



22ND ANNUAL REPORT 2012-13



Prakash Steelage Ltd.

*An ISO 9001-2008, ISO 14001-2004, BS OHSAS 18001-2007,
PED Certified, AD-2000-Merkblatt W O &
Government Recognised Star Export House*

Core Management Team



State-of-the-art manufacturing facility





Board of Directors



Prakash C. Kanugo

Chairman & Managing Director



Ashok M. Seth

Whole-time Director



Hemant P. Kanugo

Whole-time Director



Kamal P. Kanugo

Whole-time Director



Dr. Bipin C. Doshi

Non Executive Director



Himanshu J. Thaker

Non Executive Director



Gautam Chand Jain

Non Executive Director



A. Prakashchandra Hegde

Non Executive Director

Contents

1. Notice	02
2. Chairman's Letter to the Shareholders	15
3. Directors' Report	16
4. Annexure to the Directors' Report	19
5. Management Discussion and Analysis Report	21
6. Corporate Governance Report	26
7. Independent Auditors' Report	39
8. Annexure to the Independent Auditors' Report	41
9. Balance Sheet	44
10. Statement of Profit And Loss Account	45
11. Cash Flow Statement	46
12. Notes to Financial Statements	47
13. Attendance Slip And Proxy Form	

Company Secretary & Compliance Officer

Pallavi P. Shedge

Bankers

Vijaya Bank

ICICI Bank

The Royal Bank of Scotland NV

Bank of Baroda

Standard Chartered Bank

CITI Bank NA

ING Vysya Bank Ltd.

Union Bank of India

Statutory Auditors

M/s. Khandelwal Jain & Co.

Chartered Accountants

M/s. D. C. Bothra & Co.

Chartered Accountants

Internal Auditors

M/s. Anand Jain & Associates

Chartered Accountants

Registered Office

701, Mahalaxmi Chambers,

Bhulabhai Desai Road,

Mahalaxmi, Mumbai - 400 026 (India)

Tel.: 022-66134500 • Fax : 022-66134599

Email: investorsgrievances@prakashsteelage.com

Registrar & Transfer Agents

Bigshare Services Private Limited

E2/3, Ansa Industrial Estate,

Saki Vihar Road, Sakinaka,

Andheri (East), Mumbai – 400 072

Tel: +91-022-40430200/28470652

Fax: +91-022-28475207

Email: babu@bigshareonline.com

Website: www.bigshareonline.com

ISIN: E616K01016

Manufacturing Units

Silvassa : Survey No. 46/1, Parjai Road,

Village: Kherdi, Silvassa - 396 230,

Union Territory of Dadra & Nagar Haveli, (India)

Umbergaon : Plot No.131/1,

Umbergaon, Sanjan Road,

Umbergaon - 396 170, Dist.Valsad, Gujarat (India)

Notice

NOTICE is hereby given that the Twenty-Second Annual General Meeting of the Members of Prakash Steelage Limited will be held on Wednesday, 14th August, 2013 at 04:00 p.m. at Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss for the year ended on that date including notes to financial statements and the Report of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares of the Company.
3. To appoint a Director in place of Mr. Ashok M. Seth, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Hemant P. Kanugo, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint the Joint Statutory Auditors M/s. Khandelwal Jain & Co. (Firm Registration No. 105049W) & M/s. D. C. Bothra & Co. (Firm Registration No. 112257W), Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

6. To consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**

Re-appointment of Mr. Prakash C. Kanugo as the Managing Director

“RESOLVED THAT pursuant to Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force in India, read with Schedule XIII to the said Act, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Prakash C. Kanugo as the Managing Director of the Company for a period of 5 (Five) years with effect from 01st October, 2013 on such remuneration and on such other terms and conditions as detailed in the explanatory statement as annexed to this notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter, vary and modify the said terms including salary, allowance and perquisites in such manner as may be agreed between the Board and Mr. Prakash C. Kanugo within and in accordance with and subject to the limits stipulated in the Schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government and as may be agreed between the Board of Directors and Mr. Prakash C. Kanugo.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution.”

7. To consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**

Re-appointment of Mr. Ashok M. Seth as a Whole-time Director

“RESOLVED THAT pursuant to Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force in India, read with Schedule XIII to the said Act, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Ashok M. Seth as a Whole-time Director of the Company for a period of 5 (Five) years with effect from 01st October, 2013 on such remuneration and on such other terms and conditions as detailed in the explanatory statement as annexed to this notice.



RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter, vary and modify the said terms including salary, allowance and perquisites in such manner as may be agreed between the Board and Mr. Ashok M. Seth within and in accordance with and subject to the limits stipulated in Schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government and as may be agreed between the Board of Directors and Mr. Ashok M Seth.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution.”

8. To consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**

Re-appointment of Mr. Hemant P. Kanugo as a Whole-time Director

"RESOLVED THAT pursuant to Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force in India, read with Schedule XIII to the said Act, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Hemant P. Kanugo as a Whole-time Director of the Company for a period of 5 (Five) years with effect from 01st October, 2013 on such remuneration and on such other terms and conditions as detailed in the explanatory statement as annexed to this notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter, vary and modify the said terms including salary, allowance and perquisites in such manner as may be agreed between the Board and Mr. Hemant P. Kanugo within and in accordance with and subject to the limits prescribed in schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government and as may be agreed between the Board of Directors and Mr. Hemant P. Kanugo.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution.”

9. To consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**

Re-appointment of Mr. Kamal P. Kanugo as a Whole-time Director

"RESOLVED THAT pursuant to Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force in India, read with Schedule XIII to the said Act, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Kamal P. Kanugo as a Whole-time Director of the Company for a period of 5 (Five) years with effect from 01st October, 2013 on such remuneration and on such other terms and conditions as detailed in the explanatory statement as annexed to this notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter, vary and modify the said terms including salary, allowance and perquisites in such manner as may be agreed between the Board and Mr. Kamal P. Kanugo within and in accordance with and subject to the limits stipulated in schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government and as may be agreed between the Board of Directors and Mr. Kamal P. Kanugo.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution.”

Regd. Office:
701, Mahalaxmi Chambers,
Bhulabhai Desai Road,
Mahalaxmi, Mumbai - 400 026

On Behalf of the Board of Directors
For Prakash Steelage Limited

Place: Mumbai
Date: 30th May, 2013

Prakash C. Kanugo
(Chairman & Managing Director)

NOTES:

- a. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of him and such proxies need not be a member of the Company.**

The instrument appointing the proxy must be deposited at the Company's Registered Office, not less than 48 hours before the commencement of the Annual General Meeting.

- b. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- c. The Register of Members of the Company and Share Transfer Books will remain closed from Friday, 09th August, 2013 to Wednesday, 14th August, 2013 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared.
- d. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- e. The dividend, if declared, will be paid on or before 11th September, 2013.
- f. The dividend, if declared at the meeting, shall be paid within the stipulated period, to those members of the Company whose names appear on the Register of Members of the Company as on 08th August, 2013. In respect of shares held in Electronic form, the dividend will be paid to the beneficial owners as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner as on that date.
- g. Members are requested to notify immediately any change in their address / Bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical shares Folios to the Registrars and Share Transfer Agent of the Company M/s. Bigshare Services Private Limited, E2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai - 400 072.
- h. Kindly quote your Ledger Folio Number / Client ID Number in all your future correspondence.
- i. Members/Proxy holders are requested to bring their copies of the Annual Report to the Annual General Meeting of the Company.
- j. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- k. Section 109A of the Companies Act, 1956, permits Nomination by the members of the Company in the prescribed form No. 2B. Members are requested to avail this facility.
- l. Non-Resident Indian Members are requested to inform M/s. Bigshare Services Private Limited, immediately of:
- a. Change in their residential status on return to India for permanent settlement.
- b. Particulars of their bank account maintained in India with complete name, branch, account type, account no. and address of the Bank with PIN Code No, if not furnished earlier.
- m. The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
- n. All documents referred to in the Notice and the Explanatory Statement will be available for inspection by the shareholders at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days from the date hereof up to the date of the AGM.
- o. The Register of Directors' Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.



- p. Members desiring any information as regards the Accounts are requested to write to the Company atleast 10 days before the Annual General Meeting, so as to enable the Management to keep the information ready at the meeting.
- q. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Registrar and Share Transfer Agent, M/s. Bigshare Services Private Limited, at their Address. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investors Education and Protection Fund. The details of the un-encashed/unclaimed above-mentioned Dividend are as under:

Unclaimed/un-encashed Dividend as on 31st March, 2013 (Amount in Rs.)	Due date of transfer to Investor Education and Protection Fund
22,997/-	18th September, 2018
22,776/-	20th September, 2019

- q. Amount in Company's Refund Account as on 31st March, 2013 is Rs. 59,400/- as balance yet to be refunded to the applicants/allottees as they are yet to submit necessary confirmation. As on 31st March, 2013 no shares are lying in Unclaimed Shares Demat Suspense Account.
- r. Information required to be furnished under clause 49 IV (G) of the Listing Agreement is given in the Corporate Governance Report which forms part of this Annual Report.

Regd. Office:
701, Mahalaxmi Chambers,
Bhulabhai Desai Road,
Mahalaxmi, Mumbai - 400 026

**On Behalf of the Board of Directors
For Prakash Steelage Limited**

Place: Mumbai
Date: 30th May, 2013

Prakash C. Kanugo
(Chairman & Managing Director)

IMPORTANT COMMUNICATION TO MEMBERS :

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, M/s. Bigshare Services Private Limited Email: babu@bigshareonline.com

Explanatory Statement Pursuant To Section 173(2) of the Companies Act, 1956

Item No. 6:

Re-appointment of Mr. Prakash C. Kanugo as the Managing Director

The Board of Directors of the Company at their meeting held on 30th May, 2013 has approved to re-appoint Mr. Prakash C. Kanugo as the Managing Director for a further period of 5 years with effect from 01st October, 2013 and also the remuneration payable for a period of 3 years, as approved by the Remuneration Committee of the Board. He is the first Promoter of the Company and has been actively involved in the business operations of the Company since its inception and the Company has grown many folds under his stewardship. The Board has approved the said re-appointment under the following terms and conditions:

Option-A

Remuneration:

- a. Basic Salary: Rs.1,25,000/- per month, with liberty to the Board of Directors to increase the salary from time to time viz., Rs.1,25,000/- - Rs.25,000/- - Rs.1,50,000/- - Rs.40,000/- - Rs.1,90,000/-.

b. Incentives within the overall ceiling limits as specified under Companies Act, 1956.

c. Allowances/perquisites: As under

Category: A

1. The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of salary.
2. Re-imbursment of medical expenses of the Managing Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
3. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
4. Club Fees: subject to a maximum of two clubs, this will not include admission and life membership.
5. Personal accident insurance premium not exceeding Rs. 8,000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

Category: B

1. Employer's Contribution: to Provident Fund as per the Rules of the Companies Act, 1956.
2. Gratuity: As per rules of the company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
3. Leave encashment: up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Whole-time Director.

Category: C

Car: The Company shall provide car with driver for the Company's business and if no car is provided reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.

Telephone & Cell: Free use of telephone at his residence and Cell phone, internet and other communication facilities, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

The aggregate of the Remuneration for a financial year by way of salary, dearness allowance, perquisites, commission, and other allowances, shall not exceed 5% of Company's profits in a financial year, for Mr. Prakash C. Kanugo and, if there is more than one managerial persons in the Company, then 10% for all of them together;

OR

Option-B

In case, the Company incurs loss or does not have adequate profits, in any financial year, during the tenure of the above-mentioned appointment, Mr. Prakash C. Kanugo will be entitled to the following remuneration, for the said financial year, viz.:

The aggregate of the remuneration viz. Salary, allowances and perquisites, etc. (inclusive of reimbursable expenses) shall not exceed Rs. 4,00,000/- (Rupees Four Lac Only) per month viz.



Mr. Prakash C. Kanugo is also eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of the tenure.

The Board recommends the resolution as set out under Item No. 6 of the Notice for the approval of the members of the Company, to be passed as a **Special Resolution**.

None of the Directors of the Company other than Mr. Prakash C. Kanugo (Self), Mr. Hemant P. Kanugo (Son) and Mr. Kamal P. Kanugo (Son) may be deemed to be interested or concerned in the said Resolution.

Item No. 7:

Re-appointment of Mr. Ashok M. Seth as a Whole-time Director

The Board of Directors of the Company at their meeting held on 30th May, 2013 has approved to re-appoint Mr. Ashok M. Seth as a Whole-time Director for a further period of 5 years with effect from 01st October, 2013 and also the remuneration payable for a period of 3 years, as approved by the Remuneration Committee of the Board. He is actively involved in the management of the Company since the year 1993 and the Board has approved the said re-appointment under the following terms and conditions:

Option-A

Remuneration:

- a. Basic Salary: Rs. 1,00,000/- per month, with liberty to the Board of Directors to increase the salary from time to time viz., Rs. 1,00,000/- - Rs. 15,000/- - Rs. 1,15,000/- - Rs. 25,000/- – Rs. 1,40,000/-.
- b. Incentives within the overall ceiling limits as specified under Companies Act, 1956.
- c. Allowances/perquisites: As under

Category: A

1. The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of salary.
2. Re-imbursment of medical expenses of the whole-time Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
3. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
4. Club Fees: subject to a maximum of two clubs, this will not include admission and life membership.
5. Personal accident insurance premium not exceeding Rs. 8,000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

Category: B

1. Employer's Contribution: to Provident Fund as per the Rules of the Companies Act, 1956.

2. Gratuity: As per rules of the company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
3. Leave encashment: up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Whole-time Director.

Category: C

Car: The Company shall provide car with driver for the Company's business and if no car is provided reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.

Telephone & Cell: Free use of telephone at his residence and Cell phone, internet and other communication facilities, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

The aggregate of the Remuneration for a financial year by way of salary, dearness allowance, perquisites, commission, and other allowances, shall not exceed 5% of Company's profits in a financial year, for Mr. Ashok M. Seth and, if there is more than one managerial persons in the Company, then 10% for all of them together;

OR

Option-B

In case, the Company incurs loss or does not have adequate profits, in any financial year, during the tenure of the above-mentioned appointment, Mr. Ashok M. Seth will be entitled to the following remuneration, for the said financial year, viz.:

The aggregate of the remuneration viz. Salary, allowances and perquisites, etc. (inclusive of reimbursable expenses) shall not exceed Rs. 4,00,000/- (Rupees Four Lac Only) per month viz.

Mr. Ashok M. Seth is also eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of the tenure.

The Board recommends the resolution as set out under Item No. 7 of the Notice for the approval of the members of the Company, to be passed as a **Special Resolution**.

None of the Directors of the Company other than Mr. Ashok M. Seth may be deemed to be interested or concerned in the said Resolution.

Item No. 8:

Re-appointment of Mr. Hemant P. Kanugo as a Whole-time Director

The Board of Directors of the Company at their meeting held on 30th May, 2013 has approved to re-appoint Mr. Hemant P. Kanugo as a Whole-time Director for a further period of 5 years with effect from 01st October, 2013 and also the remuneration payable for a period of 3 years, as approved by the Remuneration Committee of the Board. He is actively involved in the management of the Company since the year 2003 and the Board has approved the said re-appointment under the following terms and conditions:



Option-A

Remuneration:

- a. Basic Salary: Rs.75,000/- per month, with liberty to the Board of Directors to increase the salary from time to time viz., Rs.75,000/- - Rs.10,000/- - Rs.85,000/- - Rs.20,000/- – Rs.1,05,000/-.
- b. Incentives within the overall ceiling limits as specified under Companies Act, 1956.
- c. Allowances/perquisites: As under

Category: A

1. The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of salary.
2. Re-imbursalment of medical expenses of the whole-time Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
3. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
4. Club Fees: subject to a maximum of two clubs, this will not include admission and life membership.
5. Personal accident insurance premium not exceeding Rs. 8,000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

Category : B

1. Employer's Contribution: to Provident Fund as per the Rules of the Companies Act, 1956.
2. Gratuity: As per rules of the company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
3. Leave encashment: up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Whole-time Director.

Category: C

Car: The Company shall provide car with driver for the Company's business and if no car is provided reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.

Telephone & Cell: Free use of telephone at his residence and Cell phone, internet and other communication facilities, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

The aggregate of the Remuneration for a financial year by way of salary, dearness allowance, perquisites, commission, and other allowances, shall not exceed 5% of Company's profit in a financial year, for Mr. Hemant P. Kanugo and, if there is more than one managerial persons in the Company, then 10% for all of them together;

OR

Option-B

In case, the Company incurs loss or does not have adequate profits, in any financial year, during the tenure of the above-mentioned appointment, Mr. Hemant P. Kanugo will be entitled to the following remuneration, for the said financial year, viz.:

The aggregate of the remuneration viz. Salary, allowances and perquisites, etc. (inclusive of reimbursable expenses) shall not exceed Rs. 4,00,000/- (Rupees Four Lac Only) per month viz.

Mr. Hemant P. Kanugo is also eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of the tenure.

The Board recommends the resolution as set out under Item No. 8 of the Notice for the approval of the members of the Company, to be passed as a **Special Resolution**.

