



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

Executive 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

Mrinmoy Roy

Non Executive Director
(Upto 28th May, 2012)

Gautam Chand Jain

Non Executive Director

A. Prakashchandra Hegde

Non Executive Director
(From 28th May, 2012)

Contents

1. Notice	02
2. Chairman's Letter to the Shareholders	04
3. Directors' Report	05
4. Annexure to the Directors' Report	08
5. Management Discussion and Analysis	10
6. Corporate Governance Report	13
7. Auditors' Report	26
8. Annexure to the Auditors' Report	28
9. Balance Sheet	31
10. Profit & Loss Account	32
11. Cash Flow Statement	33
12. Notes to Financial Statement	34
13. Attendance Slip and Proxy	

Company Secretary & Compliance Officer

Sarika S. Singh

Bankers

Vijaya Bank

ICICI Bank

The Royal Bank of Scotland

Bank of Baroda

Standard Chartered Bank

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.

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

Email: investorsgrievances@prakashsteelage.com

Registrar & Transfer Agents

Bigshare Services Pvt. Ltd. E2/3,

Ansa Industrial Estate, Saki Vihar Road,

Sakinaka, Andheri (East),

Mumbai - 400072.

Tel: +91-022-40430200/28470652

Fax : +91-022-28475207

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

ISIN : E616K01016

Manufacturing Units

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

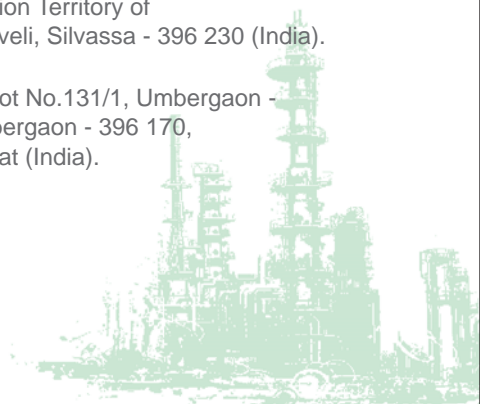
Village: Kherdi, Union Territory of

Dadra & Nagar Haveli, Silvassa - 396 230 (India).

UMBERGAON : Plot No.131/1, Umbergaon -

Sanjan Road, Umbergaon - 396 170,

Dist. Valsad, Gujarat (India).



Notice

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Prakash Steelage Limited will be held on Tuesday, 14th August, 2012 at 4.00 p.m. at Victoria Memorial School for the Blind, Opp. A. C. Market, Tardeo, Mumbai - 400 034 to transact following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, the Statement of Profit & Loss Account for the year ended on that date 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. Prakash C. Kanugo, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kamal P. Kanugo, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Joint 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 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 with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. A. Prakashchandra Hegde, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company."

Notes

- a) **A member entitled to attend and vote at the 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**

Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the commencement of the meeting.

- b) The Register of Members of the Company will remain closed from Thursday, 9th August, 2012 to Tuesday, 14th August, 2012 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared.
- c) The Dividend, if declared will be payable on 20th August, 2012.
- d) 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 8th August, 2012. 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.
- e) 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 Registrar and Share Transfer Agent of the Company M/s Bigshare Services Private Limited.
- f) The members are requested to send queries, if any, on accounts which should reach the Registered Office of the Company at least seven days before the meeting.
- g) Kindly quote your Ledger Folio Number / Client ID Number in all your future correspondence.
- h) Members are requested to bring their copies of the Annual Reports to the Annual General Meeting of the Company.



- i) 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.
- j) The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
- k) 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.
- l) Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Registrar and Share Transfer Agents, 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 Investor Education and Protection Fund.
- m) Amount in Company's Refund Account as on March 31, 2012 is Rs. 59,400/- as balance yet to be refunded to the applicants/ allottees as they are yet to submit necessary confirmation. As on March 31, 2012 no shares are lying in Unclaimed Shares Demat Suspense Account.
- n) 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.

Explanatory Statement Pursuant To Section 173 (2) Of The Companies Act, 1956.

Item No. 6

Mr. A. Prakashchandra Hegde was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 28th May, 2012. Mr. A. Prakashchandra Hegde will hold office as an Additional Director up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. A. Prakashchandra Hegde for the office of the Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the ordinary resolution as set out in item no. 6 of the notice for your approval.

None of the Directors of the Company except Mr. A. Prakashchandra Hegde is in anyway, concerned or interested in the said resolution.

