

24th Annual Report

2011-2012



Stelco Strips Limited

Corporate Information

Board of Directors

Mr. Bharat Bhushan Jindal

Mr. Mohan Lal Jindal

Mr. Amarjit Singh Palta

Company Secretary

Mr. Vikas Rai Berry

Statutory Auditors

M/s. M.P. Goyal & Co.

Chartered Accountants

Internal Auditors

M/s. Parshotam Singla & Associates

Chartered Accountants

Bankers

State Bank of Patiala

The Saraswat Co-operative Bank Ltd.

IDBI Bank Ltd.

Registered Office

C-122, Phase-V, Focal Point,

Ludhiana-141010

Plant Locations

Unit No-I : C-122, Phase-V, Focal Point

Ludhiana-141010

Unit No-II : G.T. Road, Village Jaspalon,

Doraha, Distt. Ludhiana

Registrar & Transfer Agent

Skyline Financial Services Pvt. Ltd.

D-153/A, 1st Floor, Okhla Industrial Area,

Phase-I, New Delhi-110020

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STELCO STRIPS LIMITED

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of Stelco Strips Limited will be held on Saturday, 29th day of September, 2012 at 4:00 P.M. at the registered office of the Company at C-122, Phase-V, Focal Point, Ludhiana to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2012 and Profit & Loss Account for the year ended on that date along with Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Sh Amarjit Singh Palta who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board
For Stelco Strips Limited

Place : Ludhiana
Dated : 05.09.2012

(Vikas Rai Berry)
Company Secretary

2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 27th day of September, 2012 to Saturday, 29th day of September, 2012 (both days inclusive)
3. Documents referred to in the Notice are open for public inspection at the registered office of the Company on all working days, except holidays, between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
4. Members holding shares in physical form are requested to get their shares dematerialized.
5. Members/proxies attending the meeting are requested to bring their copies of Annual Reports with them at the meeting.
6. Members/proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
7. The information regarding directors seeking re-appointment at this Annual General Meeting is furnished below :

Sh. Amarjit Singh Palta aged 53 years is post graduate in commerce. He is having more than three decades of experience in fields of accounts, finance and taxation. He is not director of any other company.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the Company. Proxy form in order to be effective must be received by the Company not less than 48 hours before the meeting. The blank proxy form is enclosed.

By Order of the Board
For Stelco Strips Limited

Place : Ludhiana
Dated : 05.09.2012

(Vikas Rai Berry)
Company Secretary



STELCO STRIPS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are presenting the 24th Annual Report together with Audited Accounts for the financial year ended 31st March, 2012.

Financials

Rs. in lacs.				
Particulars	2011-12		2010-11	
Turnover & Other Income:				
- Income from operations	888.42		4426.42	
- Other Income	68.75	957.17	12.27	4438.69
Profit (Loss) Before Interest				
Depreciation and Tax		(257.34)		(4257.99)
Less: i) Interest	2.38		735.53	
ii) Depreciation	256.27		229.35	
iii) Provision For Tax	-	258.65	-	964.88
Profit (Loss) After Tax		(515.99)		(5222.87)
Add: Balance brought forward		(4024.20)		1195.13
		(4540.19)		(4027.74)
Less: Taxation adjustment of Previous year		-		3.54
Balance carried forward		(4540.19)		(4027.74)

Management Discussion and Analysis Report

a) Industry Structure and Developments

The business line of your Company comprises of flat steel products entailing cold rolled (CR), galvanized plain (GP) and galvanized corrugated (GC) steel sheets/coils/strips which fall under the single business segment of Steel.

Indian steel industry is highly fragmented particularly in downstream segment with large number of organized and unorganized players. It can be broadly classified into primary and secondary sectors. The primary sector produces billets, ingots, hot rolled coils, plates. These form raw materials for the secondary sector which produces pipes, cold rolled & galvanized products. The operations of your Company are in secondary steel segment with product mix of cold rolled and galvanized steel sheets/strips catering to automobile, hardware, housing, consumer durables, infrastructure and other engineering sectors. The gloomy global macroeconomic environment coupled with slackening of growth in domestic market poses major challenges for the overall steel sector including your company's plans of revival.

b) Company's Performance:

The operations of your company have been meager during 2011-12 due to stifling liquidity crunch

caused by erosion of net worth/working capital by accumulated losses. The turnover & other income of the company for the year 2011-12 sharply decreased to Rs. 9.57 crores in comparison to Rs. 44.38 crores in the previous year 2010-11. The net loss for financial year ended 31st March, 2012 is Rs. 5.15 crores.

Your company has filed reference with the Board for Industrial and Financial Reconstruction (BIFR) under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 on 08.02.2012 and it stands registered vide Case No. 27/2012.

Your company continued to be in default to the lending banks in meeting financial commitments in view of operational and financial constraints but it adopted proactive approach to address this grim situation by pursuing one time/negotiated settlement of bank dues by hiving off/sale of plant facilities and balance by private arrangement of funds by promoters including provision for paying off statutory dues.

During the course of discussions for settlement of dues with lead banker viz. State Bank of Patiala and prior to the culmination of these discussions into approval of One Time Settlement (OTS) envisaging inter-alia proposal of sale of company's plant facilities at G.T. Road, Doraha to an affiliate of an internationally recognized steel conglomerate in India, the company received demand notice dated 13.02.2012 under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) Act, 2002 from State Bank of Patiala inter-alia calling upon the company and its directors/guarantors payment of amounts mentioned in the notice together with interest etc. within 60 (sixty) days from the receipt of the notice & restraining transfer by sale/lease or otherwise of secured assets.

Your company replied to this notice and requested State Bank of Patiala for its withdrawal to facilitate contemplated transactions of sale in its approved OTS to be completed without any threat or apprehension of proposed action under SARFAESI Act, 2002. However the bank did not accept request for the withdrawal of the notice but terms of OTS were not agitated.



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Your company vigorously stepped up efforts for negotiated settlement of dues with other lending banks so as to implement the conditions attendant in One Time Settlement scheme approved by the lead banker. However these efforts of your company was constrained by the fact that each of the other lending/consortium banks have its own system / mechanism of considering and approving settlement of dues including granting of concessions /sacrifices even on the lines of those approved by the lead banker. Consequently the financial year was scheduled to be extended so as to close on 30th September ,2012 so that the financial year itself depicts the outcome of one time/ negotiated settlement of dues being pursued with the banks . However uncertainty still persists as to implementation of the one time settlement/ negotiated settlement of dues before 30th September ,2012 . So it was decided not to go ahead with the extension of the financial year and continue to adopt usual annual closure of 31st March

c) Dividend

The directors regret their inability to declare any dividend in view of losses .

d) Outlook & SWOT Analysis

The operations of your company are presently standstill with the wiping out of its net worth /working capital by losses resulting into disconnection of electricity connection of both plants and mopping up of bank & statutory dues in the nature of provident fund, employees state insurance, income tax etc. There are apprehensions of threatened litigations.