None of the Directors of the Company other than Mr. Hemant P. Kanugo (Self), Mr. Prakash C. Kanugo (Father) and Mr. Kamal P. Kanugo (Brother) may be deemed to be interested or concerned in the said Resolution.

Item No. 9:

Re-appointment of Mr. Kamal P. Kanugo as a Whole-time Director

The Board of Directors of the Company at their meeting held on 30th May, 2013 has approved to re-appoint Mr. Kamal P. Kanugo as a Whole-time Director for a further period of 5 years with effect from 01st October, 2013 and also the remuneration payable for a period of 3 years, as approved by the Remuneration Committee of the Board. He is actively involved in the management of the Company since the year 2008 and the Board has approved the said re-appointment under the following terms and conditions:

Option-A

Remuneration:

- a. Basic Salary: Rs.75,000/- per month, with liberty to the Board of Directors to increase the salary from time to time viz., Rs.75,000/- - Rs.10,000/- - Rs.85,000/- - Rs.20,000/- - Rs.1,05,000/-.
- b. Incentives within the overall ceiling limits as specified under Companies Act, 1956.
- c. Allowances/perquisites: As under

Category: A

1. The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of salary.
2. Re-imbursment of medical expenses of the Whole-time Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.



3. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
4. Club Fees: subject to a maximum of two clubs, this will not include admission and life membership.
5. Personal accident insurance premium not exceeding Rs. 8,000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

Category: B

1. Employer's Contribution: to Provident Fund as per the Rules of the Companies Act, 1956.
2. Gratuity: As per rules of the company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
3. Leave encashment: up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Whole-time Director.

Category: C

Car: The Company shall provide car with driver for the Company's business and if no car is provided reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.

Telephone & Cell: Free use of telephone at his residence and Cell phone, internet and other communication facilities, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

The aggregate of the Remuneration for a financial year by way of salary, dearness allowance, perquisites, commission, and other allowances, shall not exceed 5% of Company's profits in a financial year, for Mr. Kamal P. Kanugo and, if there is more than one managerial persons in the Company, then 10% for all of them together;

OR

Option-B

In case, the Company incurs loss or does not have adequate profits, in any financial year, during the tenure of the above-mentioned appointment, Mr. Kamal P. Kanugo will be entitled to the following remuneration, for the said financial year, viz.:

The aggregate of the remuneration viz. Salary, allowances and perquisites, etc. (inclusive of reimbursable expenses) shall not exceed Rs. 4,00,000/- (Rupees Four Lac Only) per month viz.

Mr. Kamal P. Kanugo is also eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of the tenure.

The Board recommends the resolution as set out under Item No. 9 of the Notice for the approval of the members of the Company, to be passed as a **Special Resolution**.

None of the Directors of the Company other than Mr. Kamal P. Kanugo (Self), Mr. Prakash C. Kanugo (Father) and Mr. Hemant P. Kanugo (Brother) may be deemed to be interested or concerned in the said Resolution.

Regd. Office:
701, Mahalaxmi Chambers,
Bhulabhai Desai Road,
Mahalaxmi, Mumbai - 400 026

**On Behalf of the Board of Directors
For Prakash Steelage Limited**

Place: Mumbai
Date: 30th May, 2013

**Prakash C. Kanugo
(Chairman & Managing Director)**

Annexure

Additional Information as required under Schedule XIII - Part II (B) to the Companies Act, 1956:

I. General Information

- i) **Nature of Industry:** Manufacturing of Stainless Steel Products.
- ii) **Financial Performance:** During the year ended on 31st March, 2013, the Company has earned a net profit after depreciation and tax of Rs. 14.02 Crores (Rupees Fourteen Crore and Two Lac)
- iii) **Export Performance and net Foreign Exchange:** The Company is exporting to more than 50 countries worldwide and is further exploring African, South American and South East Asian countries to increase its exports. The FOB value of Exports for the year ended 31st March, 2013 stood at Rs.9,769.76 Lacs.
- iv) **Foreign Investment and collaborations:** The Company being a listed Company, the shares held by the Foreign Institutional Investors as at 31st March, 2013 is 7,39,992 (4.23%) Equity Shares. There is no Foreign Collaboration.

II. Information about the appointees:

Particulars	Mr. Prakash C. Kanugo	Mr. Ashok M. Seth	Mr. Hemant P. Kanugo	Mr. Kamal P. Kanugo
Background Details	Mr. Prakash C. Kanugo is a Matriculate and has more than 20 years of experience in trading of Stainless Steel Products and he looks after the entire management of the Company more particularly the domestic procurement of raw material.	Mr. Ashok M. Seth has done F.Y. B.Com and has around 18 years of experience in trading and manufacturing of stainless steel pipes and tubes. He is responsible for successfully managing and expanding the business initiatives of Prakash Steelage Ltd. over the years.	Mr. Hemant P. Kanugo has done B.Com & MBA and has more than 10 years of experience in the Stainless Steel Industry. He looks after the production unit at Umbergaon.	Mr. Kamal P. Kanugo is a B.E. (Industrial Engineering) from U.S.A. He looks after the international marketing and exports of the Company.
Past Remuneration F.Y. 2012-13	Rs.12,90,000/- (per annum)	Rs.10,86,655/- (per annum)	Rs.6,00,000/- (per annum)	Rs.3,60,000/- (per annum)
Recognition or awards	Nil	Junior Chamber International award - most outstanding young person award in the Year 2009.	Nil	Nil



Job Profile and his suitability	Managing Director and his suitability is as mentioned under S.No. 1 above.	Whole-time Director and his suitability is as mentioned under S.No. 1 above.	Whole-time Director and his suitability is as mentioned under S.No. 1 above.	Whole-time Director and his suitability is as mentioned under S.No. 1 above.
Remuneration proposed	In case of inadequacy of profit / loss, the maximum remuneration payable is Rs. 4,00,000/- per month, as detailed in Explanatory Statement.	In case of inadequacy of profit / loss, the maximum remuneration payable is Rs. 4,00,000/- per month, as detailed in Explanatory Statement.	In case of inadequacy of profit / loss, the maximum remuneration payable is Rs.4,00,000/- per month, as detailed in Explanatory Statement.	In case of inadequacy of profit / loss, the maximum remuneration payable is Rs.4,00,000/- per month, as detailed in Explanatory Statement.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and persons:	The proposed remuneration commensurates with respect to Industry and on account of the rich experience of the appointee to retain and reward. Considering the appointee's acumen on Stainless Steel Industry, the Company has successfully reached the Turnover mark of Rs. 793 Crore in the Financial Year 2012-13 and it is proposing to enter into various other Diversified as well as Ancillary Activities.	The proposed remuneration commensurates with respect to Industry and on account of the rich experience of the appointee to retain and reward. Considering the appointee's acumen on Stainless Steel Industry, the Company has successfully reached the Turnover mark of Rs. 793 Crore in the Financial Year 2012-13 and it is proposing to enter into various other Diversified as well as Ancillary Activities.	The proposed remuneration commensurates with respect to Industry and on account of the rich experience of the appointee to retain and reward. Considering the appointee's acumen on Stainless Steel Industry, the Company has successfully reached the Turnover mark of Rs. 793 Crore in the Financial Year 2012-13 and it is proposing to enter into various other Diversified as well as Ancillary Activities.	The proposed remuneration commensurates with respect to Industry and on account of the rich experience of the appointee to retain and reward. Considering the appointee's acumen on Stainless Steel Industry, the Company has successfully reached the Turnover mark of Rs.793 Crore in the Financial Year 2012-13 and it is proposing to enter into various other Diversified as well as Ancillary Activities.
Pecuniary relationship directly or indirectly with the company, or relationship with the Managerial personnel	Promoter. Related to Mr. Hemant P. Kanugo and Mr. Kamal P. Kanugo, Whole-time Directors of the Company	Promoter. Not Related to any managerial personnel	Promoter Group. Related to Mr. Prakash C. Kanugo, Managing Director and Mr. Kamal P. Kanugo, Whole-time Director of the Company	Promoter Group. Related to Mr. Prakash C. Kanugo, Managing Director and Mr. Hemant P. Kanugo, Whole-time Director of the Company

III. Other Information:

- (1) Reason of loss or inadequate profits:** Though the Company is achieving profits, but the same could be considered as inadequate and considering the managerial personnel's abilities, rich experience and qualifications, the Company would be required to compensate adequately in commensuration for a better performance and the Profit After Tax could be considered as inadequate.
- (2) Step taken or proposed to be taken for improvement:** The Company is diversifying its activities besides improving Capacity utilization to the optimum level of all its plants by Absorption of new Technology for attaining economy of scale. The Company's Management is placing strategies with strong marketing team, for improved performance domestically and in exports.
- (3) Expected increase in productivity and profit in measurable terms:** With the improved market conditions along with the cost-control measures turned around for improved performance in the past, Company is continuously exploring other Business opportunities and the Company could expect to improve its performance to a great extent on account of its newly incorporated Foreign Subsidiary for further exploring foreign markets and also the proposal for diversification into Real Estate. The detail of improved performance is as given below :

(Rs. in Lacs)

Financial Year ended	Total Revenue	Profit Before Tax	Profit After Tax	Dividend +CDT	Bonus Shares
31st March, 2011	54,968.35	3,730.97	2,488.48	203.39	Nil
31st March, 2012	68,934.97	2,685.64	1,694.46	203.39	Nil
31st March, 2013	80,285.99	2,058.59	1,402.70	204.74	Nil

Till the financial year 2012-13, the Executive Directors had not been paid up to a satisfactory level in order to stabilize the financial position of the Company. However it is the interest of the members and the Company to pay the Executive Directors in an adequate manner within the ceilings approved under the Schedule XIII to the Companies Act, 1956.



Chairman's Letter To The Shareholders

Dear Members,

I extend a hearty welcome to you all on behalf of the Board of Directors, to this **22nd Annual General Meeting** of the Company. I am pleased to report that the Company has significantly exceeded expectations and registered a satisfactory performance in 2012-13, despite the high inflation and rupee depreciation which have remained above normal levels throughout the year.

Company's Performance

The World economy has experienced frequent disturbances resulting in unprecedented economic uncertainty, and the Steel Industry was also affected from such recessionary Market Condition around the World, but still the Company has managed to grow consistently year after year. The growth that we see today is due to the focused and tireless efforts by PSL team in earning customers satisfaction over a period of time, with the eye on every possible opportunity.

It is now my pleasure to present our Company's financial results for the year ended 31st March, 2013. Prakash Steelage has recorded gross revenue of Rs.79,321.53 Lacs, as compared to Rs.68,380.44 Lacs in the previous year reflecting a growth of 16%. The profit before tax is Rs.2,058.59 Lacs as against Rs.2,685.65 Lacs in the previous year reflecting a decrease of Profit by 23.35%. The Net Profit after Tax is Rs. 1,402.70 Lacs as against Rs. 1,694.46 Lacs in the previous year reflecting a decrease of profit by 17.22%. The net profit margins were under pressure due to the competitive pricing policy adopted by the Company for retaining the domestic clientele and at the same time expanding the export business by offering price incentives. The Earning per Share (EPS) works out to be Rs.8.02 per share.

We would intend to follow the existing policy of declaring a Dividend at the rate of Re.1/- per Equity Share on the 1,75,00,039 Equity Shares of Rs.10/- each. I am pleased to report that the Company's Exports have been growing at faster pace. In 2012-13, the revenue from Exports grew substantially as compared to Previous Year and moreover likely to grow at a faster pace in view of the setting up of Pioneer Stainless & Alloy – F.Z.E., a Wholly Owned Foreign Subsidiary in UAE, in addition to all round growth in trading, import and export of steel and steel products under the said WOS.

The Company has proposed to venture into real estate and entered into Joint Venture with Omkar Group for development of its idle land at Umbergaon, Gujarat which will strengthen the Company's Performance in years to come.

During the year under review, the Company has successfully implemented Systems Applications and Products (SAP) within the scheduled targeted date of January 2013, with the active participation of Pricewaterhouse Coopers (PWC), the implementing partner. Now Company is working on SAP to ensure support for sales, customer relationships, inventory, operations, financials and human resources.

Despite the odds against the industry, your Company could manage a satisfactory performance as one of the leading manufacturers of stainless steel welded, seamless pipes and tubes. Your support has helped the Company to earn a pre eminent position in manufacturing high grade stainless steel products in India. It will be our constant effort to strive for greater heights with our strong base in the stainless steel pipes sector. Our consistent effort to take care of all the stakeholders has resulted in the development of trust and faith for the Company.

In this highly competitive environment, your Company has provided a level playing platform that has helped in introducing safety and productive working environment resulting in all around improved performance. Prakash Steelage, being a responsible corporate citizen understands its responsibility, and is committed to provide safe work place for employees and enriching the quality of life of employees, environment and community as a whole.

Acknowledgement

With the positive note 'When the going gets tough, the tough gets going'. I would like to express my sincere appreciation to our shareholders for the support and confidence reposed in us, and all other stakeholders and Government agencies, our Bankers for the continuing commitment and support in your Company. We look forward for their continued association with the Company. I assure that we strive to reach new heights and serve the global customers with the best standards and corporate governance.

Prakash C. Kanugo
(Chairman & Managing Director)

Directors' Report

To the Members of
Prakash Steelage Limited

Your Directors take pleasure in presenting the 22nd Annual Report of your Company, together with the Audited Statement of Accounts for the financial year ended 31st March, 2013.

Financial Highlights

The financial performance of the Company, for the year ended 31st March, 2013 is summarized below:

Particulars	(Rs. in Lacs)	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Income from Operations	79,321.53	68,380.44
Profit before Depreciation and Tax	2,782.31	3,337.03
Depreciation	723.72	651.38
Profit Before Tax	2,058.59	2,685.65
Taxation	655.89	991.19
Profit After Tax	1,402.70	1,694.46
Balance brought forward	5,087.14	4,096.07
Amount available for Appropriation	6,489.84	5,790.53
Proposed Dividend & Tax on Dividend	204.74	203.39
Transfer to General Reserve	500.00	500.00
Balance Transferred to Balance Sheet	5,785.10	5,087.14

Financial Performance

The income from operations for the year has increased to Rs. 79,321.53 Lacs as compared to Rs. 68,380.44 Lacs of previous year reflecting a growth of 16%. The Profit Before Tax for the year was Rs. 2,058.59 Lacs as against Rs. 2,685.65 Lacs in the previous year reflecting a decrease of Profit by 23.35%. The Net Profit After Tax also decreased by 17.22% at Rs. 1,402.70 Lacs as compared to Rs. 1,694.46 Lacs during previous year.

Dividend

The Board has, subject to the approval of members at the ensuing Annual General Meeting, recommended a dividend of Re.1/- (Previous Year Re. 1/-) per Equity Share on the 1,75,00,039 fully paid-up Equity Shares of Rs.10/- each, for the financial year ended 31st March, 2013 amounting to Rs.1,75,00,039/- and tax thereon of Rs. 29,74,132/-.

Transfer to General Reserve

The Company proposes to transfer Rs. 500.00 Lacs (Previous year Rs. 500.00 Lacs) to the General Reserve and an amount of Rs. 5,785.10 Lacs (Previous year Rs. 5,087.14 Lacs) to be carried to balance sheet out of the amount available for appropriation.

Credit Rating

CRISIL has reaffirmed its rating outlook on the long-term bank facility of the Company to 'Positive' from 'Stable', while reaffirming the rating at 'CRISIL BBB', the rating on the short-term facility has been reaffirmed at 'CRISIL A3+'.

The ratings reflect the improved Company's healthy financial risk profile marked by healthy net worth and moderate gearing and debt protection metrics, and its established market position in the stainless steel pipes



and tubes industry compared to the previous year. These rating strengths are partially offset by the Company's working-capital-intensive operations and susceptibility of its profitability to volatility in prices of inputs and foreign exchange rates. Your Board of Directors are striving to improve its performance and rating in all its endeavours.

Wholly Owned Subsidiary Company

Your Company has incorporated a Wholly Owned Foreign Subsidiary in UAE in the name 'Pioneer Stainless & Alloy – F.Z.E.' with effect from 10th April, 2013, and has proposed to carry out the business of trading, import and export of steel and steel products.

Fixed Deposit

The Company has not accepted any Fixed Deposit from public and is therefore not required to furnish information in respect of outstanding deposit under Non-Banking Non Financial Companies (Reserve Bank) Directions, 1966 and The Companies (Acceptance of Deposits) Rules, 1975, as amended.

Directors

In terms of Article 150 of Articles of Association of the Company, Mr. Ashok M. Seth and Mr. Hemant P. Kanugo, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Your Directors recommend their re-appointment.

Your Directors have approved the re-appointment of Mr. Prakash C. Kanugo as the Managing Director of the Company for a period of five years with effect from 01st October, 2013. Appropriate resolution seeking your approval for the re-appointment of Mr. Prakash C. Kanugo as the Managing Director of the Company, has already been included in the notice of the Annual General Meeting.

Further your Directors have also approved the re-appointment of Mr. Ashok M. Seth, Mr. Hemant P. Kanugo and Mr. Kamal P. Kanugo as Whole-time Directors of the Company for a period of five years with effect from 01st October, 2013. Appropriate resolutions seeking your approval for their respective re-appointment as the Whole-time Directors of the Company, have already been included in the notice of the Annual General Meeting.