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

Place: Mumbai
Date: 28th May, 2012

By Order of the Board

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, Bigshare Services Pvt. Ltd. Email: babu@bigshareonline.com





Chairman's Letter To The Shareholders

Dear Members,

It gives me immense pleasure to present you the 21st Annual Report for the financial year 2011-12 of our Company. During the year, the Company successfully completed its expansion programme at its Umbergaon plant in Gujarat. After expansion, the present total capacity stands at 19,000 MTPA as against 17,600 MTPA earlier. The Company's topline has grown by 24.8% to touch Rs. 6,796.9 mn in FY12 as against Rs. 5,444.28 mn in FY11.

The economy was under tremendous pressure with GDP growth at 6.5% in FY12. The recent Index of Industrial Production numbers also portray a sad picture. Growth rate slowed down sharply to 0.1% in April 2012 from 5.3% a year ago, due to contraction in capital goods and dip in manufacturing output, reflecting the sluggish state of the economy. (IIP was negative in March 2012, which declined to 3.2%). The performance of the capital goods sector was disappointing, only 12 out of 22 major industrial groups showed positive growth. The capital goods output, declined by 16.3% as against a growth of 6.6% in the same month last year. Mining output also contracted by 3.1% in April 2012, as against growth of 1.6% in the same month a year ago.

The pressure in the economy affected our profitability as well. EBIDTA witnessed a decrease of 5.19% to Rs. 521 mn in FY12. Higher interest payment and forex losses led to decline in Profit after Tax by 31.9% to Rs. 169.4 mn in FY12.

Fighting against all odds, your Company has emerged 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 endeavor to take care of all the stakeholders has resulted in trust and faith for the Company.

We truly believe, we would achieve good business and financial performance by posting good profits in FY13. I would be failing in my duties if I do not acknowledge the support, cooperation and valuable guidance provided to me by the Board members. I thank you all for your support and reposing faith and confidence in us.

Prakash C. Kanugo
(Chairman & Managing Director)



Directors' Report

To the Members of
Prakash Steelage Limited

Your Directors take pleasure in presenting the 21st Annual Report of your Company, together with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

Financial Highlights

The financial performance of the Company, for the year ended March 31, 2012 is summarized below:

Particulars	(Rs. in Lacs)	
	Year Ended March 31, 2012	Year Ended March 31, 2011
Income from Operations	68380.44	54630.25
Profit before Depreciation and Tax	3337.03	4179.32
Depreciation	651.38	448.34
Profit before Tax	2685.65	3730.98
Taxation	991.19	1242.49
Profit after Taxes	1694.46	2488.48
Balance brought forward	4096.07	2310.97
Amount available for appropriation	5790.53	4799.46
Proposed Dividend & Tax on Dividend	203.39	203.39
Transfer to General Reserves	500.00	500.00
Balance Transferred to Balance Sheet	5087.14	4096.07

Financial Performance

The income from operations for the year has increased to Rs 68380.44 Lacs as compared to Rs. 54630.25 Lacs of previous year reflecting a growth of 25.17%. The profit before tax Rs. 2685.65 Lacs as against Rs. 3730.98 Lacs in the previous year reflecting a decrease of Profit by 28.02%. The Net Profit after Tax also decreased by 31.91 % at Rs. 1694.46 Lacs as compared to Rs. 2488.48 Lacs during previous year. The reduction in the profit as compared to previous year is mainly due to constant diminution in the value of the Rupees against foreign Exchange.

Dividend

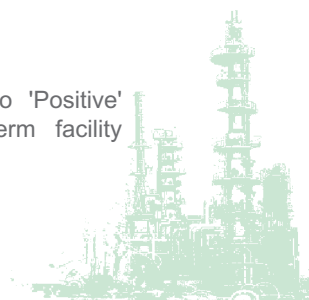
The Board has subject to the approval of members at the ensuing Annual General Meeting, recommended a dividend of Re. 1.00 (Previous Year Re. 1.00) per Equity Share on 1,75,00,039 Equity Shares of Rs.10/- each, for the financial year ended 31st March, 2012 amounting to Rs.1,75,00,039/- and tax thereon of Rs. 28,38,944/-.

Transfer to Reserves

The Company proposes to transfer Rs. 500.00 Lacs (Previous year Rs. 500.00 Lacs) to the General Reserve and an amount of Rs. 5087.14 Lacs (Previous year Rs. 4096.07 Lacs) to be carried to balance sheet out of the amount available for appropriation.