Against this backdrop ,your company proposes to take measures for rehabilitation/revival of operations in consultation /approval of the lending banks /BIFR and is of confident of positive outcome in view of following areas of strength and opportunities despite exposed to threats/weakness as stated below :

Strength

1. Independently located 2(two) manufacturing facilities - any of which can be hived off / disinvested for long term viability of the company.

2. Surplus moveable assets to infuse liquidity through sale with the permission of the lending banks/BIFR.
3. Manufacturing units having intrinsic strength & economic values to get replaced with alternate market oriented manufacturing lines /supplement the existing facilities
4. Strategic advantage of being located in industry friendly area having all infrastructural amenities.

Weaknesses

1. Stifling liquidity/working capital crunch presently constraining the operations of the company.
2. Working capital intensive nature of existing operations of the company & tightening of available trade credit
3. Erosion of net worth of the company
4. Volatile economic scenario

Opportunities

1. Expected reliefs/concessions under SICA ,1985 including suspension of legal proceedings to assist rehabilitation of the company in the interest of all stakeholders if the company gets registered as Sick Industrial undertaking .
2. Revival of operations if working capital concerns are addressed .
3. Being listed company, infusion of funds /liquidity through private arrangements/strategic investors if adjustments /set off in disproportionate levels of debts /dues through debt rehabilitation plan are permitted without proposed takeover /sale of units under SARFAESI Act,2002

Threats

1. Disruption of relationships with lenders and creditors and legal proceedings thereof
2. Loss of business from customers on account of supply constraints
3. Credit risk that can arise from deterioration in the financial health of any customers
4. Loss of key managerial personnel/manpower leaving of company



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Internal Control System

Your Company has adequate internal control system commensurate with the size and nature of business to ensure utilization and protection of assets, compliance with statutes and proper recording of transactions. M/s. Parshotam Singla & Associates, Chartered Accountants conducts internal audit of affairs of your company. Your Company has also an Audit Committee which inter-alia reviews internal control system of the company from time to time.

Industrial Relations

Industrial relations remained harmonious during the year under review.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, Corporate Governance Report, certifications and Auditors' Certificate regarding compliance of conditions of Corporate Governance are annexed to the Directors' Report as Annexure-I.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 your directors state that they have:

- a) Followed, in the preparation of Annual Accounts, the applicable accounting standards.
- b) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year and the loss of the company for that year.
- c) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities.
- d) Prepared the annual accounts on a going concern basis.

Directors

Sh.Amarjit Singh Palta retires by rotation as director

and being eligible offer themselves for re-appointment at the ensuring Annual General Meeting of the Company.

Fixed Deposits

During the year under review, the Company has not accepted any deposits within the meaning of Section 58-A of the Companies Act, 1956 and rules made hereunder:

Auditors

M/s. M. P. Goyal & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of this Annual General meeting and are eligible for re-appointment. They have confirmed that they have been subjected to peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of ICAI. They have also furnished a certificate to the effect that their appointment, if made, will be in accordance with Section 224(1B) of the Companies Act, 1956.

Auditors' Report

Auditor's Report read with Notes on Accounts is self-explanatory and does not call for further explanations. Pursuant to Section 217(3) of the Companies Act, 1956, following explanations are given on observations/ remarks on audited accounts :

Regarding Auditors observations as to accumulated losses exceeding the net worth of the company, it is hereby submitted that company has already filed reference under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 on 08.02.2012 and it stands registered vide Case No. 27/2012.

Regarding the observations as to default in provident fund, employees state insurance, welfare fund contributions & electricity dues, it is submitted that stifling liquidity crunch caused by erosion of net worth/ working capital resulted into default in these payments /dues. The company will be settling all these outstandings in the manner as may be set out in proposed revival plans in consultation with lending banks /BIFR

The preparation of accounts on ongoing basis is based on these perceptions of management and relied upon by the auditors



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Regarding contingent liabilities as to filing of OA with Debt Recovery Tribunal -1 at Chandigarh by Punjab State Industrial Development Corporation Limited (PSIDC) in connection with cancellation of previously entered and executed buy back arrangements, it is submitted your company has approached the Hon'ble High Court for the states of Punjab and Haryana at Chandigarh challenging amongst others this move of the PSIDC. The company has been granted interim protection with the stay of proceedings at Debt Recovery Tribunal

Regarding observations as to stay on alienation of 13 Kanals 18.5 Marals of company's land forming part & parcel of its 79 Kanals 12 Marals of land housing company's unit no. 2 at G.T.Road, Doraha, it is submitted that this area of land is duly registered in the name of the company in January 1995 & subsequently mutated in its name. Your company is not /was not imp leaded as party in RSA No. 5039 filed in Hon'ble High Court for the states of Punjab and Haryana in which stay is transpired to be passed on account of dispute amongst family members/legal heirs of the seller and subsequently stay order stands entered in mutation records. The company is exploring all legal options available to it to protect its interests.

Cost Auditors

Sh. Gurjant Singh, cost accountants, FCMA-22514 have been appointed as cost auditors of the company under Section 233B of the Companies Act, 1956 read with Cost Audit Rules 2011 for the year 2012-13. The Cost Auditors Report for the financial year 2011-12 will be forwarded to the central government as required by law.

Listing

The Equity Shares of your Company continue to be listed with the Bombay Stock Exchange Limited to whom Annual Listing Fee upto year 2012-13 has been duly paid.

Conservation of Energy, Technology Absorption and Foreign Exchange

Information required under Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given as the Annexure-II to the Directors' Report.

Particulars of Employee

During the year under review, no employee of the Company was drawing remuneration equal to or more than the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

Acknowledgement

Your directors wish to place on record their gratitude to lenders, creditors, shareholders, government departments, customers and business constituents for their co-operation.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's expectations, estimates, and projections may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

For and on behalf of the Board of Directors
(Bharat Bhushan Jindal
Managing Director

Place : Ludhiana (Amarjit Singh Palta)
Date : 05.09.2012 Director

Annexure-I Corporate Governance Report

1. Company's Philosophy on Code of Governance

Your Company believes in principles of transparency, integrity and accountability in all dealings in pursuit of its overall organizational goals. The focus areas of your company include compliances of statutes, self-discipline, timely and transparent disclosures.

2. Board of Directors

(a) Board Meetings

During the financial year 2011-12, 11 (eleven) Board Meetings were held on 22.06.2011, 17.08.2011, 29.08.2011, 10.09.2011, 29.09.2011, 14.10.2011, 12.11.2011, 14.12.2011, 16.12.2011, 13.02.2012 & 28.03.2012.