Your Directors recommend the above-mentioned appointment and re-appointments. Particulars and brief Resume of Directors to be appointed / re-appointed are included in the Corporate Governance Report forming part of this Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. They have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
3. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. They have prepared the annual accounts on a going concern basis.

Auditors

The Joint Statutory Auditors M/s. Khandelwal Jain & Co. (Firm Registration No 105049W), Chartered Accountants, Mumbai and M/s. D. C. Bothra & Co. (Firm Registration No. 112257W), Chartered Accountants, Mumbai, will retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Your Directors recommend their re-appointment.

As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received a written certificate from the above Auditors, proposed to be re-appointed, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

Cost Auditor

Pursuant to Section 233B of the Companies Act, 1956, M/s. Amish Parmar & Associates (Revised Firm Registration No. 100502 (old Firm Registration No. 00338)), Cost Accountants (Membership No. 24568) were appointed as the Cost Auditors to carry out Cost Audit under the Companies (Cost Audit) Rules, 2011, for the financial year ended 31st March, 2013.

The Cost Audit Report for the year ended 31st March, 2012 has been filed within due date as on 30th January, 2013 in XBRL format vide General Circular No. 43/2012 dated 26th December, 2012.

Particulars Regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in the Annexure to the Directors' Report.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India on corporate governance, is presented in a separate section of this Annual Report.

Corporate Governance

Your Company has complied with the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges. A report on Corporate Governance practices, the Company Secretary Certificate on compliance of the mandatory requirement thereon are given under the Corporate Governance Report forming part of this Annual Report.

Particulars of Employees

Particulars of employees as required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended to date are not applicable to the Company as there are no employees in receipt of the prescribed remuneration.

Human Resources

Your Company enjoys cordial relations with its employees. The key focus of your Company is to attract, retain and develop talent. The Board wishes to place on the record its appreciation of the contributions made by all employees ensuring high levels of performance and growth during the year.

Acknowledgments

Your Directors place on record their sincere appreciation to Stock Exchanges, shareholders, banks, government authorities, business associates and other stakeholders. The Board also recognizes the contribution of the valued customers in the growth of the Company and takes this opportunity to pledge the Company's commitment to serve them. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff during the year, resulting in the successful performance of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 30th May, 2013

Prakash C. Kanugo
(Chairman & Managing Director)



Annexure to the Directors' Report

Information under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1) Conservation of Energy

The Company through its dedicated team of engineers has been monitoring various plant and machinery and processes to reduce energy consumption. All possible measures have been taken by the Company to achieve this objective.

FORM "A"

i) Power & Fuel Consumption

Particulars	Current Year 31st March, 2013	Previous Year 31st March, 2012
A) Power & Fuel Consumption		
a) Purchase Unit	49,62,004	51,62,022
b) Total Amount (Rs.)	3,02,25,354	2,76,01,720
c) Rate Per Unit (Approx.) (Rs.)	6.09	5.35
B) Own Consumption		
a) Through Diesel Generator (Unit)	1,70,402.68	1,57,294
b) Through Steam Turbine	NIL	NIL
C) L.P.G. Consumption		
Gas Cylinders (kgs.)	1,28,863	2,00,688
Total Cost (Rs.)	87,95,690	1,24,35,836
Average rate (Rs.)	68.26	61.97
D) Consumption of Coal		
Quantity (In Kgs.)	2,05,150	16,42,537
Total Cost (Rs.)	14,03,696	1,02,31,257
Average rate (Rs.)	6.84	6.23
E) CNG Consumption		
Quantity (In Kgs.)	7,10,087.41	4,30,621
Total Cost (Rs.)	3,31,97,758	1,54,92,596
Average rate (Rs.)	46.75	35.98
Product (with details)-(M. Ton)	S.S Pipe & Tube	S.S Pipe & Tube
Electricity Units Consumed Per Unit	391.59	402.05

FORM "B"

- ii) Form for disclosure of particulars with respect to absorption of research and development (R&D): no specific area for R & D

1) Specify area in which research and development activity carried out by the company	Quality & Product Range
2) Benefit derived as a result of above R & D	Quality Improvement
3) Future plan of action	Continuous Process
4) Expenditure on R & D	
a) Capital	Not Material
b) Recurring	-
c) Total	-
d) Total R & D expenditure as percentage of total turnover	-

- iii) Technology absorption, adaption and innovation

1) Efforts in brief made towards technology absorption adaption and innovation	Continuous
2) Benefits derived as a result of the above efforts, e.g. product development	Quality Improvement
3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:	
a) Technology imported	-
b) Year of import	-
c) Technology has been fully absorbed	-
d) If not fully absorbed area where this has not taken place reason thereof and future	-

FORM "C"

- iv) Foreign Exchange Earning and Outgo

The Company has exported its products during the year under review and has also imported raw materials, stores and capital items, the details of which are as follows;

(Rs. In Lacs)

Particulars	Current Year 31st March, 2013	Previous Year 31st March, 2012
1) FOB value of Export	9,769.76	5,825.93
2) CIF value of Imports	9,006.42	11,713.25
3) Expenditure in foreign currency	130.58	151.14

The Company has so far exported in 50 countries worldwide. The Company is further exploring African, South American and South East Asia to increase its exports.

For and on behalf of the Board of Directors



Management Discussion And Analysis Report For The Financial Year 2012-2013

The Board takes pleasure in presenting your Company's Twenty-second Annual Report for the year 2012-13 along with the compliance report on Corporate Governance. This chapter on Management Discussion and Analysis forms a part of the compliance report on Corporate Governance.

Industry Overview

India's economic growth is contingent upon the growth of the various manufacturing sectors, especially the Indian steel industry. Consumption of steel is taken to be an indicator of economic development. While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly used in engineering industries such as power generation, petrochemicals and fertilisers. India occupies a central position on the global steel map, with the establishment of new state-of-the-art steel mills, acquisition of global scale capacities by players, continuous modernisation and upgradation of older plants, improving energy efficiency and backward integration into global raw material sources.

Steel is manufactured as a globally tradable product with no major trade barriers across national boundaries to be seen currently. There is also no inherent resource related constraints which may significantly affect production of the same or its capacity creation to respond to demand increases in the global market. Even the government policy restrictions have been negligible worldwide and even if there are any the same to respond to specific conditions in the market and have always been temporary. Therefore, the industry in general and at a global level is unlikely to throw up substantive competition issues in any national policy framework.

India's rank in the world order of steel production remained unchanged at fourth slot with an output of 76.7 million tonnes, despite logging the highest growth of 4.2% among major producing nations in 2012.

There was no change in the top three steel producing nations with China, Japan and the US retaining their slots in the respective order in 2012, World Steel Association (WSA) data revealed.

India's growth in steel output was, however, the highest at 4.3% in 2012 among top five major steel producing nations.

Meanwhile, WSA said, "World crude steel production reached 1,548 MT for the year 2012, up by 1.2% compared to 2011. This is a record for global crude steel production."

The growth came mainly from Asia and North America while crude steel production in the EU and South America decreased in 2012 compared to 2011, it added.

Recording a 2.6% increase, Asia produced 1,012.7 MT steel, hiking its share of world steel production slightly from 64.5% in 2011 to 65.4% in 2012.

The average capacity utilisation ratio in 2012 was 78.8% compared to 80.7% in 2011.

Long term prospects of the Indian Steel Industry are very bright. Domestic Steel consumption is expected to grow steadily in the years to come driven by urbanisation, infrastructural investments and industrialisation. India may become world's second largest country in terms of consumption by 2020 only behind China. The demand for steel in the country is currently growing at the rate of over 8% and it is expected that the demand would grow over by 10% in the next five years. However, the steel intensity in the country remains well below the world levels. Our per capita consumption of steel is around 110 pounds as compared to 330 Pounds for the global average. This indicates that there is a lot of potential for increasing the steel consumption in India.

Immense growth potential in Indian Steel Sector

- Domestic crude steel production grew at a compounded annual growth rate of 8.4% in the last few years.
- Crude steel production capacity of the country is projected to be around 110 million tonne by 2012-13.
- 222 Memorandum of Understandings (MOU) have been signed with various states for planned capacity of around 276 million tonnes by 2019-20.

- Investments at stake are to the tune of \$187 billion in the Steel sector.
- Increase in the demand of steel in India is expected to be 14% against the global average of 5-6% due to its strong domestic economy, massive infrastructure needs and expansion of industrial production.
- Demand of steel in the major industries like infrastructure, construction, housing, automotive, steel tubes and pipes, consumer durables, packaging and ground transportation.
- Target for \$ 1 trillion of investments in infrastructure during the 12th Five Year Plan.
- Infrastructure projects (like Golden Quadrilateral and Dedicated Freight Corridor) will give boost to the demand in the steel sector in near future.
- Projected New Greenfield and up-gradation of existing Airport shall keep the momentum up.
- Increased demand of specialised steel in hi-tech engineering industries such as power generation, automotive petrochemicals and fertilizers etc.

The benefit of Stainless Steel is quite evident and now there is increasing awareness of the product. Apart from good demand in existing industrial use, there is a shift from using MS steel pipe and copper pipe to using Stainless steel. Many new areas are also adding to demand for example, in plumbing also builders have started using stainless steel pipes. This is basically due to the following reasons :

Airports	Railways	Architecture, Building & Construction	Automotive
<p>Modernization of airports.</p> <p>Stainless steel in the form of escalators, cladding, railing, etc.</p>	<p>Refurbishing of Railway Stations with world class facilities</p> <p>Addition of new stainless steel wagons & coaches</p> <p>Development of Metro Rail projects and street infrastructure</p>	<p>Urban Renewal in the form of street furniture e.g. Bus Shelters</p> <p>Shopping Malls, organized retail is growing at a rapid pace.</p>	<p>India as leading Automobile hub especially for two wheelers and small cars</p> <p>Increasing use of Stainless steel in exhausts, wheel rims, etc.</p>

Industrial Structure

Indian iron and steel industry can be divided into two main sectors Public Sectors and Private Sectors. Further on the basis of routes of production, the Indian industry can be divided into two types of producers.

- Integrated producers: Integrated producers are those that can convert iron ore into steel;
- Secondary producers : Secondary producers are the mini steel plants which make steel by melting scrap or sponge iron or a mixture of the two.

There are currently 100 small and medium scale units and 4 to 5 organised units engaged in manufacturing of stainless steel welded, seamless pipes and tubes. The domestic demand presently for stainless steel welded pipes and a tube is about 1,00,000 MT which is expected to increase up to 2,75,000 MT by the year 2015/16. The top players globally in this segment are Valmet/ Tubacex/ CentraVis. Company specialises in meeting specific requirements of customers and offers complete solution for stainless steel welded and seamless pipes and tubes. The type of product varied based on the type, shape and size of the same some of which are as listed below:

- S.S. Welded Tubes
- S.S. Welded Pipes
- S.S. EFW Pipes
- S.S. Seamless Tubes
- S.S. Seamless Pipes
- Square Tubes
- U Bend Tubing
- S.S. Seamless Mother Hollows



Business Overview

We are into the business of manufacturing stainless steel pipes, tubes for more than 20 years. Since inception, we have made efforts to place our self in a competitive position in the industry by proactively responding to our customer requirements. The Company has emerged as one of the leading manufacturers of stainless steel welded, seamless pipes and tubes in India and caters to both the markets domestic as well as International. At present the Company has the customers from oil and gas sector, power sector, desalination and nuclear power plants, Engineering, Capital Goods, Chemical, Sugar and various other core sector Industries. We want to leverage our strength to our benefit in future so as to become the topmost player in the stainless steel tube industry. We wish to continue to supply our products to corporate houses, increase our market share in the industry, produce quality products at the competitive rates, adopt one of the best human resource practices and also secure various certifications for standards and quality improvement. We plan to boost our exports by participating in trade fairs and exhibitions all over the World.

The Company is manufacturing stainless steel welded, seamless pipes and tubes and has setup two industrial plants at Silvassa and Umbergaon. Having set up its first Plant at Silvassa in the year 1996 with a capacity of 4,000 MT p.a., the Company expanded its capacity by setting up another plant at Umbergaon in Gujarat and presently has total capacity of 19,000 MT during the year 2012-13.

Prakash Steelage Limited employs extensive internal controls, company-wide uniform reporting guidelines and additional measures, including employee training and continuing education, to ensure that its financial reporting is conducted in accordance with accepted accounting principles.

'Pioneer Stainless & Alloy – F.Z.E'. , a Wholly Owned Foreign Subsidiary in UAE, has been setup in April, 2013 for achieving all round growth in trading, import and export of steel and steel products under the said WOS.

The Company has proposed to venture into real estate and entered into Joint Venture with Omkar Group for development of its idle land at Umbergaon, Gujarat which will strengthen the Company's Performance in years to come.

Financial Performance

This report, Management's Discussion and Analysis, provides an overview of the financial position and results of activities of Prakash Steelage Limited (the "Company") for the year ended 31st March, 2013. It has been prepared by management and is required supplemental information to the financial statements and the footnotes that follow this section.

The income from operations for the year has increased to Rs 79,321.53 Lacs as compared to Rs. 68,380.44 Lacs in the previous year reflecting a growth of 16%. The profit before tax is Rs. 2,058.59 Lacs as against Rs. 2,685.65 Lacs in the previous year reflecting a decrease of Profit by 23.35%. The Net Profit after Tax is Rs. 1,402.70 Lacs as against Rs. 1,694.46 Lacs in the previous year reflecting a decrease of profit by 17.22 %. The net profit margins were under pressure due to the competitive pricing policy adopted by the Company for retaining the domestic clientele and at the same time expanding the export business by offering price incentives.

The Earning per Share (EPS) works out to be Rs. 8.02 per share.

Outlook

The outlook for the Company's Business in future is very good. The Management expects CAGR of over 30% during next five years.

Opportunities and Threats

The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel. India, a developing nation, requires huge contribution from this industry, to

expedite its run to reach new heights in world economy. India has large reserves of mineral resources, such as, coal, iron ore etc and is in a strong position to mobilise these resources into productive use. Vast market potential with increasing Industries provides assured market to the industry. Recovery in Indian economy during 2009-10 has given rise to new investment opportunities which will increase demand for steel products. The demand for steel is increasing and the prices have also firmed up during the year under report. The increase in steel making capacity by the Company will be absorbed by the increasing demand for steel products.

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of its strategy and its growth and expansion plans could impact the Company's roll out schedules and cause cost and time over runs.

Any change in the factors such as industrial policies, tariffs, excise duties etc which may affect the activities of the steel, oil & gas, pharmaceutical industry etc. may affect our results of operation. Cyclical or seasonal fluctuations in the operating results of the Company may affect the enduring financial performance at large.

External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could constrain our ability to do business, increase the costs and negatively affect our financial performance.

Any change in the foreign exchange control regulation, mainly interest rates and tax laws pertaining to India affects the liquidity of cash in the market which in turn affects the purchasing power of the economy.

Internal Control Systems and their Adequacy

The Company has in place effective system for internal control ensuring accurate, reliable and speedy compilation of financial information, safeguarding the assets and interest of the Company and ensuring compliance with the law and regulations. The company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against any loss from unauthorised use or disposition and that transaction are authorised, recorded and reported correctly. The company's internal control systems are supplemented by an extensively programmed of internal control conducted by an external auditor, emphasis of internal control prevails across and ensure adequacy of the control system, adherence to management instructions and legal compliances.

During the year under review, the Company has successfully implemented Systems Applications and Products (SAP) within the scheduled targeted date of January 2013, with the active participation of Pricewaterhouse Coopers (PWC), the implementing partner. Now Company is working on SAP to ensure support for sales, customer relationships, inventory, operations, financials and human resources.

Certification

Prakash Steelage Limited is an ISO 9001-2008, ISO 14001-2004, ISO18001-2007, PED certified and AD-2000-Merkblatt WO approved and Government recognised Star Export House.

Corporate Social Responsibility

We at Prakash Steelage Limited are fully committed to our social responsibilities. We believe that Company can grow only when the community at large grows. Community welfare activities are regularly taken at the company's plant location these activities include medical camps, cultural and sports events. Company also sponsors various events which contribute to the welfare of community at large, like maintaining water fountain, donating notebooks and other educational items to students, build a library, yoga centre and pigeon house.

Human Resource Development

The Company values and understands the need for continuous growth and development of its people in order to have greater productivity and provide job satisfaction and also equip them to meet growing organisational



challenges. The Company has also provided insurance cover and have undertaken lot of welfare measures for the Employees. We have an excellent harmonious industrial relation with the staff at both the plants. Our Company has genuine concern and top priority for safety and welfare of its employees.

Statutory compliance

The Company Secretary, as the Compliance Officer of the Company, ensures compliance of the SEBI regulations and provisions of the Listing Agreements. Compliance certificates are obtained from various units of the Company and the Board is informed of the same at every Board Meeting.