Credit Rating

CRISIL has revised 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 'CRISILA3+'.



The ratings reflect the 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. 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.

The Projects

The expansion Project of the Company at Umbergaon has been completed resulting in increased capacity to 19000 MTPA.

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.

Directors

In terms of Article 150 of Article of Association of the Company Mr. Prakash C. Kanugo, is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. In terms of Article 150 of Article of Association of the Company Mr. Kamal P. Kanugo, is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. A. Prakashchandra Hegde was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 28th May, 2012 and he holds office as an Additional Director up to the date of the ensuing Annual General Meeting. Your Company has received a notice in writing from a member proposing the candidature of Mr. A. Prakashchandra Hegde for the office of the Director of the Company, liable to retire by rotation, under the provisions of Section 257 of the Companies Act, 1956.

Mr. Mrinmoy Roy has resigned from the post of Independent Director of the Company with effect from 28th May 2012.

Your Directors recommend the above-mentioned appointment and re-appointments. Particulars and Brief Resume of Directors to be appointed / reappointed 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. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures, if any;
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.

Audit Committee

In terms of Section 292A of the Companies Act, 1956 and read with Clause 49 of the Listing Agreements with the Stock Exchanges, the Board has constituted Audit Committee of Board of Directors. The Committee consists of two Non Executive Independent Directors and one Executive Director, as a practice of good corporate governance. Now Audit Committee has been reconstituted by induction of Mr. A. Prakashchandra Hegde as a member of the committee on 28th May, 2012



Auditors

The Joint Statutory Auditors M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. D. C. Bothra & Co., Chartered Accountants, Mumbai, retire at the conclusion of ensuing Annual General Meeting and have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provision of Section 224(1B) of the Act.

Your Directors recommend their reappointment.

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 Annexure to the Directors' Report.

For details in respect of the Foreign Exchange Earnings and Outgo, refer to Notes on Accounts, note no 19 (h) & 19 (i) in part II under Schedule 'P'.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review 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 and Management Discussion and Analysis are given as annexure to 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 is no employee in receipt of 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.

Acknowledgements

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, resulting in the successful performance of the Company during the year.

Place : Mumbai

Date : 28th May, 2012

For and on behalf of the Board

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 March 31, 2012	Previous Year March 31, 2011
A) Power & Fuel Consumption		
a) Purchase Unit	51,62,022	45,29,220
b) Total Amount (Rs.)	2,76,01,720	2,15,48,270
c) Rate Per Unit (Approx.) (Rs.)	5.35	4.8
B) Own Consumption		
a) Through Diesel Generator (Unit)	1,57,294	138,971
b) Through Steam Turbine	NIL	NIL
C) L.P.G. Consumption		
Gas Cylinders (kgs.)	2,00,688	3,10,357
Total Cost (Rs.)	1,24,35,836	1,41,11,616
Average rate (Rs.)	61.97	45.5
D) Furnace Oil (LDO)		
Quantity (In Ltrs.)	NIL	1,73,039
Total Cost (Rs.)	NIL	6964820
Average rate (Rs.)	NIL	40.3
E) Consumption of Coal		
Quantity (In Kgs.)	16,42,537	20,11,657
Total Cost (Rs.)	1,02,31,257	1,10,64,114
Average rate (Rs.)	6.23	5.5
F) CNG Consumption		
Quantity (In Kgs.)	4,30,621	NIL
Total Cost (Rs.)	1,54,92,596	NIL
Average rate (Rs.)	35.98	NIL



Particulars	Current Year March 31, 2012	Previous Year March 31, 2011
Product (with details)-(M. Ton)	S.S Pipe & Tube	S.S Pipe & Tube
Electricity Units Consumed Per Unit	402.05	395.10
Furnace Oil (in Litres) Per Unit of Production	NIL	15.09

ii) Form for disclosure of particulars with respect to absorption 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:

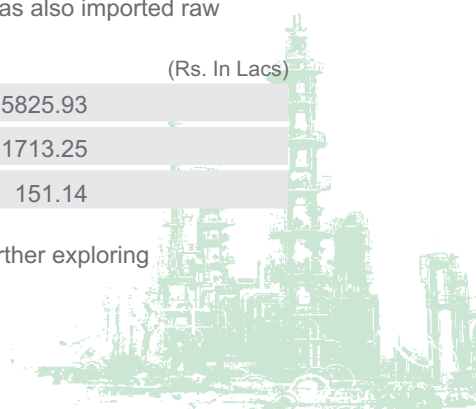
1) Efforts in brief made towards technology absorption adoption and innovation	Continuous
2) Benefits derived as a result of the above efforts, e.g. product development	Quality Improvement
3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial 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	-

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)
1) FOB value of Export	5825.93
2) CIF value of Imports	11713.25
3) Expenditure in foreign currency	151.14

The Company has so far exported in 50 countries world wide. The Company is further exploring African region and South East Asia to increase its Exports.