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The details of the Board composition, attendance of directors at Board Meetings during 2011-12 and their other memberships are given below:-

Name of Directors	Category	No. of Board Meetings Attended	Attendance at last AGM	Total number of Directorships in other companies		No. of Committee Positions in other Companies	
				Chairman	Member	Chairman	Member
Mr. Bharat Bhushan Jindal	Promoter & Managing Director	11	Yes	-	3	-	-
Mr. Mohan Lal Jindal	Promoter & Executive Director	8	Yes	-	1	-	-
Mr. Amarjit Singh Palta	Professional Director	11	Yes	-	-	-	-

(b) Composition

The Board presently comprises of three directors. Two of them belong to promoters group while rest is non-executive professional director.

(c) Information of Director being Re-Appointed

A brief resume of the directors being appointed/ re-appointed at the ensuing Annual General Meeting is furnished below:-

Sh. Amarjit Singh Palta aged 53 years is post graduate in commerce. He is having more than three decades of experience in fields of accounts, finance and taxation. He is not director of any other company.

(d) Relationship amongst Directors

Sh. Bharat Bhushan Jindal, Managing Director is the nephew of Sh. Mohan Lal Jindal, Executive Director of the Company. Sh. Amarjit Singh Palta is not related with any director of the company.

(3) Audit Committee

Audit Committee of the company comprises of Sh. Bharat Bhushan Jindal, Sh. Mohan Lal Jindal & Sh. Amarjit Singh Palta as members. The Statutory Auditors and Internal Auditors are permanent invitees to this Committee. The Company Secretary is the Secretary of the Committee. The terms of reference of Audit Committee are as contained in Clause 49 of the Listing Agreement also in Section 292A of the Companies Act, 1956. The appointment, removal and terms of remuneration of internal auditor are

also subject to review by Audit Committee. The Audit Committee met 5 (five) times during financial year 2011-12 on 30.05.2011, 29.08.2011, 29.09.2011, 12.11.2011, 13.02.2012.

(4) Whistle Blower Policy

Your Company has adopted an internal policy on access to Audit Committee whereby any personnel who observes any unethical or improper practice in respect of matters involving any alleged misconduct (not necessarily a violation of law) can approach the Audit Committee without necessarily informing their supervisors. The Company has provided protection to "whistle blowers" from unfair termination and other prejudicial employment practices.

(5) Remuneration Committee

The Remuneration Committee of the company decides policy on specific remuneration packages to directors including pension rights and any other compensation payments. It comprises of Sh. Bharat Bhushan Jindal, Sh. Amarjit Singh Palta, Sh. Parshotam Lal Singla, Chartered Accountants, Internal Auditors and Vikas Rai Berry Company Secretary as members.

The Company pays remuneration to the Managing Director and the Executive Director only. The



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details of remuneration paid to them during the year 2011-12 are given below:-

Name	Designation	Tenure of appointment	Salary in lacs	Perks	Gross in lacs
Mr. Bharat Bhushan Jindal	Managing Director	5 years	12.00	Nil	12.00
Mr. Mohan Lal Jindal	Executive Director	5 years	4.20	Nil	4.20

During the financial year 2011-12, one meeting of remuneration committee was held on 12.11.2011.

As of now, the company does not have any Employee Stock Option Plan (ESOP).

(6) Shareholders Grievance Committee:

Shareholders Grievance Committee looks into redressing of Shareholders complaints like transfer of shares, non-receipt of shares/annual reports etc. & reviewing the reports of the Company's Registrar. It comprises of Sh. Bharat Bhushan Jindal as Chairman, Sh. Amarjit Singh Palta & Sh. Vikas Rai Berry as members.

During the year 2011-12, the Company received 1 (one) complaint related to transfer of shares which was duly replied. There was no pendency in respect of complaints/ queries from shareholders. The Shareholders Grievance Committee met 4 (times) on 30.05.2011, 29.09.2011, 12.11.2011 and 13.02.2012. The company has designated vikasrai339@rediffmail.com as separate e-mail ID for redressal of investors complaints and grievances.

A secretarial Audit is carried out by the Statutory Auditors of the Company to reconcile the admitted capital with NSDL & CDSL and total issued and listed capital. This audit is carried out in every quarter. The secretarial report confirms that total issued capital is in agreement with total number of shares in physical form and in dematerialized form with NSDL & CDSL.

7. General Body Meetings

The details of last three Annual General Meetings are as follows:-

Meeting	Day, Date & Time of Meeting	Venue	No. of Special Resolutions
23 rd	Wednesday, 14 th December 2011 at 4.00 P.M.	C-122,Phase-V, Focal Point, Ludhiana	1
22 nd	Wednesday, 15 th September, 2010 at 11.00 A.M.	—do—	-
21 st	Friday, 31 st July, 2009 at 11:00 A.M.	—do—	2

Postal Ballot

During the year, a resolution was passed by way of postal ballot on 14th October 2011 under Section 293(l)(a) read with Section 192A of the Companies Act, 1956 for getting consent of shareholders for authorizing Board of Directors to transfer, sell, lease and/or dispose off block assets comprising off land ,building, plant & machinery and misc fixed assets of the company situated at C-122,Phase-V, Focal Point, Ludhiana and /or G.T.Road, Village Jaspalon, Doraha, Khanna.

Summary of the results announced by Mr. Bharat Bhushan Jindal, Managing Director on 14th October 2011 on aforesaid Postal Ballots are as follows:-

- Name of Scrutinizer: Mr. Ved Parkash Chhabra, Practising Company Secretary
 - No. of valid Ballots received: 41
 - Votes in favour of the resolution: 52,89,594
 - Votes against the resolution: 300
- The resolution was passed by requisite majority.

8. Disclosures

During the year under review, there was no material significant transaction with the promoters, directors, management, their relatives etc. that may have potential conflict with the interest of the Company at large.

There has not been any non-compliance by the Company in respect of which penalties or strictures



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have been imposed by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The Company has not issued any GDRs/ADRs.

The Company did not have any subsidiary company.

The disclosures as to Contingent liabilities and related party transactions are given in the Notes on Accounts annexed with the Balance Sheet and Profit & Loss Account.

9. Means of Communication

The Company communicated with the share holders at large through its Annual reports, publication of financial results in a English newspapers usually The Financial World and a vernacular newspaper usually Punjabi newspaper Desh Sewak and by filing reports & returns with the statutory bodies like Stock Exchange and the Registrar of Companies.

The Management Discussion and Analysis is included in the Directors' Report.