Cautionary statement

This report contains projections, estimates and expectations etc. which are just “forward-looking statements”. Actual results could differ from those expressed or implied in this report. Important factors that may have impact on Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets, changes in the Government regulations / policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly modify or revise any forward looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 30th May, 2013

Prakash C. Kanugo
(Chairman & Managing Director)

Corporate Governance Report

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) (Clause 49) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Prakash Steelage Limited is as under:

Company's Philosophy

Your Company has formulated and implemented sound principles of Corporate Governance as per Clause 49 of the Listing Agreement entered with the Stock Exchanges. It believes that for a Company to be successful it must maintain Global Standards of Corporate Conduct towards its stakeholders. It is rewarding to be better managed and governed and to identify its activities with the National interest. To that end, your Company has always focused on good Corporate Governance which is the key driver of sustainable growth and long term value addition.

Your Company believes in transparency and openness in the working of the management and Board. Your Company views corporate governance in its widest sense almost like a trusteeship, a philosophy to be progressed, a value to be imbibed and an ideology to be ingrained into the corporate culture, as per the requirement of applicable law of Stock Exchanges and applicable provisions of the Companies Act, 1956. Your Directors submit their report on the matters and practices followed by the Company.

Board of Directors

The Board of Directors of the Company comprises an optimum combination of Executive and Non- Executive Directors / Independent Directors. The Board is headed by an Executive Chairman. There are Four Non Executive/Independent Directors and Four Executive Directors.

The Board of the Company formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and Whole-time Directors manages the business of the Company under the overall supervision, control and guidance of the Board.

The name, category and designation of the Directors on the Board, their attendance at Board Meetings during the year and at the previous Annual General Meeting held on 14th August, 2012, and also the number of Directorships and Committee Memberships held by them in other Companies are given below:

Name of the Director and Designation	Attendance at the Meeting held during 2012-13		No of Directorship in other Companies***
	Board Meeting	Last AGM	
Mr. Prakash C. Kanugo Chairman & Managing Director	4	Yes	-
Mr. Ashok M. Seth Whole-time Director (Executive)	4	Yes	-
Mr. Hemant P. Kanugo Whole-time Director (Executive)	4	Yes	-
Mr. Kamal P. Kanugo Whole-time Director (Executive)	3	No	-
Dr. Bipin C. Doshi Independent Director (Non-Executive)	3	No	-
Mr. Himanshu J. Thaker Independent Director (Non-Executive)	3	Yes	-
Mr. A. Prakashchandra Hegde* Independent Director (Non-Executive)	4	Yes	1
Mr. Gautam Chand Jain Independent Director (Non-Executive)	3	Yes	-
Mr. Mrinmoy Roy** Independent Director (Non-Executive)	1	NA	-

*Appointed as an Additional Director with effect from 28th May, 2012 and appointment ratified by the members of the Company at the Annual General Meeting held on 14th August, 2012.

** Ceased as Independent Director of the Company w.e.f. 28th May, 2012.

***None of the Directors are holding committee membership or Chairmanship of the committee of other Companies. Also the directorship in the Private Limited / Foreign Companies are not considered in the above table.



Board Meetings

During the year, Four Board meetings were held, details of which are given in the table below:

Date of the Meeting	28.05.2012	14.08.2012	07.11.2012	15.02.2013*
No of Directors Present	7	7	8	7

* The meeting scheduled to be held on 09th February, 2013 but due to lack of quorum the said meeting adjourned and held on 15th February, 2013.

The Board Meetings are normally held at the Registered Office at 701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026.

The agenda and notes on agenda are circulated to the Directors, in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

Board Responsibilities

The Boards' mandate is to oversee the Company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard the interest of stakeholders.

Role of Independent Directors

The Independent Directors play an important role in deliberation at the board and committee meetings and bring to the Company their expertise in the fields of business, commerce, finance, management, law and public policy.

Details of Directors

In compliance with Clause 49 IV (G) of Listing Agreement, brief resume, expertise and details of other directorship, membership in committees of Directors of other Companies and shareholding in the Company of the Directors proposed to be re-appointed are attached along with this report.

Board Committees

To take decision on the various issues and to expedite the matters more effectively, the Board constituted set of committees with delegation of specific duties such as Audit Committee, Remuneration Committee, Investor Grievance Committee, and Executive Committee. The Minutes of the meetings of all Committees are placed before the Board for discussion/Noting/ratification.

A) Audit Committee

The Audit Committee of the Company was constituted on 25th August, 2008. The Audit Committee comprises of three Non-executive Independent Directors - Mr. Gautam C. Jain, Dr. Bipin C. Doshi and Mr. A. Prakashchandra Hegde and one Whole-time Director, Mr. Ashok M. Seth.

Following is the composition of the Audit Committee with the information of appointment of members during the financial year ended 31st March, 2013:

Name of the Members	Status at the Committee	Nature of Directorship	No. of the Meeting attended
Mr. Gautam C. Jain	Chairman	Independent Director	3
Mr. Ashok M. Seth	Member	Whole-time Director	4
Dr. Bipin C. Doshi	Member	Independent Director	3
Mr. A. Prakashchandra Hegde*	Member	Independent Director	4

* Mr. A. Prakashchandra Hegde (Independent Director) was appointed as member of the Audit Committee of the Company w.e.f 28th May, 2012.

The Chairman of the Audit Committee was present at the Company's last Annual General Meeting held on 14th August, 2012. The Audit Committee meetings considered all the points in terms of its reference at periodic intervals.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's Internal Control and Financial Reporting Process. The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49 of the Listing Agreement.

Terms of Reference

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and fixation of audit fee.
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- e. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).
- f. Reviewing, with the management, Statutory Auditor and Internal Auditor report, and adequacy of the internal control systems and recommending improvements to the Management.
- g. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h. Discussion with internal auditors any significant findings and follow up thereon.
- i. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- j. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- l. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- m. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- n. Reviewing appointment, removal and terms of remuneration of the internal auditor(s)
- o. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



The audit committee have powers, which includes the following:

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

The meetings of the Audit Committee during the year were held as per Clause 49 of the Listing Agreement. The Audit Committee meetings were also attended by the representatives of the Statutory Auditors, Internal Auditors and the Chief Financial Officer of the Company. The Company Secretary acts as the Secretary to the Committee and attends the meeting.

Whistle Blower policy

The Management has always encouraged the employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest. Every employee who observes unethical behavior can bring to the attention of the immediate reporting officer who is required to report the same to the Chairman and Managing Director/ Audit Committee. Apart from that, any employee may report directly to the Chairman/ Managing Director/ Audit Committee, any matter requiring immediate redressal.

B) Remuneration Committee

Pursuant to the provisions stipulated in Schedule XIII to the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges, Remuneration Committee of the Board was constituted on 25th August, 2008. The Remuneration Committee consists of three Directors of the Board. As there was no appointment / reappointment necessitating consideration and fixation of remuneration, there was no meeting of the Committee held during the period under review.

The composition of the Committee as at 31st March, 2013 is as follows.

Name of Director	Status at the Committee	Nature of Directorship
Mr. Himanshu J. Thaker	Chairman	Independent Director
Dr. Bipin C. Doshi	Member	Independent Director
Mr. Hemant P. Kanugo	Member	Whole-time Director

Terms of Reference

The function of the Remuneration Committee includes recommendation of appointment of Whole-time Director(s)/Managing Director, evaluation of the performance of the Whole-time Director(s)/Managing Director and recommendation to the Board of the remuneration to Whole-time Director(s)/Managing Director and such other functions as delegated by the Board from time to time

Remuneration Policy

The remuneration payable to the Managing Director and the Whole-time Directors are recommended by the Remuneration Committee of the Board of Directors. The remuneration structure of Managing Director and the Whole-time Directors comprises of salary, perquisites, allowances, performance bonus, commission and contribution to provident, superannuation and gratuity funds. Payment of remuneration to the Managing Director and the Whole-time Directors is governed by the Agreement executed between the Managing Director, Whole-time Directors and the Company. The Agreement is also approved by the Board and the shareholders of the Company in terms of Schedule XIII to the Companies Act, 1956.

The details of remuneration paid/ payable to the Directors during the financial year 2012-13 are as under

Name of the Director	Remuneration including Perquisite (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Prakash C. Kanugo	12,90,000	Nil	12,90,000
Mr. Ashok M. Seth	10,86,655	Nil	10,86,655
Mr. Hemant P. Kanugo	6,00,000	Nil	6,00,000
Mr. Kamal P. Kanugo	3,60,000	Nil	3,60,000

Shareholding of Directors as on 31st March, 2013

Name of the Directors	No of Equity Shares Held
Mr. Prakash C. Kanugo	37,83,500
Mr. Ashok M. Seth	4,48,400
Mr. Hemant P. Kanugo	5,61,753
Mr. Kamal P. Kanugo	5,57,752
Dr. Bipin C. Doshi	Nil
Mr. Himanshu J. Thaker	Nil
Mr. A. Prakashchandra Hegde	Nil
Mr. Gautam Chand Jain	Nil

The sitting fees paid to the Independent Directors for attending the Board Meeting is Rs. 5,000/- per meeting to each Independent Director and for attending the Audit Committee Meeting is Rs. 2,000/- has been paid to each Independent Director who is a member of such Audit Committee Meeting of the Company. However no fee has been recommended by Board for attending the meetings of Investors' Grievance Committee, Remuneration Committee and Executive Committee.

Sitting fees paid to Non Executive Directors during the year.

Name of the Directors	Sitting Fees (Rs.)	
	Board Meeting	Audit Committee
Dr. Bipin C. Doshi	15,000	6,000
Mr. Himanshu J. Thaker	15,000	N.A.
Mr. A. Prakashchandra Hegde	20,000	8,000
Mr. Gautam Chand Jain	15,000	6,000

C) Shareholders'/ Investor Grievances Committee

An Investors' Grievance Committee was constituted to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of dividend, etc.

The Shareholders and Investors Grievances Committee was constituted at the Board meeting held on 25th August, 2008. During the financial year 2012-13 there was no meeting of the Committee held during the period under review. The Committee is chaired by Dr. Bipin C. Doshi.

The composition of the Committee as at 31st March, 2013 is as follows.

Name of Director	Status at the Committee	Nature of Directorship
Dr. Bipin C. Doshi	Chairman	Independent Director
Mr. Himanshu J. Thaker	Member	Independent Director
Mr. Ashok M. Seth	Member	Whole-time Director

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent/issues resolved usually within 7 days except in case of dispute over facts or other legal constraints, if any. The complaints are duly attended to and the Company has furnished necessary documents/information to the shareholders. The Shareholders'/Investors' Grievance Committee reviews the complaints received and appropriate action is taken promptly. At present no complaints are pending with the Company. No request for share transfer is pending beyond 30 days except those that are disputed or sub-judice.



Terms of Reference

The function and powers of the Committee include approval and rejection of transfer or transmission of shares, issue of duplicate certificates, review and redressal of shareholders and investors complaints relating to transfer of shares and non receipt of dividend, annual report etc. The Company has appointed Bigshare Services Private Limited as its Registrar and Transfer Agents (RTA) to look after Share transfer and related work.

Ms. Pallavi Shedge is the Company Secretary & Compliance Officer of the Company in terms of Clause 47 of the Listing Agreement.

Shareholders' Complaints

Status report on number of shareholder complaints/requests received and replied by the Company during the year ended 31st March, 2013 is as under:

Particulars Complaints	Received	Resolved	Pending
Non-receipt of Annual Report (01.07.2012- 29.09.2012)	14	14	0
SCORES(01.10.2012 to 31.12.2012)	2	2	0

D) Executive Committee

The Executive Committee was constituted by the Board of Directors at its meeting held on 12th November, 2010 comprising of following Directors in order to have convenience in expediting day to day matters relating to Finance.

The composition of the Committee as at 31st March, 2013 is as follows.

Name of Member	Status at the Committee
Mr. Prakash C. Kanugo	Chairman
Mr. Ashok M. Seth	Member
Mr. Hemant P. Kanugo	Member
Mr. Kamal P. Kanugo	Member

Terms of Reference

The Committee shall have the following powers subject to the provisions of the Companies Act, 1956 & other applicable acts & other rules & provisions:

- To borrow funds from banks, financial institution, finance companies and other lenders from time to time against security of hypothecation of goods or mortgage of assets, pledge of securities / goods or mercantile and at such rate of interest and terms and conditions of repayment etc. as would be beneficial to the Company.
- To invest surplus funds for short period.
- To lend money or give loans or security or guarantee to & from banks, financial institutions, finance companies or others in connection with facilities granted to the Company.
- To open / close bank accounts and to authorize Company's executives / officers as authorised signatory to operate bank accounts and to withdraw such authority from time to time.
- To grant Power of Attorney / revoke any Power of Attorney earlier granted from time to time as and when required.
- To execute agreements relating to appointment of distributors / dealers / stockiest, retailers or such other agreements or documents which are required to be executed under the common seal of the Company, but excluding any related party transaction.

- g. To sanction any foreign tour by executives of the Company for the Company's business.
- h. To enter into Joint Venture or other business agreement / arrangement for expanding the business activity of the Company.

The decisions of the executive committee are to be ratified in the subsequent Board meetings

Code of Conduct

The Company's Board of Directors and Senior Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in the spirit.

Insider Trading Code

At the Board Meeting held on 20th August, 2010, the Board of Directors had approved the Code of Conduct for Prevention of Insider Trading applicable to the Directors and the Designated Employees of Company as per the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

Annual General Meetings

Location, time, date and venue of the AGMs held during the preceding 3 years are as follows:

Year	Location	Date	Time
2009-10	701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026	23rd July, 2010	11.00 A.M.
2010-11	Walchand Hirachand Hall, (4th floor) IMC Building, Churchgate, Mumbai - 400 020	12th August, 2011	3.30 P.M.
2011-12	Victoria Memorial School for the Blind, Opp. A. C. Market, Tardeo, Mumbai - 400 034	14th August, 2012	4.00 P.M.

Details of Special Resolution(s) at Annual General Meetings during the last three years.

There was no Special resolution passed during the last three years.

Details of the Special resolution(s) passed at Extraordinary General Meeting Held on 10th November, 2009. Following special resolutions have been passed

- a. Further issue of equity shares u/s 81 and 81(1A) of the Companies Act, 1956.
- b. Alteration of articles of association of the Company in consistence with the Listing Agreement of Exchanges
- c. Enhancement of borrowing limit u/s 293(1) (d) of the Companies Act, 1956 for sum of Rs. 500 Crores (Five Hundred Crores).

There was no resolution passed through postal ballot during the year.

Disclosures

The Company does not have any materially significant commercial and financial transactions with any of the related parties i.e. Promoters, Directors, Relatives, Associated Company or management having conflict, actual or potential, with the interest of the Company. The Company has complied with the statutory provisions, rules and regulations relating to the capital markets during the last year. Stock Exchanges or the SEBI or any statutory authority has not imposed any penalties or strictures on the Company for last three years

Code of Conduct

In terms of Clause 49 of the Listing Agreement(s), the Company has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The same has been posted on the Company's website. All the members of the Board and the Senior Management personnel of your Company have affirmed



their compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director is annexed to the report.

Means of Communication

The Company's Quarterly financial results, Half yearly and Annual results after their approval by the Board of Directors are promptly furnished to BSE and NSE where the Company's Equity are listed and are also published in the newspaper in English and in regional language(Marathi). The financial results are also displayed on the Company's website i.e. www.prakashsteelage.com. Press Releases & Corporate Presentations are also displayed on the Company's website. A Management discussion and analysis report, forming part of the Directors report, is being presented in the Annual report.

Certification by the Managing Director and the Executive Director – Finance

Mr. Prakash C. Kanugo, Chairman & Managing Director and Mr. Ashok M. Seth, Executive Director - Finance, have issued a Certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said Certificate was placed before the Board Meeting held on 30th May, 2013 in which the Audited Accounts for the Financial Year ended 31st March, 2013 were considered and approved by the Board of Directors.

Shareholders' Information

22nd Annual General Meeting Details

Day	Wednesday
Date	14th August, 2013
Time	4:00 p.m.
Venue	Victoria Memorial School for the Blind, Opp. A. C. Market, Tardeo, Mumbai - 400 034

Financial Year of the Company

Financial Year of the Company is 1st April to 31st March.

Book Closure Period

From: Friday, 9th August 2013 to Wednesday, 14th August, 2013 (both days inclusive).

Dividend Payment Date

The dividend, if approved by the shareholders, shall be paid on or before 11th September, 2013

Listing with Stock Exchanges

The Equity Shares of the Company were listed on 25th August, 2010 on BSE Ltd. and National Stock Exchange of India Ltd., having ISIN No. **INE696K01016**.

CIN No. L27106MH1991PLC061595.