Management Discussion and Analysis Report for the Financial Year 2011-2012

Industry Overview

India is ranked 10th in the stainless steel production in the world. India produces 18 to 20 lakh ton per annum and with some import, the consumption of stainless steel in India stands at 22 lakh tons. This also includes exports worth 2.50 lakh ton per annum. Ahmedabad is considered No. 1 for production of raw materials. Mumbai is the biggest stainless steel trading centre in Asia for raw materials and finished products. There are more than 3000 traders in Mumbai. The per capita consumption of stainless steel in India is 1.2kg, which is the lowest in the world. On the other hand, the world's highest consumption per capita is 30kg in Italy, 24.6kg in South Korea, 21kg in Germany, 16kg in Japan and 6kg in China. The world average per capita consumption is 9.4kg. Hence, there is tremendous scope of increasing production and consumption of stainless in India.

Steel production (weight: 6.68%) had a growth rate of 5.8% in April 2012 against its 2.9% growth in April 2011. Cumulatively Steel production grew at 7.0% during April-March 2011-12 compared to an increase of 3.2% during the same period of 2010-11.

Stainless steels of various kinds are used in thousands of applications. The following gives a flavour of the full range:

Domestic - cutlery, sinks, saucepans, washing machine drums, microwave oven liners, razor blades

Architectural/Civil Engineering - cladding, handrails, door and window fittings, street furniture, structural sections, reinforcement bar, lighting columns, lintels, masonry supports

Transport - exhaust systems, car trim/grilles, road tankers, ship containers, ships chemical tankers, refuse vehicles

Chemical/Pharmaceutical - pressure vessels, process piping.

Oil and Gas - platform accommodation, cable trays, subsea pipelines.

Medical - Surgical instruments, surgical implants, MRI scanners.

Food and Drink - Catering equipment, brewing, distilling, food processing.

Water - Water and sewage treatment, water tubing, hot water tanks.

General - springs, fasteners (bolts, nuts and washers), wire.

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. Projections for 2010 to 2015 suggest a 4.2% annual growth in worldwide stainless steel demand, with growth reaching 7.7% per year for India and 6.2% per year for China during the same period. 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

There are currently 100 small and medium scale units and 4 to 5 organized 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 100,000 MT which is expected to increase up to 275,000 MT by the year 2015/16. The top players globally in this segment are Valmet/ Tubacex/ Centravis. Company Specializes in meeting specific requirements of customers and offers complete solution for stainless steel welded & seamless pipes and tubes. The type of product varies 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. Pipes
- S.S. Seamless Tubes
- S.S. Seamless Pipes
- Square
- UBend Tubing
- S.S. Grades

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.

Company is manufacturing stainless steel welded, seamless pipes and tubes and has setup two industrial plants at Silvassa & Umbergaon. Having set up its first Plant at Silvassa in the year 1996 with a capacity of 4000 MT p.a., the Company expanded its capacity by setting up another plant at Umbergaon in Gujarat and presently has total capacity of 19000 MT p.a. during the year 2011-12.

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.

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, 2012. It has been prepared by management and is required supplemental information to the financial statements and the footnotes that follow this section.

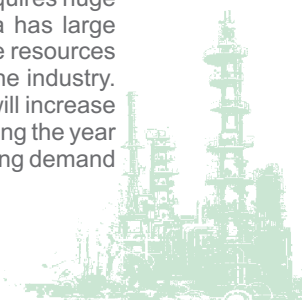
The income from operations for the year has increased to Rs 68380.44 Lacs as compared to Rs. 54630.25 Lacs of previous year reflecting a growth of 25.17%. The profit before tax Rs. 2685.65 Lacs as against Rs. 3730.98 Lacs in the previous year reflecting a decrease of Profit by 28.02%. The Net Profit after Tax also decreased by 31.91 % at Rs. 1694.46 Lacs as compared to Rs. 2488.48 Lacs during previous year. The loss is the result of constant diminution in the value of the Rupees against foreign Exchange. The Earning per Share (EPS) works out to be Rs. 9.68 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. During the year the company's capacity increased to 19000 MT on completion of expansion project at Umbergaon.