10. General Information for Shareholders

Date : 29th September, 2012
Time : 04:00 P.M.
Venue : C-122, Phase-V, Focal Point,
Ludhiana-141010 (Punjab)

ii) Financial Calendar 2012-13

First Quarter Results : 11.08.2012
Second Quarter Results: Within 45 days from quarter
ending 30th September, 2012
Third Quarter Results : Within 45 days from quarter
ending 31st December, 2012
Fourth Quarter Results : Within 45 days from quarter
ending 31st March, 2013
Annual Results 2012-13: Within 60 days from financial
year ending 31st March, 2013

iii) Date of Book Closure

27.09.2012 to 29.09.2012 (both days inclusive)

iv) Dividend Payment Date

Not Applicable as dividend is not being declared.

v) Listing & Stock Code

The equity shares of the Company are presently listed with the Bombay Stock Exchange Limited,

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 vide script code no. 513530. Annual Listing fee upto 2012-13 has been duly paid.

vi) Market Price Data

Financial Year 2011-12	Share Prices of the Company at BSE		BSE Sensex	
	High	Low	High	Low
April 2011	10.87	8.50	19811.14	18976.19
May 2011	10.97	8.25	19253.87	17786.13
June 2011	10.98	8.77	18873.39	17314.38
July 2011	10.67	8.77	19131.70	18131.86
August 2011	10.24	7.34	18440.07	15765.53
September 2011	9.45	7.99	17211.80	15801.01
October 2011	9.90	6.85	17908.13	15745.43
November 2011	7.11	4.46	17702.26	15478.69
December 2011	4.68	3.08	17003.71	15135.86
January 2012	3.58	3.02	17258.97	15358.02
February 2012	4.53	3.25	18523.78	17061.55
March 2012	4.99	3.89	18040.69	16920.61

vii) Dematerialization of Shares, Registrar & Transfer Agent.

The equity shares of the Company are available for dematerialisation through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

8442325 Equity Shares comprising of 94% (approx.) of the total equity shares of the company are in dematerialized form as on 31.03.2012.

The International Securities Identification Number (ISIN) of the Company is INE 308D01013. M/s. Skyline Financial Services Pvt. Ltd. having office at D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 has been Registrar for depository services and STA for handling of physical share transfer work.

viii) Share Transfer System

The dematerialized equity shares are directly transferred to the beneficiaries by the depositories. The process of transfer/transmission/ transposition etc. of equity shares in physical form including despatch of the share certificates is completed within a period of fifteen days if the documents are in order in all respects. The Shareholders Grievance Committee specifically looks into the redressal of shareholders complaints like transfer of equity shares and related matters.



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ix) Distribution of Shareholding as on 31.03.2012

Share Holding		Share Holders		Share Holding	
Range		Number	% to total	Number	% to total
Upto 1000		4886	93.5	1206756	14.2
1001 5000		269	5.1	578491	6.9
5001 10000		29	0.6	198509	3.1
10001 and above		42	0.8	6991244	75.8
Total		5226	100.0	8975000	100.0

x) Share Holding Pattern as on 31.03.2012

Category	No. of Shares	% to Total
Promoters Group	4110467	45.8
Corporate Bodies	1341199	14.9
Indian Public	3523334	39.3
Total	8975000	100.0

Promoters Group include Mrs.Santosh Rani, Mr. Mohan Lal Jindal, Mrs.Suresh Rani, Mr.Mohit Jindal, Mr.Mohan Lal-Karta (Mohan Lal & Sons-HUF), Mr.Bharat Bhushan Jindal, Mr. Abhishek, Mrs.Shveta Gupta, Mrs. Shweta Jindal Mrs.Kamal Kanta, Mr.Bharat Bhushan -Karta (Bharat Bhushan & Sons-HUF), Stelco International Limited and B.M.J Real Estates Pvt. Ltd.

xi) Plant Locations

Unit No.1 : C-122, Phase-V, Focal Point, Ludhiana-141010
Unit No.II : G. T. Road, Village Jaspalon, Doraha, Distt. Ludhiana

xii) Address for correspondence

Registered Office : C-122, Phase-V, Focal Point, Ludhiana-141 010. (Punjab)
Telephone : 9872427770
Fax : 0161-5018244
E-mail : vikasrai339@rediffmail.com
shares@stelcostrips.com
stelco@satyam.net.in
Website : www.stelcostrips.com

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE.

To,
The Members
Stelco Strips Limited,

We have reviewed & examined the compliance of conditions of Corporate Governance by Stelco Strips Limited for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the company.

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

For M. P. Goyal & Co.
Chartered Accountants

Place: Ludhiana (Rajnish Goyal,F.C.A)
Date : 05.09.2012 Partner

ANNEXURE-II TO THE DIRECTORS' REPORT

Information as per Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

A) CONSERVATION OF ENERGY

The Company gives priority to conservation of energy with stress on preventive maintenance, plugging of leakages & replacement of worn out wires.

B) TECHNOLOGY ABSORPTION

The technology used by the Company is purely indigenous. No technology has been imported by the Company in the last 5 years.

C) FOREIGN EXCHANGE

a) Foreign Exchange earned : Nil
b) Foreign Exchange used : Rs. 66201



STELCO STRIPS LIMITED

FORM 'A'

Particulars	2011-12	2010-11
1) Power & Fuel Consumption		
Electricity Purchased		
Units KWH	731777	5126509
KVAH	737558	5200056
Total Amount (Rs.)	10449555*	28598527
Average Rate/Unit(Rs.)	14.28	5.58
2) Coal	Nil	Nil
*includes levy of minimum electricity charges with the closure of plant facility (ies)		

For and on behalf of the Board of Directors
(Bharat Bhushan Jindal)
Managing Director

Place : Ludhiana (Amarjit Singh Palta)
Date : 05.09.2012 Executive Director

Declaration Regarding Compliance with Code of Conduct

To,
The Members
Stelco Strips Limited,

This is to confirm that the Company has adopted Code of Conduct for Board members and senior management personnel. The said code has been communicated to the directors and members of Senior Management, who have affirmed compliance of the same which inter alia includes :

"All the Directors and the entire management personnel are expected to conduct the operations of the Company in an impartial and objective manner with ensuring that canons of honesty, transparency, integrity, accountability and openness be the guiding force for all endeavours.

Regular and reliable information be timely disseminated to the stake holders".

For and on behalf of the Board of Directors

Place : Ludhiana (Bharat Bhushan Jindal)
Date : 05.09.2012 Managing Director

CEO/CFO CERTIFICATION

- To
The Members of Stelco Strips Limited,
- a) We, on the basis of review of the Financial Statements and Cash Flow Statement of the Company for the financial year ended 31st March, 2012 and to the best of our knowledge and belief, certify that :
- i) These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading.
- ii) These statements together present a true and fair view of the company affairs and are in compliance with the existing accounting standards and /or applicable laws/regulations.
- iii) No transactions were entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- b) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company and we have also disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of internal controls, if any, of which we are aware and that steps we have taken or propose to take to rectify these deficiencies.
- c) We further certify that :
- i) There have been no significant changes in internal control during this year;
- ii) There have no significant changes in accounting policies during this year.
- iii) There have no instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system.

