m. And 1.00 p. m., up to the date of the ensuing Annual General Meeting.

V Members who hold Shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

VI Members who are not opting for depository and are holding Shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agent of the Company - Sharex (India) Pvt. Ltd. to enable them to consolidate their holdings in one folio.

VII Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.

VIII The Shareholders desiring any information as regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep information ready.

IX Members are requested to bring their copies of the Annual Reports to the Meeting. This is a measure of economy.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

A	**Name**	**Shri Chhotalal S. Ajmera**
	Date of Birth	9th September 1937
	Date of Appointment	1st October 1999
	Expertise in specific functional area	Industrialist having 45 years over all experience in various fields including Constructions with more than 17 years experience in Steel Industry.
	Qualifications	Higher Secondary Education
	Listed / Unlisted Public Companies in which outside Directorship held as on 31st March 2004	Ajmera Steels Strips Limited Gujarat Fun World Limited
	Chairman / Member of the Committees of the Board of the other Companies on which he is a Director as on 31st March 2004	Nil

www.reportjunction.com