The Equity Shares of the Company are listed on the following Stock Exchanges:

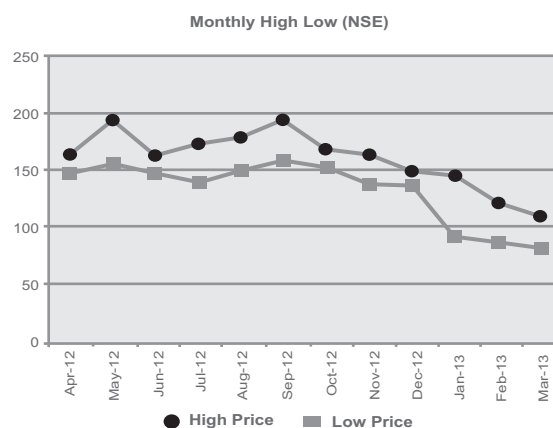
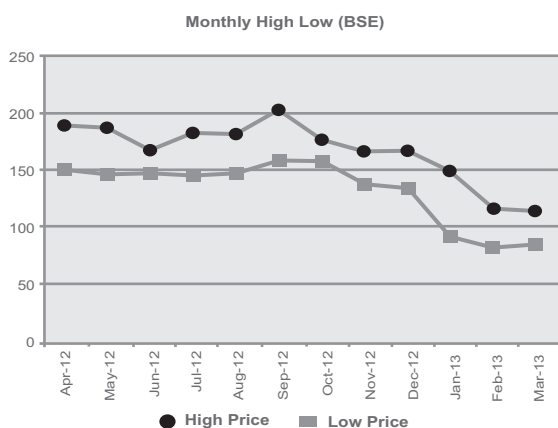
Stock Exchange	Scrip Code/ Symbol
BSE Ltd. (BSE) P. J. Towers, Dalal Street, Mumbai - 400 001	533239
National Stock Exchange of India Ltd (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	PRAKASHSTL

Payment of Listing Fees

Annual Listing Fee for the year 2013-14 (as applicable) has been paid by the Company to BSE and NSE.

Share price data Monthly basis for the Financial Year 2012-13

Month	BSE		NSE	
	High	Low	High	Low
April	186.75	148.90	165.00	149.25
May	184.35	145.90	192.60	153.35
June	164.90	147.00	164.00	146.60
July	181.05	144.00	174.00	142.65
August	179.00	146.10	179.90	150.00
September	200.00	157.50	194.90	157.00
October	174.00	156.05	168.50	155.05
November	163.70	137.00	164.95	139.00
December	165.00	133.00	148.40	137.20
January	147.00	92.50	146.60	93.00
February	114.00	82.00	122.45	90.00
March	111.85	85.00	111.00	85.05



Manufacturing Units

Silvassa: Survey No. 46/1, Parjai Road,
Village: Kherdi, Silvassa - 396 230, Union Territory
Dadra & Nagar Haveli (India)

Umbergaon: Plot No.131/1,
Umbergaon, Sanjan Road,
Umbergaon - 396 170, Dist.Valsad,
Gujarat (India)

Registrar & Transfer Agents

Bigshare Services Private Limited

E2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072

Tel: +91-022-28470632/53 • Fax: +91-022-28475207

Email: babu@bigshareonline.com Website: www.bigshareonline.com



Shareholding as on 31st March, 2013

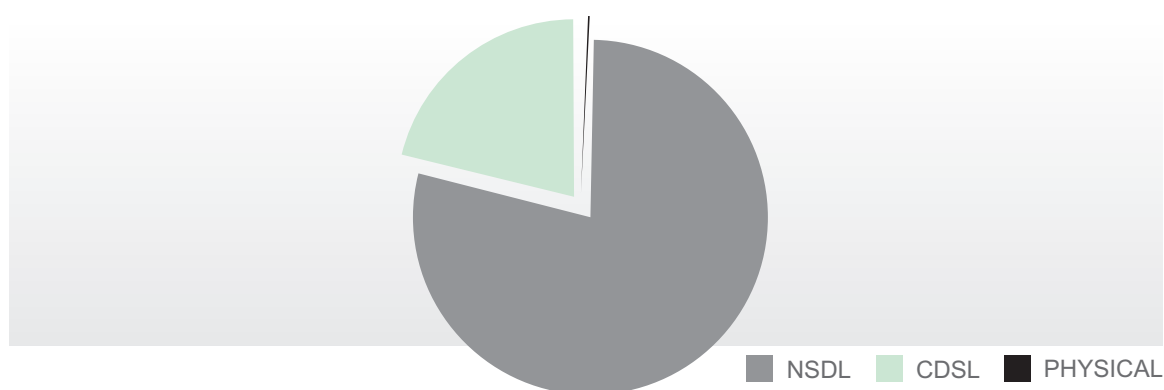
► Distribution of Shareholding as on 31st March, 2013

Sr. No.	Category Shares	Number of Shareholders	Percentage of Total	Share Amount	Percentage of Total
1.	1-5000	3,368	94.74	29,32,750	1.67
2.	5001-10000	82	2.31	6,38,980	0.36
3.	10001- 20000	30	0.84	4,71,000	0.27
4.	20001- 30000	8	0.22	1,89,060	0.11
5.	30001- 40000	3	0.08	98,740	0.06
6.	40001 -50000	4	0.11	1,86,630	0.11
7.	50001 -100000	10	0.28	7,44,910	0.43
8.	100001 & Above	50	1.41	16,97,38,320	96.99
	Total	3,555	100.00	17,50,00,390	100.00

► Dematerialisation of Shareholding

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar- Bigshare Services Private Limited. This has facilitated the shareholders to hold and trade their shares in 'electronic form'. Almost the entire shareholding (99.99%) is held in dematerialized form with NSDL 1,38,26,376 Shares (79%) and CDSL 36,73,659 Shares (21%) as on 31st March, 2013 and only 4 shares are in physical form.

Dematerialized Position as of 31st March, 2013



Address for Investor Correspondence

Ms. Pallavi P. Shedge
Company Secretary & Compliance Officer
Prakash Steelage Ltd.
701, Mahalaxmi Chambers, Bhulabhai Desai Road,
Mahalaxmi, Mumbai - 400 026.
Tel.: 022-66134500 • Fax : 022-66134599
Email: cs@prakashsteelage.com

Registrar & Transfer Agents
Bigshare Services Private Limited
E2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (East), Mumbai - 400 072
Tel: +91-022-28470632/53
Fax: +91-022-28475207
Email: babu@bigshareonline.com

Pursuant to Clause 49 (IV)(G) under Corporate Governance of the Listing Agreement with the Stock Exchanges, the particulars of Director who are proposed to be appointed / re-appointed are given below.

Particulars	Mr. Prakash C. Kanugo	Mr. Kamal P. Kanugo	Mr. Ashok M. Seth	Mr. Hemant P. Kanugo
Date of Birth	02.07.1953	11.03.1984	11.05.1973	14.10.1979
Date of Appointment	09.05.1991	16.05.2008	09.11.1993	30.09.2003
Qualification and Experience	Matriculate. He has more than 20 years of experience in trading of Stainless Steel Products and he looks after the entire management of the Company more particularly the domestic procurement of raw material.	B.E. (Industrial Engineering) from U.S.A. He looks after the international marketing and exports of the Company.	F.Y. B.Com. He has around 18 years of experience in trading and manufacturing of stainless steel pipes and tubes. He is responsible for successfully managing and expanding the business initiatives of Prakash Steelage Ltd. over the years.	B.Com, MBA He has more than 10 years of experience in the Stainless Steel Industry. He looks after the production unit at Umbergaon.
Directorships held in other Public Companies (excluding foreign Companies & Section 25 Companies)	NIL	NIL	NIL	NIL
Memberships/Chairmanships of committees of other Public Limited Companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL	NIL	NIL	NIL
Number of Equity shares held in the Company	37,83,500	5,57,752	5,61,753	4,48,400
Relationship with other Directors	Mr. Prakash C. Kanugo is father of Mr. Hemant P. Kanugo and Mr. Kamal P. Kanugo none other Director is related to him	Mr. Kamal P. Kanugo is son of Mr. Prakash C. Kanugo and Brother of Mr. Hemant P. Kanugo none other Director is related to him	Mr. Ashok M. Seth is Nephew of Mr. Prakash C. Kanugo (Sister's son) none other Director is related to him.	Mr. Hemant P. Kanugo is son of Mr. Prakash C. Kanugo and Brother of Mr. Kamal P. Kanugo none other Director is related to him

Shareholding pattern as on 31st March, 2013

Particulars	No. of Shares	% age
Promoters, including relatives of Directors and Corporate bodies.	1,15,21,574	65.83
Foreign Inst. Investors(FII)	7,39,992	4.23
Non Institutional Investors:-		
Other Bodies Corporate	39,10,952	22.35
Clearing Members	1,34,784	00.77
Non Resident Indian(NRI)	7,620	0.04
Others	11,85,117	6.78
Grand Total	1,75,00,039	100.00



Annexure to Corporate Governance Report

Declaration of Compliance with the code of conduct

All Board members and Senior Management Personnel have, for the year ended 31st March, 2013, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchanges.

Prakash C. Kanugo
Chairman & Managing Director

Mumbai, 30th May, 2013

Practicing Company Secretary Certificate on compliance of Corporate Governance as stipulated in Clause 49 of the listing Agreement

To,
The Members of Prakash Steelage Limited.

We have read the Report of Directors on Corporate Governance and have examined the relevant records relating to compliance of condition of Corporate Governance by Prakash Steelage Limited for the year ended on 31st March, 2013, as stipulated in Clause-49 of the Listing Agreement executed by the Company with the Stock Exchanges.

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

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

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

For S. Anantha & Co.,
Company Secretaries

S. Anantha Rama Subramanian
Proprietor
FCS 4443, C.P. NO.1925

Place: Mumbai
Date: 30th May, 2013

Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on financial statements of the Company

We, Prakash C. Kanugo, Chairman & Managing Director and Ashok M. Seth, Executive Director - Finance, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading; and
 - These statements present true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and the Audit Committee of:
 - i. Significant changes in internal control during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. 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.

Prakash C. Kanugo
Chairman & Managing Director

Ashok M. Seth
Executive Director - Finance

Mumbai, 30th May, 2013



Independent Auditors' Report

To The Members Of Prakash Steelage Limited Report on the Financial Statements

We have audited the accompanying financial statements of Prakash Steelage Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;

 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;

 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

FOR KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 105049W

FOR D. C. BOTHRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 112257W

NARENDRA JAIN
PARTNER
MEMBERSHIP NO. 048725

PAWAN BOTHRA
PARTNER
MEMBERSHIP NO. 031215

PLACE : MUMBAI
DATE : 30TH MAY, 2013



Annexure to the Independent Auditors' Report

Annexure referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of Independent Auditors' Report to the members of Prakash Steelage Limited (“the Company”) for the year ended March 31, 2013. We report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets by the management, as informed to us, is at reasonable intervals, having regard to the size of the Company and the nature of the assets physically verified and as explained to us no material discrepancies were noticed on such verification.

(c) During the year, the Company has not disposed off any substantial part of its fixed assets.
- ii) (a) Inventory have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. Discrepancies noticed on verification by management between the physical stocks and the book records were not material and same have been properly dealt with in the books of account.
- iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any company, firm or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (iii) (b) (c) (d) are not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not taken any loan during the year from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (iii) (f) (g) are not applicable to the Company.
- iv) In our opinion, and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements, referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- vi) In our opinion and according to information and explanations given to us, no public deposits under the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed have been accepted by the Company. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) According to information and explanations given to us, the Company has maintained books of account and records required to be maintained pursuant to the rule prescribed by the central government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- ix) (a) Undisputed Statutory Dues including Employees' Provident Fund, Employees' State Insurance (ESIC), Value Added Tax, Central Sales Tax, Entry Tax, Tax Deducted at Source, Income Tax, Wealth Tax, Service Tax, and Profession Tax have generally been regularly deposited with the appropriate authorities, however, there have been delays in depositing such dues in some cases. According to the information and explanations given to us, there were no undisputed statutory dues which have remained outstanding as at March 31, 2013 for the period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and the records examined by us, dues in respect of Sales-Tax, Income-Tax, Customs Duty, Wealth Tax, Service Tax, Entry Tax, Value Added Tax, Central Sales Tax, Excise Duty, Cess as at March 31, 2013 that have not been deposited with the appropriate authority on account of any disputes and the forum where the dispute is pending are as under:-

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs.)	Forum where dispute is pending
1	Bombay Sales Tax Act	Sales Tax	1994-95	79,202/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
2	Bombay Sales Tax Act	Sales Tax	1995-96	59,317/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
3	Central Sales Tax Act	Central Sales Tax	1995-96	2,85,360/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai

- x) The Company has no accumulated losses at the end of the financial year and has not incurred cash loss in the current financial year or in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- xii) Based on the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or nidhi / mutual benefit fund / society.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not done dealing or trading in shares, securities, debentures and other investments during the year under audit.



- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an examination of the Balance Sheet of the Company, we report that, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) In our opinion and according to the information and explanations given to us, the Company has not issued any debentures during the year or in earlier years.
- xx) The Company has not raised any money by public issue during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

FOR KHADELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 105049W

FOR D. C. BOTHRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 112257W

NARENDRA JAIN
PARTNER
MEMBERSHIP NO. 048725

PAWAN BOTHRA
PARTNER
MEMBERSHIP NO. 031215

PLACE : MUMBAI
DATE : 30TH MAY, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes	As At 31-03-2013 Rs.	As At 31-03-2012 Rs.
I Equity And Liabilities			
1 Shareholders' Funds			
a Share Capital	2	175,000,390	175,000,390
b Reserves And Surplus	3	1,475,412,484	1,355,616,444
2 Non-Current Liabilities			
a Long Term Borrowings	4	55,698,819	62,739,125
b Deferred Tax Liabilities (Net)	5	64,953,503	59,586,375
c Long Term Provisions	6	7,832,074	5,749,482
4 Current Liabilities			
a Short Term Borrowings	7	1,959,306,007	1,852,014,586
b Trade Payables	8	1,350,251,532	1,395,176,822
c Other Current Liabilities	8	217,326,363	343,785,397
d Short Term Provisions	6	41,373,860	60,517,008
Total		5,347,155,032	5,310,185,629
II Assets			
1 Non-Current Assets			
a Fixed Assets	9		
i Tangible Assets		704,093,133	767,600,209
ii Intangible Assets		2,922,162	1,051,454
b Capital Work In Progress		118,129,294	34,381,146
c Intangible Assets Under Development		20,069,617	-
d Long Term Loans And Advances	10	87,868,473	77,355,553
e Other Non-Current Assets	11	25,885,497	1,665,856
2 Current Assets			
a Inventories	12	1,876,954,149	1,451,014,676
b Trade Receivables	13	2,019,733,308	2,097,487,816
c Cash And Bank Balances	14	145,832,890	150,368,979
d Short Term Loans And Advances	10	282,845,204	677,006,772
e Other Current Assets	11	62,821,305	52,253,168
Total		5,347,155,032	5,310,185,629
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements
AS PER OUR REPORT OF EVEN DATE

FOR KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 105049W

FOR D. C. BOTHRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 112257W

FOR AND ON BEHALF OF THE BOARD

NARENDRA JAIN
PARTNER
M.NO.048725

PAWAN BOTHRA
PARTNER
M.NO.031215

PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

ASHOK M. SETH
EXECUTIVE DIRECTOR

PLACE : MUMBAI
DATE : 30TH MAY, 2013

PALLAVI P. SHEDGE
COMPANY SECRETARY
& COMPLIANCE OFFICER



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Notes	Year Ended 31-03-2013 Rs.	Year Ended 31-03-2012 Rs.
Income			
Revenue From Operations (Gross)	15	8,169,700,647	7,176,683,592
Less: Excise Duty		237,547,367	338,639,516
Revenue From Operations (Net)		7,932,153,280	6,838,044,076
Other Income	16	96,445,652	55,453,718
Total Revenue (I)		8,028,598,932	6,893,497,794
Expenses			
Purchases		5,155,680,793	3,075,599,753
Raw Material Consumed	17	2,383,765,353	2,647,555,888
Increase / (Decrease) In Stock	18	(631,754,320)	20,547,360
Stores & Spares Consumed		153,698,429	121,227,667
Employee Benefit Expenses	19	105,658,115	91,823,192
Finance Costs	20	298,509,373	244,497,916
Depreciation And Amortisation	9	72,372,145	65,137,726
Other Expenses	21	283,709,937	356,945,044
Total Expenses (II)		7,821,639,825	6,623,334,546
Profit / (Loss) Before Prior Period Adjustments		206,959,107	270,163,248
Prior Period Adjustments		(1,100,001)	(1,598,251)
Profit/(Loss) Before Tax		205,859,106	268,564,997
Tax Expenses			
Current Tax		66,874,000	79,026,078
Deferred Tax		5,367,127	10,690,876
Income Tax Relating To Earlier Years		(6,652,232)	9,399,942
Fringe Benefit Tax Relating To Earlier Year		-	2,000
Total Tax Expenses		65,588,895	99,118,896
Profit/(Loss) After Tax		140,270,211	169,446,101
Earnings Per Equity Share (Basic And Diluted)	22	8.02	9.68
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements
AS PER OUR REPORT OF EVEN DATE

FOR KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 105049W

FOR D. C. BOTHRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 112257W

FOR AND ON BEHALF OF THE BOARD

NARENDRA JAIN
PARTNER
M.NO.048725

PAWAN BOTHRA
PARTNER
M.NO.031215

PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

ASHOK M. SETH
EXECUTIVE DIRECTOR

PLACE : MUMBAI
DATE : 30TH MAY, 2013

PALLAVI P. SHEDGE
COMPANY SECRETARY
& COMPLIANCE OFFICER

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Year Ended 31-03-2013 Rs.	Year Ended 31-03-2012 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior period Adjustment & exceptional item	206,959,107	270,163,248
Adjustment for:		
Depreciation and Amortisation	72,372,145	65,137,727
Profit on Sale of Vehicle	-	(76,081)
Loss on Theft of Vehicle	81,420	78,747
Sundry Balances Written Back / Off (Net)	(9,284,930)	(1,511,517)
Provision for Doubtful Debts	1,008,917	2,425,395
Excess provision Written Back	(2,425,395)	-
Provision for Wealth Tax	72,768	65,114
Unrealised gains and losses arising from changes in foreign exchange rates	7,130,984	14,436,159
Interest Received	(83,973,915)	(53,838,510)
Finance Cost	298,509,373	244,497,916
Operating Profit Before Working Capital Changes	490,450,474	541,378,198
Adjustment for:		
Inventories	(425,939,473)	(291,732,970)
Trade & Other Receivables	449,924,762	(848,841,928)
Trade Payables & Other Current Liabilities	(158,151,024)	843,014,337
Cash Generated from Operations	356,284,739	243,817,637
Direct Taxes Paid (Net of Refund)	(80,911,029)	(66,547,221)
Cash Flow before prior period Adjustments & Exceptional item	275,373,710	177,270,416
Prior Period Adjustments	(1,100,001)	(1,598,251)
Net Cash From / (Used In) Operating Activities (A)	274,273,709	175,672,166
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital work-in-progress	(117,798,683)	(150,244,882)
Investment in Bank Deposits	(12,854,789)	(30,368,900)
Sale of Fixed Assets	541,937	253,333
Interest Received	85,409,091	51,340,690
Net Cash From / (Used In) Investing Activities (B)	(44,702,445)	(129,019,759)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Borrowings (Net)	163,230,456	65,805,884
Repayment / (proceeds) from Unsecured Borrowings (Net)	(68,482,055)	64,670,068
Finance Cost Paid	(298,308,454)	(241,920,372)
Dividend & Dividend Tax Paid	(20,318,247)	(20,313,946)
Share Issue Expenses	-	924,174
Net Cash From / (Used In) Financing Activities (C)	(223,878,300)	(130,834,191)
Net Increase / (Decrease) in Cash and Cash equivalents (A)+(B)+(C)	5,692,964	(84,181,784)
Cash and Cash equivalents at the beginning of the year	40,889,044	125,065,904
Exchange differences on translation of foreign currency Cash and Cash equivalents	(29,834)	4,924
Cash and Cash equivalents at the end of the year	46,552,174	40,889,044

NOTES:

- Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounting Standards) Rules, 2006.
- Cash and Cash equivalent at the end of the year includes earmarked balance with Bank of unpaid dividend of Rs.45,773/- (previous year Rs.25,037/-).
- Figures for the previous year are re-classified / re-arranged / re-grouped, wherever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED.