For and on behalf of the Board of Directors

(Bharat Bhushan Jindal)
Managing Director

Place : Ludhiana (Vikas Rai Berry)
Date : 05.09.2012 Company Secretary



STELCO STRIPS LIMITED

AUDITORS' REPORT

To

The Members

Stelco Strips Limited,

- 1) We have audited the Balance Sheet of M/s Stelco Strips Limited as at 31st March, 2012 and Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of Company Affairs Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of that checks as we considered appropriate and according to information and explanations given to us, we annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examinations of the books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement as referred to in this report are in agreement with the books of account produced before us;

(d) In our opinion, the Balance Sheet, Profit and Loss Account & Cash Flow Statement of the Company dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.

(e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with Notes to Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

(ii) In the case of Profit & Loss Account, of the Loss for the year ended on that date;

(iii) In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

For M.P. Goyal & Co.
Chartered Accountants

Place: Ludhiana
Date : 05.09.2012

(Rajnish Goyal, F.C.A)
Partner
(M.NO.93622)



STELCO STRIPS LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanation given to us, no substantial part of fixed assets has been disposed off by the Company during the year, and therefore it does not effect the going concern assumption.
2. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material.
3. The Company has not granted or taken any loans, secured or unsecured to and from Companies, firms or other parties as covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal procedures commensurate with the size of the company and the nature of its business for the purchase of the inventory, fixed assets and for sale goods. Further on the basis of our examination of the books & records of the Company & according to information & explanations given to us, we have neither come

across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.

5. We are informed that there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 & aggregating during the year to Rs. 500000/- or more in respect of any party.
6. According the records of the company & the information & explanations given to us, the Company has not accepted deposits within the meaning of the provisions of Section 58-A and 58AA of the Companies Act, 1956 and the rules made hereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Govt. has prescribed for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products manufactured by the company to which The Companies (Cost Accounting Record), Rules 2011 are applicable. The Company maintains the same, we have however not made a detailed examination of records with a view to determine whether they are accurate or complete.
9. (a) *According to the records of the Company and the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including sales Tax, wealth Tax, custom Duty, excise duty, cess and other statutory dues applicable to it except the following payment of dues /demands outstanding for a period of more than 6(six) months from the date they became payable :*

Name of Statute /Authority	Nature of dues	Amount (Rs)
The Employees Provident Fund & Misc. Provisions Act ,1952	Provident Fund dues/contributions	13,99,133/-
Employees State Insurance Act,1948	Employees state Insurance dues/contributions	1,54,362/-
Punjab Labour Welfare Act ,1948	Welfare fund contributions	4,155/-



STELCO STRIPS LIMITED

(b) According to the records of the Company and the information and explanations given to us, the details of disputed statutory dues that have not been deposited on account of matters pending before the appellate authorities in respect of income tax, excise tax, service tax are as follows:

Nature of dues/name of the statute	Disputed Amount (in Rs.)	Forum where dispute is pending
Income Tax Act, 1961	2,81,10,200/-	Income Tax Commissioner (Appeals), Ludhiana
Central Excise Act, 1944	2,65,867/-	Deputy Commissioner (Excise), Ludhiana
Central Excise Act, 1944	35,75,264/-	Central Excise & Service Tax Appellant Tribunal, Delhi
Central Excise Act, 1944	2,03,175/-	Commissioner (Appeals) Central Excise, Chandigarh

10. The Company has accumulated losses as at 31st March, 2012 amounting to Rs.4540.19 Lacs i.e., more than its net worth and has incurred cash losses amounting to Rs.259.72 Lacs during the financial year ended on that date and also incurred cash losses in the previous year.
11. According to the records of the Company and the information and explanations given by the management, the Company has defaulted in repayment of dues to a financial institution, banks (State Bank of Patiala, The Saraswat Cooperative Bank Ltd and IDBI Bank) as at the Balance Sheet date.
12. According to information & explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. According to the records & the information & explanations given to us, the Company is not a

dealer or trader in shares, securities, debentures, and other investments.

15. According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the records of the Company & the information & explanations given to us, no term loans/Working Capital Term Loans were raised during the year.
17. According to information and explanations given to us and as per the books and records of the Company, as on the date of balance sheet, the funds raised by the Company on short term basis have not been applied for long term investments.
18. According to the records & the information & explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to records of the Company & the information & explanations given to us, no debentures have been issued by the Company.
20. The company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us., we have neither come across any instance of fraud on or by the company noticed or reported during the year, nor have we been informed of such case by the management.

For M.P. Goyal & Co.
Chartered Accountants

Place: Ludhiana
Date : 05.09.2012

(Rajnish Goyal, F.C.A)
Partner
(M.NO.93622)



STELCO STRIPS LIMITED

Balance Sheet as at 31st March, 2012

Particulars	Note	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
I. Equity and Liabilities			
(1) Shareholder's Funds			
(a) Share Capital	2	89750000	89750000
(b) Reserves & Surplus	3	(381622517)	(324768917)
(2) Non-Current Liabilities			
(a) Long Term Borrowings		—	—
(b) Deferred Tax Liabilities (net)		34991225	29736575
(c) Other Long Term Liabilities (non-current)		—	—
(d) Long Term Provisions		—	—
(3) Current Liabilities			
(a) Short Term Borrowing	4	835681758	835695551
(b) Trade Payables	5	7455079	30684214
(c) Other Current Liabilities		7454271	5848416
(d) Short Term Provisions		—	—
Total		593709816	666945839
II. Assets			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	6	384896908	392083597
(b) Non-Current Investments	7	25000	209860
(c) Long Term Loans and Advances	8	7994000	8027555
(d) Other Non-Current Assets	9	136672568	51939852
Current Assets			
(a) Inventories	10	36547586	59276710
(b) Trade receivable	11	—	124066694
(c) Cash and Bank Balances	12	749165	259510
(d) Other Current Assets	13	26824589	31082060
Total		593709816	666945839