Opportunities and Threats

Steel industry plays an important role in the development of a country. 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 unauthorized 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.

Certification

Prakash Steelage Limited is an ISO 9001-2008, ISO 14001-2004, ISO18001-2007, PED certified and AD-2000-Merkblatt WO approved and Government recognized 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 organizational challenges. The Company has also provided insurance cover & 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

Place : Mumbai
Date : 28th May, 2012

For and on behalf of the Board

Prakash C. Kanugo
Chairman & Managing Director



Corporate Governance Report

1. 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.

2. 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 names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the previous Annual General Meeting, as 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 2011-12		No of Directorship in other Companies **
	Board Meeting	Last AGM	
Mr. Prakash C. Kanugo Chairman & Managing Director	4	Yes	-
Mr. Ashok M. Seth Executive Director	4	No	-
Mr. Hemant P. Kanugo Executive Director	4	Yes	-
Mr. Kamal P. Kanugo Executive Director	4	No	-
Dr. Bipin C. Doshi Independent Director	4	Yes	-
Mr. Himanshu Thaker Independent Director	2	Yes	-
Mr. Mrinmoy Roy* Independent Director	4	Yes	-
Mr. Gautam Chand Jain Independent Director	4	Yes	-

*Mr. Mrinmoy Roy has resigned from the post of Independent Director of the company with effect from 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	28.05.2011	12.08.2011	14.11.2011	14.02.2012
No of Directors Present	8	8	7	7

The Board Meetings are normally held at Head Office, 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 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 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 two Non-Executive Independent Directors- Mr. Gautam Chand Jain, Dr. Bipin Doshi and Mr. Ashok M. Seth Whole Time Director.

The Composition of the Audit Committee is as under

Name of the Members	Status at the Committee	Nature of Directorship	No. of the Meeting attended
Mr. Gautam Chand Jain	Chairman	Independent Director	4
Mr. Ashok M. Seth	Member	Whole Time Director	4
Dr. Bipin C. Doshi	Member	Independent Director	4

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 there on.
- (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) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The audit committee shall have powers, which should include 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 contained 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, 2012 is as follows.

Name of Director	Status at the Committee	Nature of Directorship
Mr. Himanshu J. Thaker	Chairman	Independent Director
Mr. Hemant P. Kanugo	Member	Whole Time Director
Dr. Bipin C. Doshi	Member	Independent 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 is recommended by the Remuneration Committee of the Board of Directors. The remuneration structure of Managing Director comprises of salary, perquisites, allowances, performance bonus, commission and contribution to provident, superannuation and gratuity funds. Payment of remuneration to the Managing Director is governed by the Agreement executed between the Managing Director 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 2011-12 are as under

Name of the Director	Remuneration including Perquisite (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Prakash C. Kanugo	12,00,000	Nil	12,00,000
Mr. Ashok M. Seth	9,00,000	Nil	9,00,000
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 31.03.2012

Name of the Directors	No of Equity Shares Held
Mr. Prakash C. Kanugo	3622800
Mr. Ashok M. Seth	448400
Mr. Hemant P. Kanugo	561753
Mr. Kamal P. Kanugo	557752
Dr. Bipin C. Doshi	Nil
Mr. Himanshu Thaker	Nil
Mr. Mrinmoy Roy	Nil
Mr. Gautam Chand Jain	Nil

The sitting fees paid to The Independent Directors for attending Board Meeting and Audit Committee has been revised from 12th August, 2011 from 3000 to Rs. 5000 each for Board Meeting and from Rs. 1000 to 2000 each for Audit Committee. 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	18000	7000
Mr. Himanshu J. Thaker	8000	-
Mr. Mrinmoy Roy	18000	-
Mr. Gautam Chand Jain	18000	7000

C) Shareholders'/ Investor Grievances Committee

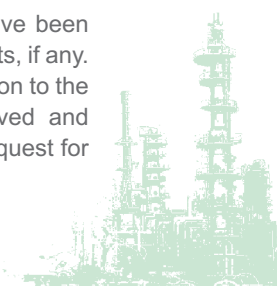
An Investors' Grievance Committee was constituted to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of dividend, etc.