FOR KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 105049W

FOR D. C. BOTHRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 112257W

FOR AND ON BEHALF OF THE BOARD

NARENDRA JAIN
PARTNER
M.NO.048725

PAWAN BOTHRA
PARTNER
M.NO.031215

PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

ASHOK M. SETH
EXECUTIVE DIRECTOR

PLACE : MUMBAI
DATE : 30TH MAY, 2013

PALLAVI P. SHEDGE
COMPANY SECRETARY
& COMPLIANCE OFFICER



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

1 Summary of significant accounting policies

a) Basis of preparation

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

b) Use of estimates

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

c) Fixed Assets

Fixed Assets have been stated at cost of acquisition inclusive of expenses directly attributable to the acquisition of such assets. Elements of refundable duties and taxes on capital goods purchased have been reduced from the total cost of such assets.

d) Depreciation

Depreciation on fixed assets has been provided on Written Down Value Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, except for Fixed Assets pertaining to Umbergaon Unit where depreciation is charged on Straight Line Method (SLM) at the rates prescribed in schedule XIV to the Companies Act, 1956.

e) Pre-operative Expenses and Allocation thereon

All pre-operative expenditure & trial run expenditure are accumulated as Capital Work-in-Progress and is allocated to the relevant fixed assets on a pro-rata / reasonable basis.

f) Valuation of Inventories

- i) Raw Materials have been valued at lower of cost or net realisable value based upon FIFO method except where the material is specifically identifiable.
- ii) Work-in-progress has been valued on cost of raw-material and other direct cost depending upon the stage of completion of production in general.
- iii) Finished goods and trading stocks have been valued at lower of cost or net realisable value based upon FIFO method except where the finished goods are specifically identifiable.
- iv) Scrap, defectives and inferior production have been valued at net realisable value.
- v) Stores, spares and consumables have been valued at lower of cost or net realisable value.

Cost/Rate considered above for valuation of inventory is exclusive of Cenvat, refundable CVD and VAT component and inclusive of other direct cost incurred for acquiring the respective material.

g) Material Events occurring after the Balance Sheet date

Material events occurring after the date of Balance Sheet have been taken cognizance of liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty have been treated as contingent liability and are disclosed by way of notes to accounts.

h) Revenue Recognition

A sale is recognized at the time of dispatching the goods to the customer excluding Value Added Tax & Excise Duty collection. Purchases including import purchases are recognized net of refundable Value Added Tax and Duty component at the time of receipt of goods.

Export benefits have been recognized at the time of making the export sales & valued on estimated monetary benefit receivable there from.

i) Foreign Exchange Transactions

- i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Exchange differences, other than those which are regarded as an adjustment to interest cost, arising on repayment of liabilities and conversion of year-end foreign currency balances pertaining to long term loans for acquiring depreciable assets including capital work in progress are adjusted in the carrying cost of these assets.
- v) The premium or discount arising at the inception of a forward exchange contract not intended for trading or speculation purpose is amortised as expense or income over the life of the contract. Exchange difference on account of change in rates of underlying currency at the year end is recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the Year.

In recording a forward exchange contract intended for trading or speculation purpose, the premium or discount on the contract is ignored and at each Balance Sheet date, the value of the contract is marked to its current market value and gain or loss on the contract is recognized in the Statement of Profit and Loss.

- vi) The exchange difference arising on revenue and other account except as stated under (iv) above and (p) below is adjusted in the Statement of Profit and Loss.

j) Employee Benefits

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

k) Preliminary and Share Issue Expenses

Preliminary and Share Issue expenses are written off in the year in which such expenditure is incurred.

l) Excise Duty on Finished Goods

Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in the stock as at the year end.

m) Duties and Taxes on Purchases

Refundable duties and taxes on purchase of Raw Materials, other eligible inputs and capital goods are adjusted against duties and taxes payable. The unadjusted credits of such duties and taxes are shown under the head "Loans and Advances".

n) Export Benefits

The Company accounts for Export Benefits under duty exemption Advance License Scheme of the Government of India, in the year of exports of goods.

o) Prior Period Adjustment

Expenses and income pertaining to earlier / previous years are accounted as Prior Period Items.

p) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying fixed assets are capitalised as part of cost of assets, up to the date, the asset is put to use. Borrowing costs also include exchange differences arising from foreign currency borrowings to the extent they are regarded as an



adjustment to interest costs. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

q) Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

r) Impairment of Assets

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which assets are identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

s) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2 Share Capital

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Authorised		
20,000,000 (P.Y. 20,000,000) Equity Shares of Rs. 10/- each	200,000,000	200,000,000
Issued Subscribed & Paid up		
17,500,039 (P.Y. 17,500,039) Equity Shares of Rs. 10/- each fully paid-up	175,000,390	175,000,390
Total	175,000,390	175,000,390

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31 st March, 2013		31 st March, 2012	
	Nos.	In Rs.	Nos.	In Rs.
At the beginning of the period	17,500,039	175,000,390	17,500,039	175,000,390
Issued during the year	-	-	-	-
Outstanding at the end of the period	17,500,039	175,000,390	17,500,039	175,000,390

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on 30th May, 2013, proposed a final dividend of Re 1/- per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 14th August, 2013. The total dividend appropriation for the year ended 31st March, 2013 amounted to Rs.1,75,00,039/- excluding corporate dividend tax of Rs. 29,74,132/-.

During the year ended 31st March, 2012, the amount of final dividend recognized as distributions to equity shareholders was Re.1/- per equity share. The total dividend appropriation for the year ended 31st March, 2012 amounted to Rs. 1,75,00,039/- excluding corporate dividend tax of Rs.28,38,944/-.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	31 st March, 2013		31 st March, 2012	
	No. of Shares (Rs. 10/- each)	% of holding in the class	No. of Shares (Rs. 10/- each)	% of holding in the class
Equity shares of Rs. 10 each fully paid				
Prakash C. Kanugo	3,783,500	21.62%	3,622,800	20.70%
AMS Trading and Investment Private Limited	2,876,000	16.43%	2,876,000	16.43%
Seth Iron and Steel Private Limited	1,490,000	8.51%	1,490,000	8.51%
Balmiki Agencies Private Limited	970,649	5.55%	-	-

d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	31 st March, 2013	31 st March, 2012
	Numbers	Numbers
Equity Shares allotted as fully paid bonus shares by capitalization of General Reserve on 15th February, 2007	3,234,000	3,234,000

3 Reserves & Surplus

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Share Premium Account		
As Per Last Balance Sheet	671,589,261	669,254,695
Add : Share Issue Expenses (Net of Tax)	-	2,334,566
Closing balance	671,589,261	671,589,261
General Reserve		
As per Last Balance Sheet	175,312,948	125,312,948
Add : Amount Transferred from surplus balance in the statement of Profit and Loss	50,000,000	50,000,000
Closing balance	225,312,948	175,312,948
Surplus / (Deficit) in the statement of profit and loss		
As per Last Balance Sheet	508,714,235	409,607,118
Add : Profit for the year	140,270,211	169,446,101
Less : Appropriations		
Transfer to General Reserve	50,000,000	50,000,000
Dividend Proposed	17,500,039	17,500,039
Dividend Distribution Tax	2,974,132	2,838,944
Total Appropriations	70,474,171	70,338,983
Net Surplus in the statement of Profit and Loss	578,510,275	508,714,235
Total Reserve and Surplus	1,475,412,484	1,355,616,444



4 Long Term Borrowings

	Non Current portion		Current Maturities	
	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Term Loans				
Foreign currency loan from Bank (Secured) (External Commercial Borrowings)	-	-	-	19,895,555
Indian rupee loan from Bank (Secured)	43,755,275	59,631,353	17,493,168	17,493,169
Working Capital Loan				
Indian rupee loan from NBFC (Unsecured)	10,000,000	-	17,000,000	-
Vehicle Loans				
From Banks (Secured)	1,943,544	2,761,488	3,091,150	4,915,699
From NBFC's (Secured)	-	346,284	346,284	340,292
	55,698,819	62,739,125	37,930,602	42,644,715
The above amount includes				
Secured Borrowings	45,698,819	62,739,125	20,930,602	42,644,715
Unsecured Borrowings	10,000,000	-	17,000,000	-
Amount Disclosed under the head "Other current liabilities " (Note 8)	-	-	37,930,602	42,644,715
Net Amount	55,698,819	62,739,125	-	-

- a) Foreign currency loan from Bank (secured) outstanding as at end of the previous year carried interest @ LIBOR+1.5 % p.a. The loan was repayable in 9 half yearly installment of USD 388,888.88 each along with interest, from the date of loan, viz., 16th March, 2007. The loan was secured by way of mortgage of factory land & building and hypothecation of plant & machinery of Company at Umbergaon (First pari passu charges between ICICI Bank & Vijaya Bank). Further it was also secured by mortgage of residential flat at Tardeo Tower, Mumbai belonging to Director and his relatives and by personal guarantee of three Directors). The said loan has been repaid fully in the current year.
- b) Indian rupee loan from Bank (secured) carries interest @BPLR + 0.50 % +0.25 % which was 15.50 % to 16.00 % p.a. The loan same is repayable in 84 monthly installments of Rs 1,457,764/- each along with interest from the date of loan, viz., 10th July, 2008 the loan is secured by way of mortgage of factory land & building, and hypothecation of plant & machinery of Company at Umbergaon. (First pari passu charge with Vijaya Bank)
- c) Working Capital loan from NBFC (unsecured) taken on 26th February, 2013 for a period of 24 months carrying interest rate of 10.75% p.a. flat on Rs 30,000,000 /-. The same is repayable in 12 monthly installments of Rs 1,822,500/- in the first year of the loan & installments of Rs 1,215,000/- for the remaining period of the loan. The loan has been sanctioned against collateral money of Rs. 6,000,000 with the lender along with post dated cheques for Principal and Interest payable thereon and personal guarantee of three directors.
- d) i) Vehicle loans from Banks (secured) carries interest in the range of 7.50% p.a. to 12.50% p.a. All the loans are repayable in 34 - 55 monthly installments from the date of disbursement. These loans are secured against hypothecation of specific capital assets i.e. Vehicles and Post Dated Cheques for Principal & Interest payable thereon.
- ii) Vehicle loan from NBFC (secured) carries interest of approximately 11.50% p.a. The loan is repayable in 34 monthly installments from the date of disbursement and is secured against hypothecation of specific capital asset i.e. Vehicle and Post Dated Cheques for Principal & Interest payable thereon.

5 Deferred Tax Liabilities (Net)

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Deferred Tax Liability		
Fixed assets : Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	72,577,096	68,194,514
Gross Deferred Tax Liability	72,577,096	68,194,514
Deferred tax assets		
Outstanding Leave encashment, Gratuity and Bonus	3,684,719	2,813,522
Provision for doubtful debts	342,931	786,919
Preliminary Expenses u/s. 35D of the Income Tax Act, 1961	3,595,943	5,007,698
Gross Deferred Tax Assets	7,623,593	8,608,139
Deferred Tax Liabilities (Net)	64,953,503	59,586,375

6 Provisions

	Long - Term		Short - Term	
	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
(a) Provision for employee benefits				
Provision for Leave Encashment	1,817,373	1,341,434	105,398	122,990
Provision for Gratuity	6,014,701	4,408,048	346,370	347,649
	7,832,074	5,749,482	451,768	470,639
(b) Other Provisions				
Proposed Dividend	-	-	17,500,039	17,500,039
Dividend Distribution Tax	-	-	2,974,132	2,838,944
Income Tax (Net of Advance Taxes)	-	-	20,275,153	39,542,272
Fringe Benefit Tax (Net of Advance Taxes)	-	-	100,000	100,000
Wealth Tax (Net of Advance Taxes)	-	-	72,768	65,114
	-	-	40,922,092	60,046,369
	7,832,074	5,749,482	41,373,860	60,517,008

7 Short-Term Borrowings

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Cash Credit from Banks (Secured)	1,425,902,475	1,142,891,324
Cash Credit from Bank (Unsecured)	-	8,834,299
Buyers' Credit from Banks (Secured)	74,121,760	241,026,054
Buyers' Credit from Banks (Unsecured)	-	127,628,616
Working Capital loan from Bank (Secured)	50,000,000	-
Working Capital loan from Bank (Unsecured)	25,000,000	75,000,000
Export Packing Credit from Banks (Secured)	148,693,824	119,347,907
Export Packing Credit from Banks (Unsecured)	-	1,259,916
Bill Discounting from Banks (Secured)	26,243,635	18,922,932
Bill Discounting from Bank (Unsecured)	7,944,569	8,457,922
Bill Discounting from a NBFC (Unsecured)	151,399,744	108,645,616
Loan from NBFC (Unsecured)	50,000,000	-
	1,959,306,007	1,852,014,586
The above amount includes		
Secured Borrowings	1,724,961,694	1,522,188,218
Unsecured Borrowings	234,344,313	329,826,368
Total	1,959,306,007	1,852,014,586



Cash Credit from Banks (Secured) and Working Capital Loan from Bank (Secured) are repayable on demand and carries interest @ 12.75% to 16% p.a., Buyers Credit (Secured) represents Foreign Currency Buyers Credit from various Banks which carries interest ranging from 2 % to 5.25 % p.a. having a tenor of maximum upto 180 days., Export Packing Credit from Banks (Secured) are for a tenor of maximum upto 180 days and the rate of interest is Margin + LIBOR i.e. approximately 3.50% to 5 % p.a. and Bill Discounting from Banks (Secured) represents bill discounted with various banks. The tenor of the loan is in the range of 40 - 120 days and the rate of interest (local bill discounting) is 10.25% p.a. to 11% p.a. and rate of interest (foreign bill discounting) is in the range of 4 % to 5% p.a., All these loans are secured by hypothecation of Stocks of Raw Material, Stocks-in-process, Finished Goods, stores and spares (not relating to plant & machinery), bills receivables, book debts & all other current assets and movables (both present & future) at Silvassa & Umbergaon (First Pari Passu charges amongst Vijaya Bank, ICICI Bank, Bank of Baroda, The Royal Bank of Scotland NV, Standard Chartered Bank, CITI Bank NA, ING Vysya Bank Ltd. & Union Bank Of India) and the whole of the movable plant & machinery including all the spare parts and all other movable assets such as furniture, fixture, fittings, vehicles & equipments (both present and future) at Silvassa (First Pari Passu charges amongst the above mentioned banks) and at Umbergaon (Second Pari Passu charges amongst above mentioned banks) and collateral securities in form of first pari-passu charge on piece and parcel of non agricultural land along with the building at Silvassa & office premises no 101 & 102 at Islampura Street, at Mumbai and 701, Mahalaxmi chambers, at Mumbai belonging to two Directors and their relatives.