Signature to Notes 1 to 21

Subject to Separate Report of Even Date attached

For & on Behalf of Board of Directors

For M.P.Goyal & Co.
Chartered Accountants

(Rajnish Goyal)
Partner

(Bharat Bhushan Jindal)
Managing Director

(Amarjit Singh Palta)
Director

Place : Ludhiana
Date : 05.09.2012

(Vikas Rai Berry)
Company Secretary



STELCO STRIPS LIMITED

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

Particulars	Note	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
I. Revenue from operations	14	88842121	442643269
II. Other income (net)	15	6875014	1226440
III. Total Revenue (I+II)		95717135	443869709
IV. Expenses			
(a) Cost of Material Consumed	16	58367828	311377724
(b) Changes in inventories	17	21415066	443409352
(c) Employees Benefits Expenses.	18	19029871	27620723
(d) Finance Costs	19	303175	75085363
(e) Depreciation and amortization expenses	20	25627342	22934812
(f) Other Expenses	21	22572803	85728304
Total Expenses		147316085	966156278
V. Profit (Loss) before exceptional, extraordinary items & tax (III-IV)		(51598950)	(522286569)
VI. Exceptional Items		—	—
VII. Profit (Loss) before extraordinary items and tax (V-VI)		(51598950)	(522286569)
VIII. Extraordinary items		—	—
IX. Profit (Loss) before tax (VII-VIII)		(51598950)	(522286569)
X. Tax Expense			
(a) Current Tax		—	—
(b) Earlier year Tax adjusted		—	(353557)
(c) Deferred Tax		—	—
XI. Profit (Loss) for the year from continuing operations		(51598950)	(521933012)
XII. Profit (Loss) for the year from discontinuing operations		—	—
XIII. Tax Expense of discontinuing operations		—	—
XIV. Profit (Loss) form discontinuing operations (XII-XIII)		—	—
XV. Profit (Loss) for the year (XI+XIV)		(51598950)	(521933012)
XVI. Earning per equity share (Face value : Rs. 10/- per share)			
(a) Basic		—	—
(b) Diluted		—	—

Signature to Notes 1 to 21

Subject to Separate Report of Even Date attached

For & on Behalf of Board of Directors

For M.P.Goyal & Co.
Chartered Accountants

(Rajnish Goyal)
Partner

(Bharat Bhushan Jindal)
Managing Director

(Amarjit Singh Palta)
Director

Place : Ludhiana
Date : 05.09.2012

(Vikas Rai Berry)
Company Secretary



STELCO STRIPS LIMITED

Notes to the financial statement for the year ended March 31,2012.

1. Significant Accounting Policies

(A) Accounting Conventions

The accounts are prepared on accrual basis under the historical cost convention in accordance with the relevant provisions of the Companies Act, 1956 & Accounting Standards stipulated by the Institute of Chartered Accountants of India. Accounts of the company have been prepared ongoing concern basis despite erosion of the Net Worth. The company has filed reference with the Board for Industrial and Financial Reconstruction (BIFR) under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 on 08.02.2012 and it stands registered vide Case No. 27/2012.

(B) Sales

Sales of goods are recognized at the point of dispatch of finished goods to customers and exclude excise duty, Value Added Tax and is net of returns.

(C) Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation. Cost of lease hold property is not amortized since the lease is for a long period.

(D) Depreciation

Depreciation is provided on Straight Line Method in accordance with the rates and manners specified in Schedule XIV of the Companies Act, 1956.

(E) Inventories (As physically verified, valued, and certified by the management)

- i.) Raw materials and work-in process are valued at cost.
- ii) Finished Goods are valued at cost or market price whichever is less.
- iii) Components, Stores and Spares, packing materials etc. are valued at cost.
- iii) Scrap is valued at realizable value.

(F) Excise Duty

Cenvat (Modvat) credit on excise duty paid inputs and capital assets is accounted for by reducing the purchase cost of the related inputs or the capital assets as the case may be. No effect is given for excise on finished goods stock at year end, as this has no impact on the profit/loss of the company.

(G) Income Tax

Being Losses, provision for income tax is not provided.

(H) Retirement Benefits

Contributions are made under the relevant rules/statutes for provident fund and family pension fund and Gratuity which are charged to the profit & loss account on accrual basis.

(I) Investments

Long term investments are carried at cost.

(J) Contingent liabilities

1. The Company is in default of Rs. 71,63,784/- in respect of electricity/energy bills and other charges of Punjab State Power Corporation Limited as on 31st March, 2012. Subsequently the electricity connection(s) stand disconnected on following dates :

Sr. No	Location of the Unit	Date of disconnection
1	G.T.Road, Village Doraha, Ludhiana	21.11.2011
2	C-122, Phase-V, Focal Point, Ludhiana	31.08.2012



STELCO STRIPS LIMITED

2. Demand Notice(s) amounting to Rs. 2,81,10,200/- received under Income Tax Act 1961 by the company are being contested at appellant authorities/level(s). The Company is confident to get desired relief. However, the Tax Recovery Officer (Central), Ludhiana in the mean time has prohibited and restrained transferring or charging of company's unit at C-122, Phase-V, Focal Point, Ludhiana as well as Village Jaspalon, G.T.Road, Doraha until further orders vide its Order of Attachment of immoveable property dated 21.12.2011.
 3. There are entries of Stay Order in revenue records due to orders purportedly to be passed by the Hon'ble High Court for the states of Punjab and Haryana at Chandigarh on alienation of 13 Kanals 18.5 Marals of company's land forming part & parcel of its 79 Kanals 12 Marals of land housing company's unit at G.T.Road, Doraha, standing mortgaged by deposit of title deeds with the lead banker viz. State Bank of Patiala.
Upon enquiry and perusal of records, it has transpired that alienation of the said property land has been stayed in a Regular Second Appeal i.e. RSA No. 5039 of 2003 titled as Amir Singh v/s. Amar Singh filed with the Hon'ble High Court for the states of Punjab and Haryana. It is still pending.
 5. Punjab State Industrial Development Corporation Limited has filed OA with Debt Recovery Tribunal-I for recovery of Rs. 34,40,625/- from the company and others in connection with cancellation of previously entered and executed buy back arrangements of 2,10,000 equity shares of the company.
 6. There have been no capital contracts pending to be executed at the end of the year (Previous Year : Rs.Nil)
- (K) In the opinion of the Board of Directors, the current assets, loans and advances and Current Liabilities are having the value at which they are stated in the Balance Sheet if realized in the ordinary course of business and subject to confirmation.
- (L) There is no Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises Act, 2006 to whom the Company owes a sum exceeding Rs.1.00 lac for more than 30 days as on the Balance-sheet date to the extent such enterprises have been identified based on the information available with the Company.
- (M) **Secured Loans**
The credit facilities of the banks are secured by charge on moveable and mortgage of specified immoveable properties of the company (including mortgage by deposit of title deeds of 79 kanals 12 Marals of the land at G.T.Road, Doraha).
The promoter-group have pledged 26,92,500 equity shares of Stelco Strips Limited in favour of State Bank of Patiala and 10,00,000 equity shares of the face value of Rs. 10/- each in favour of IDBI Bank as security for credit limits.
The company has defaulted in repayment of bank dues as at the balance sheet date and the accounts have been declared as NPA by the banks. The banks have recalled the credit limits granted to the company and hence have been treated as Short Term Borrowings.