The Shareholders and Investors Grievances Committee was constituted at the Board meeting held on 25th August, 2008. During the financial year 2011-12 four meeting of Shareholders'/ Investors' Committee was held on 28th May, 2011, 12th August, 2011, 14th November, 2011 and 14th February, 2012. The Committee is chaired by Dr. Bipin C. Doshi.

The composition of the Committee as at 31st March, 2012 is as follows.

Name of Director	Status at Committee	No. of Meeting Attended	No. of Meeting held during the Year
Dr. Bipin C. Doshi	Chairman	4	4
Mr. Himanshu J. Thaker	Member	2	4
Mr. Ashok M. Seth	Member	4	4

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 Pvt. Ltd as its Registrar and Transfer Agents (RTA) to look after Share transfer and related work.

Mrs. Sarika Singh is Company Secretary & Compliance Officer of the Company in terms of Clause 47 of the Listing Agreement.

Shareholders' Complaints

During the Financial Year ended 31st March 2012, the Company received 1(One) complaint from the shareholders for non receipt of Exchange Share Certificate, which was attended to promptly. There are no complaints/requests pending to be replied or attended to at the end of the year.

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, 2012 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.

Annual General Meetings

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

Year	Location	Date	Time
2008-09	701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026	30 th September, 2009	4.00 P.M.
2009-10	701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026	23 rd July, 2010	11.00 A.M.
2010-11	Walchand Hirachand Hall, (4 th floor) IMC building, Churchgate Mumbai- 400 020	12 th August, 2011	3.30 P.M.

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

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

- a) Allot 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).
- d) 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



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. (www.prakashsteelage.com). 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 V. P. (finance)

Mr. Prakash C. Kanugo - Chairman & Managing Director and Mr. Dinesh H. Trivedi – CFO(Chief Financial Officer), 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 28th May, 2012 in which the Audited Accounts for the Financial Year ended 31st March, 2012 were considered and approved by the Board of Directors.

Shareholders' Information:

21st Annual General Meeting Details

Day	Tuesday
Date	14 th August, 2012
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: Thursday, 9th August 2012 to Tuesday, 14th August, 2012 (both days inclusive).

Dividend Payment Date:

The final dividend, if approved by the shareholders, shall be paid on 20th August, 2012

Listing with Stock Exchanges

The Equity Shares of the Company were listed on 25th August, 2010 on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd., having ISIN No. **INE696K01016**. CIN No. L27106MH1991PLC061595.

Stock Exchange	Script Code/ Symbol
Bombay Stock Exchange 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

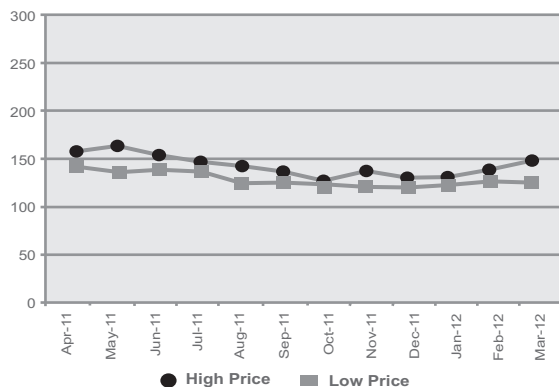
Payment of Listing Fees Annual Listing Fee for the year 2012-13 (as applicable) has been paid by the Company to BSE and NSE.



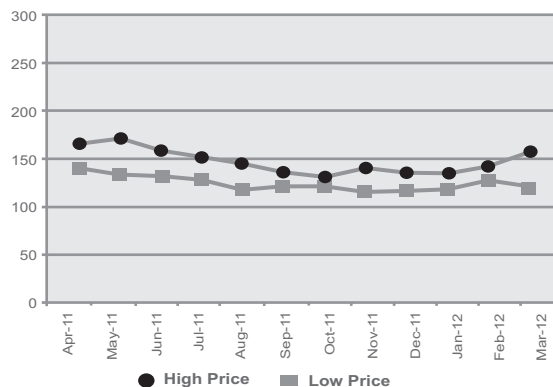
Share Price Data Monthly Basis

Month	BSE		NSE	
	High	Low	High	Low
April	164.90	141.10	165.00	142.05
May	171.00	134.00	172.50	134.70
June	159.50	137.85	159.80	132.70
July	149.00	135.00	150.00	126.95
August	142.80	118.10	140.95	115.55
September	134.95	120.05	130.00	120.05
October	125.70	119.00	125.90	119.05
November	135.80	114.50	134.80	114.05
December	127.00	114.00	130.00	114.80
January	129.50	116.10	129.30	116.05
February	136.45	123.10	135.90	123.55
March	149.90	120.50	154.50	122.00