Short term borrowings (unsecured) viz. Cash Credit, Buyers' Credit, Export Packing Credit outstanding as at the end of previous year availed from various banks, carried interest rate of approximately 14% p.a., 2% to 4.25% p.a and 2.25% p.a. respectively. Cash Credit facility was repayable on demand and interest on same was payable at monthly rest.

Working capital loan from Bank (Unsecured) is availed for meeting working capital requirements of the company. The maximum tenor of the loan is 180 days and rollover is permitted after cooling period 3 days. The current rate of interest is 12.75% to 13.25% p.a. The interest is payable monthly at the end of each month / at the end of closure of the loan transaction. Bill Discounting from Bank (Unsecured) represents export bills discounted with local banks. The tenor of the loan is in the range of 50 to 120 days and the rate of interest is approximately 10% to 10.70% p.a. Bill Discounting from a NBFC (Unsecured) is availed from finance companies and the tenor of the loan is 90 to 120 days and the rate of interest is 14.25% p.a.

Loan from NBFC (unsecured) for 12 months taken on September 28, 2012 carries interest @ STLR(floating) less 1.75% which is 14.75% p.a. payable on a monthly basis is availed from a finance company. The principal amount is repayable in 3 monthly equal installments starting after 9 months of the availment of loan. The same has been sanctioned against the pledge of unencumbered shares of the company held by a Promoter company to maintain the security cover equal to 2.50 times at all times during the tenure of the loan and irrevocable and unconditional, personal guarantee of two directors & corporate guarantee by the said promoter company.

8 Other Current Liabilities

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Trade payables (including acceptances) (refer note 28 for details of dues to micro and small enterprises)	1,350,251,532	1,395,176,822
Other Liabilities		
Current maturities of Long Term Borrowings (Note 4)	37,930,602	42,644,715
Liability for expenses (refer note 28 for details of dues to micro and small enterprises)	68,109,919	68,715,183
Creditors for capital expenditure	40,801,447	38,164,800
Advance received from customer	46,271,353	173,325,705
Interest Accrued but not due on Loans	2,580,510	4,479,433
Unpaid Dividend	45,773	25,037
Security deposit from employees	177,100	229,200
<u>Others</u>		
Deferred Discount on Forward Contracts	1,453,887	-
Statutory dues	19,955,772	16,201,324
	217,326,363	343,785,397
	1,567,577,895	1,738,962,219

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Note 9 : FIXED ASSETS

Sr. No.	Assets	GROSS BLOCK			DEPRECIATION/ AMORTISATION			NET BLOCK			
		As On 01/04/2012 Rs.	Addition Rs.	Deductions/ Adjustments Rs.	As On 31/03/2013 Rs.	As On 01/04/2012 Rs.	Dep. For the year Charged To P&L A/c Rs.	Deductions/ Adjustments Rs.	Upto 31/03/2013 Rs.	As On 31/03/2013 Rs.	As On 31/03/2012 Rs.
	Tangible assets										
1	Factory Land	17,005,767	122,095	-	17,127,862	-	-	-	-	17,127,862	17,005,767
2	Factory Building	294,420,754	39,760	-	294,460,514	32,134,025	9,153,757	-	41,287,781	253,172,733	262,286,729
3	Office Building	731,040	-	-	731,040	404,884	16,308	-	421,191	309,849	326,156
4	Plant & Machinery	564,747,489	1,161,234	735,490	565,173,233	128,266,965	52,137,967	414,090	179,990,842	385,182,391	436,480,524
5	Electrical & Telephone Installation & Office Equipment	14,846,515	942,161	23,300	15,765,376	5,522,325	918,841	3,140	6,438,025	9,327,351	9,324,190
6	Computers	12,857,547	667,118	-	13,524,665	8,476,210	1,846,487	-	10,322,697	3,201,968	4,381,337
7	Furniture & Fixtures	23,825,654	1,814,577	124,047	25,516,184	7,597,570	1,839,892	124,047	9,313,415	16,202,769	16,228,084
8	Vehicles	45,241,363	3,819,500	1,377,987	47,682,876	23,695,942	5,536,915	1,096,190	28,136,666	19,546,210	21,545,422
9	Live Stock	22,000	-	-	22,000	-	-	-	-	22,000	22,000
	Intangible Assets										
	Computer Software	2,484,688	2,792,687	-	5,277,375	1,433,233	921,980	-	2,355,213	2,922,162	1,051,454
	Total Current Year	976,182,817	11,359,132	2,260,824	985,281,125	207,531,154	72,372,145	1,637,467	278,265,831	707,015,295	768,651,663
	Total Previous Year	799,142,109	178,225,556	1,184,848	976,182,817	143,322,276	65,137,726	928,849	207,531,154	768,651,663	655,819,833

Notes:

- (1) During the year, the company has reviewed its fixed assets for impairment loss as required by Accounting Standards 28 – "Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.
- (2) As per the notification No. GSR 225 (E), dated 31st March, 2010 issued by the Ministry of Corporate Affairs u/s 211 (3C) of the Companies Act, 1956 and pursuant to the Companies (Accounting standards) Amendment Rules, 2011 vide GSR 914 (E), dated 29th December, 2011 on the Accounting Standard 11 "The effect of changes in foreign exchange rates", the Company had exercised the option that exchange differences, other than those which are regarded as an adjustment to borrowing cost, arising on reporting of long term foreign currency loans, so far as they relate to acquisition of depreciable capital assets, is added to or deducted from the cost of the asset and depreciated over the balance life of the asset and accordingly during the year, the exchange loss /gain pertaining to long term foreign currency monetary items amounting to Rs. NIL/- have been debited / credited to the cost of respective fixed assets [previous year exchange loss of Rs.841,047/- (in respect of Building Rs.389,942/- and Plant & Machinery Rs.451,105/-) have been debited to the cost of respective fixed assets].



10 Loans and Advances

	Long - Term		Short - Term	
	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	21,044,385	16,607,834	-	-
(A)	21,044,385	16,607,834	-	-
Security Deposit				
<u>Secured, considered good</u>	-	-	-	-
<u>Unsecured, considered good</u>				
- Security Deposit to Related Party	55,000,000	55,000,000	-	-
- Others	59,375,128	59,306,128	2,535,886	904,950
(B)	59,375,128	59,306,128	2,535,886	904,950
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	212,138,003	544,311,071
(C)	-	-	212,138,003	544,311,071
Other loans and advances (Unsecured, considered good)				
Balance with central excise authority	-	-	32,853,989	105,700,338
Collateral / Margin Money	6,000,000	-	26,143,267	11,640,483
Prepaid expenses	-	-	5,159,070	5,755,097
Loans and advances to employees	-	-	1,068,443	1,194,146
Advance income tax (net of provision for taxation)	436,446	436,446	-	-
Balances with statutory / Government authorities	1,012,514	1,005,145	2,946,546	7,500,687
(D)	7,448,960	1,441,591	68,171,315	131,790,751
(A+B+C+D)	87,868,473	77,355,553	282,845,204	677,006,772

Collateral / Margin money deposits given as security :

The lender has unconditional lien in respect of the collateral money of Rs.60,00,000/- and interest accruing thereon and has unconditional right to adjust these monies to set off compensation arising out of late remittance of monthly instalment due and monthly instalment due in respect of Indian rupee Working Capital loan of Rs 3,00,00,000/-.

Margin money deposits with a carrying amount of Rs. 26,143,267/- (Previous year Rs. 11,640,483/-) are given against the discounting of bills of exchange

	Long - Term		Short - Term	
	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Security deposits include				
Dues from Directors & their relatives (refer note 25)	55,000,000	55,000,000	-	-
Loans to employee include				
Dues from Officers			729,555	1,037,646
Dues from Workers			338,888	156,500

11 Other Assets

	Non - Current		Current	
	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Unsecured, considered good unless stated otherwise				
Non current bank balances (note 14)	24,713,004	1,658,995	-	-
Interest Accrued on Bank deposits	1,127,222	6,861	2,308,248	5,114,079
Interest Accrued on other deposits	45,271	-	346,098	141,075
Export Benefit Incentive	-	-	60,166,959	46,998,014
	25,885,497	1,665,856	62,821,305	52,253,168

12 Inventories (Valued at cost or market value whichever is lower, as taken, valued and certified by management)

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Raw materials and components (Includes in transit Rs 207,84,355/- (P.Y. Rs.415,99,952/-) (Refer Note (1) (f))	397,424,577	596,982,857
Work in progress (Refer note (1) (f))	115,146,155	148,466,137
Finished goods (Refer Note (1) (f))	346,759,837	105,275,976
Traded goods (Includes in transit Rs. 2,148,914 (P.Y. Rs Nil) (Refer Note (1) (f))	970,877,712	547,287,271
Stores and spares	46,745,868	53,002,435
	1,876,954,149	1,451,014,676

13 Trade Receivable

	Non - Current		Current	
	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	201,783,397	92,154,264
Doubtful	-	-	-	2,425,395
	-	-	201,783,397	94,579,659
Provision for doubtful debts	-	-	(1,008,917)	(2,425,395)
(A)	-	-	200,774,480	92,154,264
Other debts				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,818,958,828	2,005,333,552
(B)	-	-	1,818,958,828	2,005,333,552
(A+B)	-	-	2,019,733,308	2,097,487,816



14 Cash and Bank Balances

	Non - Current		Current	
	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Cash and cash equivalents				
Currency in hand	-	-	772,812	633,432
Cash on hand	-	-	2,239,239	1,219,767
Balances with banks:				
On current accounts	-	-	43,494,350	38,891,307
Earmarked balance with Bank (Unpaid Dividend)	-	-	45,773	25,037
Cheques/drafts in hand	-	-	-	119,501
Total Cash and cash equivalents			46,552,174	40,889,044
Other bank balances				
Margin money deposit	24,713,004	1,658,995	99,280,716	109,479,936
	24,713,004	1,658,995	99,280,716	109,479,936
Amount disclosed under non-current assets (Note - 11)	24,713,004	1,658,995		
	-	-	145,832,890	150,368,979

Margin money deposits given as security :

Fixed deposits amounting to Rs.123,993,720/- (Previous year Rs.111,138,931/-) have been kept with the banks as a margin money for non fund based facilities.

15 Revenue From Operations

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Operating revenue		
Sale of Products		
Finished goods	2,920,299,620	3,746,874,544
Traded goods	5,204,290,577	3,388,687,220
Other operating revenue		
Export Incentives	45,110,450	40,567,484
Premium on High Seas Sales	-	334,600
Profit on Consignment Sales	-	219,744
Revenue from operations (Gross)	8,169,700,647	7,176,683,592
Less : Excise duty #	237,547,367	338,639,516
Revenue from operations (Net)	7,932,153,280	6,838,044,076

Excise duty on sales amounting to Rs.237,547,367 (31st March, 2012 : Rs.338,639,516) has been reduced from sales in the Statement of Profit and Loss and excise duty on (increase) / decrease in stock amounting to Rs.26,862,699 (31st March, 2012 : Rs.1,000,838) has been considered as (income) / expense in note 21 of financial statements.

Details of product sold

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Finished goods sold		
S. S. Pipe / Tubes	2,812,159,323	3,646,110,540
S. S. Scrap	108,140,297	100,764,004
	2,920,299,620	3,746,874,544
Traded goods sold		
S. S. Pipe / Tubes	1,851,896,722	1,579,540,036
S. S. Sheet / Coil /Plate	3,352,393,855	1,800,280,041
S. S. Scrap	-	8,867,143
	5,204,290,577	3,388,687,220
	8,124,590,197	7,135,561,764

16 Other Income

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Interest Income on		
-Bank Deposits	9,802,359	7,106,395
-Loans & Advances	68,822,385	28,005,231
-Receivables	5,349,171	18,726,884
Profit on Sale of fixed assets	-	76,081
Sundry Balance write back (net) (Refer Note No.31)	9,284,930	1,511,517
Excess provision written back	2,425,395	-
Other Income	14,242	27,610
Discount on Forward Contracts (net of premium)	747,170	-
	96,445,652	55,453,718

17 Raw Material Consumed

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Opening Stock	596,982,857	311,720,679
Add : Purchases	2,184,207,073	2,932,818,066
	2,781,189,930	3,244,538,745
Less : Closing Stock	397,424,577	596,982,857
	2,383,765,353	2,647,555,888

Details of raw material and components consumed

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
S. S. Strip / Sheet / Coil / Plate	1,333,189,831	1,785,825,398
S. S. Round Bar	373,523,268	341,369,767
S.S. Pipe	677,052,254	520,360,723
	2,383,765,353	2,647,555,888



Details of inventory

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Raw materials and components		
S. S. Strip / Sheet / Coil / Plate	210,704,989	262,731,800
S. S. Round Bar	40,397,121	182,527,937
S.S. Pipe	146,322,467	151,723,120
	397,424,577	596,982,857

18 Increase / (decrease) in Stock

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Opening Stock :		
Traded Goods	547,287,271	604,498,810
Work in Process	148,466,137	91,249,759
Finished Goods	105,275,976	125,828,175
	801,029,384	821,576,744
Closing Stock :		
Traded Goods	970,877,712	547,287,271
Work in Process	115,146,155	148,466,137
Finished Goods	346,759,837	105,275,976
	1,432,783,704	801,029,384
	(631,754,320)	20,547,360

Details of purchase of traded goods

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
S. S. Pipe / Tubes	1,717,663,747	1,580,291,814
S. S. Sheet / Coil /Plate	3,438,017,046	1,495,307,939
S. S. Scrap	-	-
	5,155,680,793	3,075,599,753

Details of inventory

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Traded goods		
S. S. Pipe / Tubes	200,495,292	251,049,648
S. S. Sheet / Coil /Plate	770,382,420	296,237,623
S. S. Scrap	-	-
	970,877,712	547,287,271
Work-in-progress		
S. S. Strip / Sheet / Coil / Plate	56,035,310	61,368,880
S. S. Round Bar	12,403,723	54,308,925
S.S. Pipe	46,707,122	32,788,332
	115,146,155	148,466,137
Finished goods		
S. S. Pipe / Tubes	341,717,036	100,496,902
S. S. Scrap	5,042,801	4,779,074
	346,759,837	105,275,976

19 Employee Benefit Expenses

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Salaries, Bonus and Other Benefits	15,834,783	12,106,733
Contribution to Provident and Other Funds	3,902,078	3,332,362
Wages , Bonus & Other Benefits	75,929,769	66,309,474
Remuneration to Directors	3,060,000	3,060,000
Staff welfare Expenses	6,931,485	7,014,623
	105,658,115	91,823,192

20 Finance Costs

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Interest on Term Loan	11,471,753	14,425,752
Interest on Cash Credit & Other Facilities	207,910,739	173,488,998
Interest on Car Loans	556,595	963,560
Interest On unsecured loans	27,934,238	16,301,725
Other Interest	33,093,633	10,984,601
	280,966,958	216,164,636
Bank Commission & Other Finance Charges	17,542,415	25,450,445
Exchange difference to the extent considered as an adjustment to borrowing cost	-	2,882,835
	298,509,373	244,497,916

21 Other Expenses

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Manufacturing & Other Expenses		
Testing , Cutting & Job Work Charges	44,361,252	52,157,490
Power, Fuel & Water Charges	30,987,866	28,179,578
Insurance (Factory)	890,299	747,813
Repairs & Maintenance (Factory)	12,050,171	10,013,074
Liquidated damages/Late delivery charges paid	14,397,504	7,203,842
Excise Duty on Closing Stock	26,862,699	1,000,838
	129,549,791	99,302,635
Administrative & Selling Expenses		
Fluctuation in Foreign Currency	16,783,301	117,205,133
Advertisement Expenses	2,839,597	4,392,915
Sales Promotion Expenses	8,716,700	6,051,946
Discount & Rebate	25,356	620,223
Donation	260,602	223,451
Export Freight	37,881,316	33,549,316
Legal and Professional Expenses	12,815,722	10,462,302
Packing, Transport, Coolie & Cartage	29,404,173	29,590,718
Printing & Stationary	2,424,802	2,257,997
Rates & Taxes	1,219,133	3,880,512
Registration & Tender Fees	60,378	1,700
Rent	2,347,709	2,416,700
Electricity Charges	1,761,695	1,350,008
Repairs & Maintenance	1,302,280	1,818,327



	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
Security Charges	1,598,071	1,719,220
Service Tax	403,123	301,373
Auditors Remuneration	705,719	759,216
Insurance	333,402	241,892
Director Sitting Fees	90,000	76,000
Sundry Expenses	2,753,586	3,928,489
Telephone, Postage & Telegram	4,259,041	5,280,609
Travelling & Conveyance	11,459,442	12,115,688
Vehicle Maintenance & Insurance	8,676,551	9,454,886
Brokerage & Commission	8,500	116,629
Premium on Forward Contracts (net of discount)	-	695,786
Loss on Sale/Theft of Fixed Assets	81,420	78,747
Training & Recruitment Expenses	1,701,821	1,338,794
Provision for doubtful debts	1,008,917	2,425,395
Bad Debts written off	3,232,177	5,288,438
Loss on Consignment Sales	5,612	-
(B)	154,160,146	257,642,409
(A+B)	283,709,937	356,945,044
Note:		
Payment to auditors		
As auditor:		
Audit fee	600,000	600,000
In other capacity:		
Taxation matters	50,000	40,000
Reimbursement of expenses	26,530	18,216
Other services	6,189	-
Certification	23,000	101,000
	705,719	759,216

22 Earnings Per Share (EPS)

In accordance with Accounting Standard 20 - "Earning per Share" notified under Companies (Accounting Standard) Rules, 2006, (as amended) and relevant provisions of Companies Act, 1956 the required disclosure is given below:

	31 st March, 2013 in Rs.	31 st March, 2012 in Rs.
The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations :		
Net profit / (loss) attributable to Shareholders (Rs.)	140,270,211	169,446,101
Weighted average number of equity shares issued (Nos.) for basic EPS	17,500,039	17,500,039
Basic earnings per share of Rs. 10/- each (in Rs.)	8.02	9.68

The Company does not have any potential dilutive equity shares. Consequently, the basic and diluted earnings per share remain the same.