(N) **Related Party Disclosure AS-18**

Managerial remuneration includes payment to Managing Director and Executive Director & Relatives are as follows:-

	2011-12	Rs. In Lakhs. 2010-11
Salary		
- Managing Director	12.00	12.00
- Executive Director	4.20	4.20
- General Manager*	6.00	6.00
Total	22.20	22.20

*Salary to Mr. Abhishek Jindal, who is related to Sh. Bharat Bhushan Jindal, Mg. Director.



STELCO STRIPS LIMITED

(O) As the Company's business activity falls within a single business segment i.e. Steel, the disclosure requirement of the Accounting Standard (AS-17) on segment reporting issued by the Institute of Chartered Accountants of India are not applicable

(P) Impairment /sale of Fixed Assets

The Company has reviewed as at 31.03.2012 the future earning of its cash generating unit in accordance of the "Accounting Standard 28 Impairment of Asset" issued by the Institute of Chartered Accountants of India. As the carrying amount of the assets does not exceed the future recoverable amount, consequently no adjustment is considered necessary by the management.

(Q) Foreign Currency Transactions

Foreign currency transactions are recorded at exchange rate prevailing at the time of actual payment/ receipt. Expenditure in foreign currency being travelling etc. during the current year is Rs. 66201 (previous year Rs. 439696).

(R) Earning per Share

Particulars	2011-12	2010-11
Net Profit (after Tax)	---	---
Weighted average number of Shares outstanding :		
i) For basic earnings per share	8975000	8975000
ii) For diluted earnings per share	8975000	8975000
Earning per Equity Share (face value of Rs. 10/- each)		
i) Basic	Nil	Nil
ii) Diluted	Nil	Nil

(S) Previous year figures have been re-grouped/re-arranged wherever considered necessary to conform as to requirements of revised schedule VI & to make them comparable with current year figures

	As at 31 March, 2012	As at 31 March, 2011
2. Share Capital		
(a) Authorised 15000000 (Previous Year 15000000) Equity Shares of Rs. 10/- each	15000000	15000000
(b) Issued, Subscribed and Paid up 8975000 (PreviousYear 8975000) Equity Shares of Rs. 10/- each	8975000	8975000

(c) Reconciliation of number of shares

	As at 31 March, 2012		As at 31 March, 2011	
	No.of Shares	Amount	No.of Shares	Amount
Equity Shares				
Opening Balance	8975000	89750000	8975000	89750000
Changes during the year	-	-	-	-
Closing Balance	8975000	89750000	8975000	89750000



STELCO STRIPS LIMITED

(d) Rights and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

(e) Details of shares held by the shareholders holding more than 5% of the aggregate shares in the company

Name	As at 31 March, 2012		As at 31 March, 2011	
	No. of Shares	%	No. of Shares	%
Century Fiscal Services Ltd	600000	6.69%	600000	6.69%
Mary Mary Fincaps Pvt Ltd	500000	5.57%	500000	5.57%
Bharat Bhushan Jindal Karta	629400	7.01%	629400	7.01%
Stelco International Ltd.	1054300	11.75%	1054300	11.75%

	As at 31 March, 2012	As at 31 March, 2011
3. Reserves & Surplus		
(a) Securities Premium Account	32663126	32663126
(b) General Reserves	44988425	50881285
Less Provision for deferred Tax	5254650	5892860
Sub total	39733775	44988425
(c) Profit & Loss Account Balance		
(i) Opening Balance	(402420468)	119512544
(ii) Forward from Statement of Profit and Loss	(51598950)	(521933012)
Sub total	(454019418)	(402420468)
Total	(a+b+c)	(324768917)
4. Short Term Borrowings		
Loans Repayable on Demand		
(a) State Bank of Patiala	640390476	640390476
(b) Saraswat Bank Limited	157277845	157277845
(c) IDBI Ltd	38013437	38027230
	835681758	835695551
5. Trade Payables		
Dues to Others	7455079	—
Dues to Related Parties	—	—
	7455079	—



STELCO STRIPS LIMITED

6. Fixed Assets & Depreciation

Particulars	Gross Block				Depreciation				Net Block	
	As At 1.4.2011	Additions	Sales/ Adjust- ments	As At 31.3.2012	As At 1.4.2011	For the Year	Adjust- ment/ Written Back	As At 31.3.2012	As At 31.3.2012	As At 31.3.2011
Land	2095349	—	200600	1894749	—	—	—	—	1894749	2095349
Building	67801708	2981174	—	70782882	16619510	2342892	—	18962402	51820480	53212467
Plant & Machinery	445929639	13262910	—	459192549	114485098	21636799	—	136121897	323070652	276282601
Furniture & Fixure	1837670	—	—	1837670	717129	116324	—	833453	1004217	1182011
Vehicles	11029729	3626249	1858726	12797252	5431595	1240476	544450	6127621	6669631	6682960
Office Equipment	4292851	85198	—	4378049	3650017	290852	—	3940869	437180	1030936
Grand Total	532986946	19955531	2059326	550883151	140903349	25627343	544450	165986242	384896909	340486324
Previous Year	433438850	30732909	4559370	459612389	98238464	20887601	—	119126065	340486324	335200374

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
7. Non-Current Investments		
Unquoted 2500 (Previous Year 2500) Equity Shares of Sarasawat Cooperative Bank Rs10/-each fully paid	25000	25000
Quoted Nil (Previous Year 474) Equity Shares of Punjab National Bank of Rs. 10/- each	—	184860
	25000	209860
8. Long Term Loans and Advances		
Security Deposits	7994000	8027555
9. Other Non-Current Assets		
(a) Trade Receivable	97891594	5194369
(b) Advances to Suppliers	20653737	28618246
(c) Others	18127237	18127237
	136672568	51939852
10. Inventories		
(As Physically verified, Certified & Valued by the Management)		
Raw Material	—	538780
Work in Progress	3476702	15981791
Finished Goods	170562	9080539
Store & Spares	32900322	33675600
	36547586	59276710
11. Trade Receivable(unsecured)		
Trade Receivable consists of followings		
(a) Over six months from the date they were due for payment		
(i) Considered good	—	65201100
(ii) Considered doubtful	—	58865594
(b) Others	—	—
(i) Considered good	—	—
(ii) Considered doubtful	—	—
	—	124066694