23 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

Consequent to Accounting Standard 15 “Employee Benefits” (Revised 2005) becoming effective, the Company has made the provision for Defined Contribution Plan and Defined Benefit Plan.

Defined Contribution Plan

During the year, the Company has recognized Rs. 1,493,963/- (Previous Year Rs. 1,408,812/-) towards Provident Fund and Employees, State Insurance Corporation as Defined Contribution Plan Obligation.

**Defined Benefit Plan
Gratuity & Leave Encashment**

Liability is computed on the basis of Gratuity & Leave Encashment payable on retirement, death and other withdrawals as per the Act and already accrued for past service, with the qualifying wages/salaries appropriately projected, as per the Projected Unit Credit Method.

I. Actuarial Assumption

Particulars	Gratuity		Leave Encashment	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Discount Rate Current	8.20%	8.50%	8.20%	8.50%
Rate of Increase in Compensation Levels	6.00%	6.00%	6.00%	6.00%

II Table Showing Change in Benefit Obligation

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Projected Benefit Obligations (PBO) at the beginning of the year	4,755,699	2,849,318	1,464,424	1,994,832
Interest Cost	370,118	235,069	72,276	164,574
Service Cost	1,211,514	1,058,495	572,027	620,673
Benefits paid	(802,742)	(17,169)	(1,228,247)	(512,556)
Actuarial (gain) / loss on Obligations	826,483	629,986	1,042,292	(803,099)
Projected Benefit Obligations (PBO) at the end of the Year	6,361,072	4,755,699	1,922,771	1,464,424

III Tables of Fair value of Plan Assets

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	-	17,169	-	512,556
Benefits paid	-	(17,169)	-	(512,556)
Gain / (loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-



IV Tables of change in Plan Assets

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Actual return on Plan Assets	-	-	-	-
Contributions	-	-	-	-
Benefits paid	-	-	-	-
Fair value of Plan Assets at the end of the year	-	-	-	-

V. Funded Status

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Funded Status	(6,361,072)	(4,755,699)	(1,922,771)	(1,464,424)

VI The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Present Value of Obligation	6,361,072	4,755,699	1,922,771	1,464,424
Fair value of Plan Assets	-	-	-	-
Difference	6,361,072	4,755,699	1,922,771	1,464,424
Unrecognised Actuarial gains (losses)	-	-	-	-
Unrecognised Transitional Liability	-	-	-	-
Liability Recognised in Balance Sheet	6,361,072	4,755,699	1,922,771	1,464,424

VII. Net Periodic Cost

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Current Service Cost	1,211,514	1,058,495	572,027	620,673
Interest Cost	370,118	235,069	72,276	164,574
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain) loss recognised in the year	826,483	629,986	1,042,292	(803,099)
Expenses Recognised in the Income Statement	2,408,115	1,923,550	1,686,594	(17,852)

VIII. Movements in the liability recognised in the Balance Sheet

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Opening Net Liability	4,755,699	2,849,318	1,464,424	1,994,832
Expense as above	2,408,115	1,923,550	1,686,594	(17,852)
Contributions paid	(802,742)	(17,169)	(1,228,247)	(512,556)
Closing Net Liability	6,361,072	4,755,699	1,922,771	1,464,424

24 Segment Reporting

The Company's operations predominantly relates to manufacturing and trading of "Stainless Steel Tubes & Pipes", Hence there is no separate reporting segment as per Accounting Standard 17 "Segment Reporting" notified under the Companies (Accounting Standard) Rules, 2006.

25 Related Party Disclosure

Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" notified under Companies (Accounting Standard) Rules, 2006, (as amended) and relevant provisions of Companies Act 1956,

Related Parties	Nature of relationship
M/s. Sunrise Metal Industries	Associates / Enterprises over which directors and / or their relatives has significant influence
M/s. AMS Trading & Investments Pvt. Ltd.	
M/s. Seth Iron & Steel Pvt. Ltd.	
M/s. Seth Steelage Pvt. Ltd.	
M/s. Prakash Stainless Pvt. Ltd.	
M/s. PCK Metal Pvt. Ltd.	
M/s. Top Honest Inc. (upto 2nd March, 2012)	
M/s. Seth Carbon & Alloys Pvt. Ltd.	
M/s. Prakash & Daga Infra Projects Pvt. Ltd.	
M/s. Prakash C. Kanugo (HUF)	
M/s. Ashok M. Seth (HUF)	
Shri Prakash C. Kanugo, Chairman & Managing Director	Key Management Personnel
Shri Ashok M. Seth, Executive Director	
Shri Hemant P. Kanugo, Whole-time Director	
Shri Kamal P. Kanugo , Whole-time Director	
Smt. Babita P. Kanugo	Relatives of Key Management Personnel
Shri Vimal P. Kanugo	
Shri Kirti P. Kanugo	
Smt. Ekta H. Kanugo	

Note: Related Party Relationships have been identified by the management and relied upon by the Auditors.

Details of transactions between the Company & related parties & the status of outstanding balances as on 31st March, 2013.

(in Rs.)

Nature of Transactions	Name of Party	Associates/ Enterprises over which directors and/or their relatives has significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Loans/ Advances Given	M/s. Top Honest Inc.	NIL	800,000				
Loans/ Advances Recovered	M/s. Top Honest Inc.	NIL	800,000				



(in Rs.)

Nature of Transactions	Name of Party	Associates/ Enterprises over which directors and/or their relatives has significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Remuneration / Salary	Shri Ashok M. Seth			900,000	900,000		
	Shri Hemant P. Kanugo			600,000	600,000		
	Shri Kamal P. Kanugo			360,000	360,000		
	Shri Kirti P. Kanugo					360,000	360,000
	Shri Prakash C. Kanugo			1,200,000	1,200,000		
	Shri Vimal P. Kanugo					360,000	360,000
Rent Paid	Shri Prakash C. Kanugo			60,000	60,000		
	M/s. Prakash C. Kanugo (HUF)	480,000	480,000				
	M/s. Ashok M. Seth (HUF)	360,000	360,000				
	Smt. Ekta H. Kanugo					480,000	480,000
	Shri Kamal P. Kanugo			660,000	660,000		
	Shri Hemant P. Kanugo			108,000	108,000		
Outstanding Balances							
Office Deposit Given	M/s. Ashok M. Seth (HUF)	11,000,000	11,000,000				
	M/s. Prakash C. Kanugo (HUF)	14,000,000	14,000,000				
	Smt. Ekta H. Kanugo					14,000,000	14,000,000
	Shri Kamal P. Kanugo			11,000,000	11,000,000		
Other Deposit Given	Shri Kamal P. Kanugo			5,000,000	5,000,000		
Corporate Guarantee & Pledge of equity shares	AMS Trading and investment Pvt. Ltd.	AMS Trading and investment Pvt. Ltd has given an irrevocable and unconditional corporate guarantee and pledge of 12,64,542 equity shares of the company held by them against the loan of Rs. 5,00,00,000/- taken by the company from NBFC to maintain the security cover equal to 2.50 times at all times during the tenure of the loan.					

26 Capital and Other Commitment

	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	118,752,296	88,730,232
(b) Other Commitments		
- Commitment for investments	100,000	-

27 Contingent Liabilities

	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
<u>Contingent liabilities not provided for in respect of:</u>		
(a) Guarantees given by the bankers of the company	48,226,175	114,170,699
(b) Sales Tax demands disputed in appeals	448,879	489,346
(c) Letter of Credit	16,104,672	3,576,074
(d) Gujarat Commercial Tax Penalty	234,581	234,581
(e) Central Sales Tax Liability towards pending declaration forms	7,594,259	2,828,568

28 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006, (MSMED Act) as at 31st March, 2013. The disclosure pursuant to the said Act is as under:

Particulars	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Principal amount remaining unpaid to any supplier as at the year end	2,669,415	3,923,167
Interest due thereon	129,306	55,987
Amount of interest paid during the year	-	-
Amount of payments made to the supplier beyond the appointed day during the accounting year	10,717,061	1,737,615
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	723,446	53,952
Amount of interest accrued and remaining unpaid at the end of the accounting year	852,752	109,939
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006	742,813	109,939

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" Enterprises on the basis of information available with the Company.

- 29** Some of the balances of Trade Receivables, Deposits, Loans & Advances, Advances received from customers, Liability for expenses and Trade Payables are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any. The management, however, does not expect any material variation.
- 30** In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.
- 31** Sundry credit balances written back amounting to Rs. 9,284,930/- are net of sundry debit balances written off amounting to Rs.4,653,705/- (in previous year sundry credit balance written back amounting to Rs.1,511,517/- are net of sundry debit balances written off amounting to Rs.3,974,001/-)
- 32** Prior period adjustment (Net) amounting to Rs 1,100,001/-(debit) {Previous year Rs. 1,598,251/-(debit)} includes income of Rs. 130,807/- (Previous year Rs. 1,134,791/-) and expenses Rs. 1,230,808/- (Previous year Rs.2,733,042/-).



33 CIF value of Imports

Class of Goods	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Material	882,821,367	1,158,888,702
Capital Goods	14,642,037	9,661,605
Stores and Spares	3,178,583	2,774,310
Total	900,641,987	1,171,324,617

34 Expenditure in Foreign Currency (on accrual basis)

Particulars	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Professional Fees	1,290,956	197,880
Interest on Term Loan	4,538	576,568
Travelling Exp.	4,187,635	5,626,404
Others	7,574,957	8,713,021
Total	13,058,086	15,113,873

35 Earnings in foreign exchange on exports of goods (FOB Value)

Particulars	31 st March, 2013 In Rs.	31 st March, 2012 In Rs.
Exports of Goods	976,976,055	582,593,104

36 Disclosures of derivative instruments

The Company has entered into the following derivative instruments. All the forward contracts are accounted for as per Accounting Policies stated in Note 1(i) annexed to Balance Sheet and Statement of Profit and Loss.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The Company does not use forward contracts for speculative purposes.

(a) Outstanding Short-term Forward Exchange Contracts entered into by the Company on account of receivables :

Particulars	31 st March, 2013	31 st March, 2012
No. of Contracts	7	-
US Dollar equivalent	1,250,000	-
INR equivalent	67,986,625	-

(b) Outstanding Short-term Forward Exchange Contracts entered into by the Company on account of payables :

Particulars	31 st March, 2013	31 st March, 2012
No. of Contracts	-	-
US Dollar equivalent	-	-
INR equivalent	-	-

(C) The un-hedged foreign currency exposure as on 31st March 2013 is given below:

	Payables as at 31 st March 2013		Payables as at 31 st March 2012	
	Foreign Currency Amount	Local Currency	Foreign Currency Amount	Local Currency
USD	2,370,150	128,910,864	2,678,676	137,038,104
EURO	18,659	1,297,642	9,146	625,084
GBP	-	-	19,140	1,565,843

	Receivables as at 31 st March 2013		Receivables as at 31 st March 2012	
	Foreign Currency Amount	Local Currency	Foreign Currency Amount	Local Currency
USD	1,857,308	101,017,709	3,153,729	161,306,942
EURO	661,235	45,984,798	377,018	25,766,129
GBP	-	-		

37 Subsequent to the balance sheet date, on 10th April, 2013, the Company has incorporated wholly-owned foreign subsidiary viz. Pioneer stainless & alloy- F.Z.E. at United Arab Emirates.

38 Figures of the previous year have been re-grouped , re-classified and re-arranged, wherever necessary.

AS PER OUR REPORT OF EVEN DATE

FOR KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 105049W

FOR D. C. BOTHRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 112257W

NARENDRA JAIN
PARTNER
M.NO.048725

PAWAN BOTHRA
PARTNER
M.NO.031215

PLACE : MUMBAI
DATE : 30TH MAY, 2013

SIGNATURES TO NOTES "1" TO "38"**FOR AND ON BEHALF OF THE BOARD**

PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

ASHOK M. SETH
EXECUTIVE DIRECTOR

PALLAVI P. SHEDGE
COMPANY SECRETARY
& COMPLIANCE OFFICER

Notes

Prakash Steelage Ltd.

Regd. Office: 701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026.

Attendance Slip

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the Company at Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034, at 4.00 p.m. on Wednesday, the 14th August, 2013.

.....
Full name of the Shareholder (in block capitals) Signature

Folio No..... /DP ID No.*..... & Client ID No.
*Applicable for members holding shares in electronic form.

.....
Full name of Proxy Signature
(in block capitals)

NOTE: Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

Prakash Steelage Ltd.

Regd. Office: 701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026.

Proxy Form

I/We.....of.....
in the district of being a member of the above named Company, hereby
appoint.....of.....in the district of or failing
him.....of..... in the district.....as
my/our Proxy to attend and vote for me/us and on my/our behalf at the 22nd ANNUAL GENERAL MEETING of the
Company, to be held on Wednesday, the 14th August, 2013 at 4.00 P.M. and at any adjournment thereof.

Signed this..... Day of2013 Folio No..... /DP ID
No.*..... & Client ID

*Applicable for members holding shares in electronic form

No. of Shares Signature
Affix Revenue Stamp

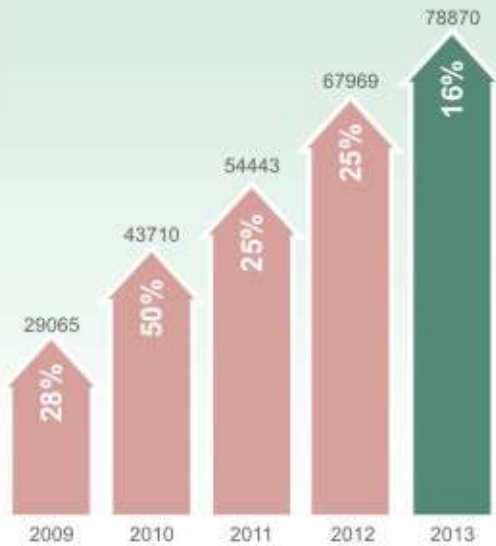
This form is to be used @ in favour/ @ against the resolution.
Unless otherwise instructed, the proxy will act as he thinks fit.

@ Strike out whichever is not desired.
NOTES: (i) The proxy must be returned so as to reach the Registered Office of the Company at 701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026 not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
(ii) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.

Financial Highlights

SALES

(Rs. in Lacs)



PBT

(Rs. in Lacs)



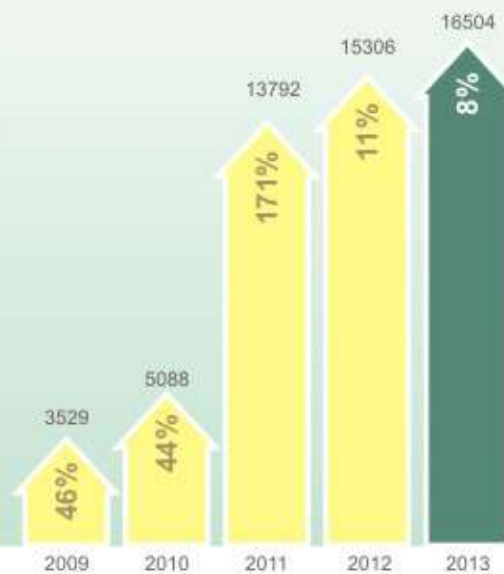
PAT

(Rs. in Lacs)



NET WORTH

(Rs. in Lacs)



Prakash Steelage Ltd.

*An ISO 9001-2008, ISO 14001-2004, BS OHSAS 18001-2007,
PED Certified, AD-2000-Merkblatt W O &
Government Recognised Star Export House*

**Manufacturers & Exporters of Austenitic, Martensitic,
Ferritic, Duplex & Super Duplex, Welded and
Seamless Pipes, Tubes & U "Tubes"**

Registered Office :

701, Mahalaxmi Chambers, Bhulabhai Desai Road,
Mahalaxmi, Mumbai - 400 026 (India)
Ph. : +91-22 - 6613 4500 • Fax : +91-22 - 6613 4599

Domestic Sales :

sales@prakashsteelage.com

International Sales :

exports@prakashsteelage.com

Website :

www.prakashsteelage.com

Manufacturing Units :

Unit 1 : Survey No. 46/1, Parjai Road,
Village Kherdi, Silvassa - 396 230,
Union Territory of Dadra & Nagar Haveli, (India)

Unit 2 : Plot No.131/1, Umbergaon, Sanjan Road,
Umbergaon - 396 170, Dist.Valsad, Gujarat (India)