STELCO STRIPS LIMITED

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
12. Cash and Bank Balances		
Cash and Bank consists of the followings		
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	6973	118957
(ii) Cash on hand	742192	140553
(b) Other Bank balances		
(i) Short term bank deposits	—	—
	<u>749165</u>	<u>259510</u>
13. Other Current Assets		
(a) Balances with Statutory Authorities	18758043	18410120
(b) Other Current Assets	8066546	12671940
	<u>26824589</u>	<u>31082060</u>
Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
14. Revenue from operations		
Sale of Goods	96699234	467716477
Less Excise Duty	7857113	25073208
	<u>88842121</u>	<u>442643269</u>
15. Other income		
Divedend Rececived	5000	6521
Interest Received	835214	1014269
Profit on sale of Mutual Fund	385400	205650
Profit on sale of Fixed Assets	5649400	—
	<u>6875014</u>	<u>1226440</u>
16. Cost of materials consumed		
Stock at the commencement	538780	55125480
Add : Purchases	57829048	256791024
	<u>58367828</u>	<u>311916504</u>
Less : Stock at close	—	538780
	<u>58367828</u>	<u>311377724</u>
17. Changes in inventories		
Closing Stock	3647264	25062330
Opening Stock	25062330	468471682
	<u>21415066</u>	<u>443409352</u>
18. Employees benefits expenses		
Salary, Wages and Bonus etc.	17786053	25703705
Contribution towards PF & other Funds	934149	1453547
Staff Welfare expenses	309669	463471
	<u>19029871</u>	<u>27620723</u>



STELCO STRIPS LIMITED

Particulars	For the Year ended 31.03.2012	For the Year ended 31.03.2011
19. Finance Costs		
(a) Interest expenses	237721	73552641
(b) Other borrowing costs	65454	1532722
	<u>303175</u>	<u>75085363</u>
20. Depreciation and Amortization Expenses		
Depreciation of Tangible assets	<u>25627342</u>	<u>22934812</u>
21. Other Expenses		
Store and Spares Consumed	2321853	25624136
Power and Fuel	10626483	39961052
Repair & Maintenance	454305	3987966
Outside labour	193338	577255
Rent, Rates and Taxes	64317	66591
Insurance	492181	1629204
Repair & Maintenance Building	31060	567322
Repair & Maintenance - Others	530971	507337
Auditor remuneration	75000	75000
General Expenses	4390533	6959514
Advertisement and Publicity	90111	77332
Cartage Outward	386331	539457
Rebate and Discount	2839820	2375522
Commission	76500	425721
Export Expenses	—	2354895
	<u>22572803</u>	<u>85728304</u>

Signature to Notes 1 to 21

Subject to Separate Report of Even Date attached

For M.P.Goyal & Co.
Chartered Accountants

(Rajnish Goyal)
Partner

For & on Behalf of Board of Directors

(Bharat Bhushan Jindal)
Managing Director

(Amarjit Singh Palta)
Director

Place : Ludhiana
Date : 05.09.2012

(Vikas Rai Berry)
Company Secretary



STELCO STRIPS LIMITED

Cash Flow Statement for the year ended 31st March, 2012

Particulars	For the Year ended 31.03.2012 Rs in Lacs	For the Year ended 31.03.2011 Rs in Lacs
Cash Flow From Operating Activities		
Net profit (loss) before extraordinary items	(515.99)	(5222.87)
ADJUSTMENT FOR		
Depreciation	256.27	229.35
Interest on borrowing	3.03	735.53
Operating Profit before working capital changes	(256.68)	(35.28)
ADJUSTMENT FOR		
Trade & other receivables	346.75	1196.42
Inventories	227.29	5026.89
Trade payables & other liabilities	(216.23)	189.66
Loans & Advances	163.39	(104.56)
Cash generated from Operations	285.25	2050.42
Interest paid	3.03	735.53
Cash flow before Extra Ordinary items	282.21	1314.90
Increase in working capital	(0.14)	2223.13
Net cash from Operating Activities (A)	282.08	908.23
Cash flow from Operating		
Purchase of fixed assets	(199.56)	(756.26)
Sale of fixed assets	68.00	5.91
Sale (Purchase) of investments	1.85	8.50
Net cash used in investing Activities (B)	(129.71)	(741.85)
Cash flow from Financing		
Borrowing Net	—	2773.89
Unsecured Loans	—	(1201.18)
Net cash from financial activities (C)	—	1572.71
Net increase (Decrease) in cash and equivalent (A+B+C)	152.37	(77.36)
Cash and Cash Equivalent as at 01.04.2011 (Opening Balance)	2.60	71.39
Cash and Cash Equivalent as at 31.03.2012 (Closing Balance)	7.49	2.60

As per Separate Report of Even Date attached

For M.P.Goyal & Co.
Chartered Accountants

(Rajnish Goyal)
Partner

For & on Behalf of Board of Directors

(Bharat Bhushan Jindal)
Managing Director

(Amarjit Singh Palta)
Director

Place : Ludhiana

Date : 05.09.2012

(Vikas Rai Berry)

Company Secretary

AUDITOR'S CERTIFICATE

The Board of Directors
Stelco Strips Limited
C-122, Phase - V, Focal Point
Ludhiana-141010

We have examined the attached cash flow statement of Stelco Strips Limited for the year ended 31.03.2012, derived from audited financial statements and books of accounts & records maintained by the company and found the same in agreement there with.

Place : Ludhiana

Date : 05.09.2012

For M.P.Goyal & Co.
Chartered Accountant
(Rajnish Goyal)
Partner



Registered Office : C-122, Phase - V, Focal Point, Ludhiana - 141010.

ATTENDANCE SLIP

(Please fill this Attendance Slip and hand it over at the entrance of the Meeting Hall.)

Full Name of
the Shareholder :
(in Block Letters)

Name of Proxy :
(in Block Letters)

I, hereby record my presence at the 24th Annual General Meeting of the Company held on Saturday, the 29th day of September, 2012 at 4.00 P.M at the registered office of the Company at C-122, Phase - V, Focal Point, Ludhiana.

Folio No.

Client ID No.*

DP ID No.*

No of Shares held

(SIGNATURE OF THE ATTENDING MEMBER/PROXY)

NOTE:

- 1) Shareholders/Proxy holders attending the meeting are requested to bring the Attendance Slip to the meeting and hand over the same duly signed at the entrance of the meeting hall.
- 2) Shareholders/Proxy holders attending the meeting are requested to bring their copies of the Annual Report for reference at the meeting.



Registered Office : C-122, Phase - V, Focal Point, Ludhiana-141010.

PROXY

I/We of
in the district ofbeing a member/members of Stelco Strips Limited
hereby appoint
of in the district of
or failing him of
in the district of as my / our Proxy to attend and vote for me/us on my/our
behalf at the 24th Annual General Meeting of the Company to be held on Saturday, the 29th day of September, 2012
at 4.00 P.M at the registered office of the Company at C-122, Phase - V, Focal Point, Ludhiana.
and at any adjournment there of.

Signed this day of2012

Folio No.

Client ID No. *

DP ID No. *

No. of Shares held

Note : The Proxy must be returned so as to reach the registered office of the Company at C-122, Phase - V, Focal Point, Ludhiana - 141010 not less than 48 hours before the time for holding the aforesaid meeting.

*Applicable for Shareholders holding shares in dematerialised form.

Affix
Revenue
Stamp





STELCO STRIPS LIMITED

C-122, Phase-V, Focal Point, Ludhiana-141010.