Monthly High Low (BSE)



Monthly High Low (NSE)



Manufacturing Units

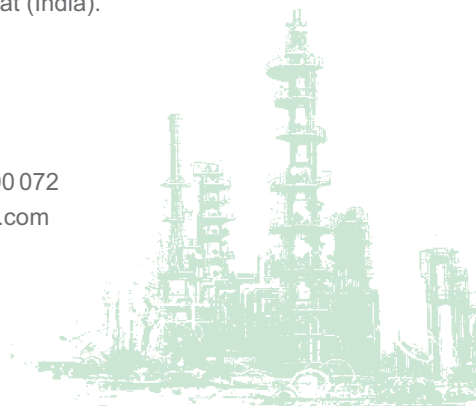
SILVASSA : Survey No. 46/1, Parjai Road,
Village: Kherdi, Union Territory of
Dadra & Nagar Haveli, Silvassa - 396 230 (India).

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

Registrar & Transfer Agents:

BIGSHARE SERVICES PVT. LTD.

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

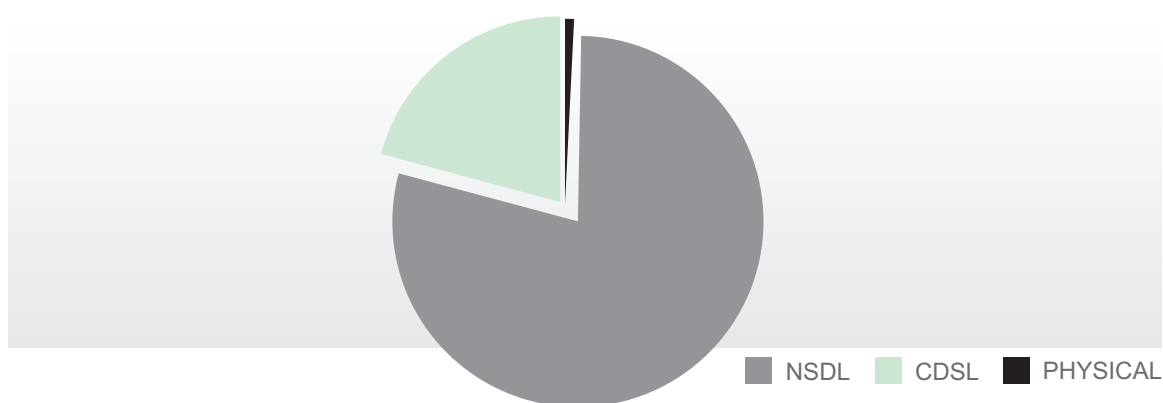


Distribution of Shareholding**Distribution of the shares according to size of holdings as on March 31, 2012.**

Sr. No.	Category Shares	Number of Shareholders	Percentage of Total	Share Amount	Percentage of Total
1.	1-500	4152	94.36	3664140	2.09
2.	501-1000	111	2.52	849140	0.49
3.	1001- 2000	45	1.02	720260	0.04
4.	2001- 3000	13	0.30	329150	0.20
5.	3001- 4000	4	0.09	128570	0.07
6.	4001 -5000	9	0.20	437210	0.25
7.	5001 -10000	5	0.11	417980	0.24
8.	10001 & Above	61	1.39	168453940	96.26
Total		4400	100.00	175000390	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 Pvt. Ltd. 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 13827312 Shares (79.01%) and CDSL 3672723 Shares (20.99%) as on 31st March, 2012 and only 4 shares are in physical form.

Dematerialized Position as of 31st March, 2012**Address for Investor Correspondence:****Sarika S. Sing****Company Secretary & Compliance Officer**701, Mahalaxmi Chambers, Bhulabhai Desai Road,
Mahalaxmi, Mumbai - 400 026.

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

Email: investorsgrievances@prakashsteelage.com**Registrar & Transfer Agents:**Bigshare Services Pvt. Ltd. E2/3,
Ansa Industrial Estate, Saki Vihar Road,
Sakinaka, Andheri (East), Mumbai - 400 072.

Tel: +91-022-28470632/53

Fax: +91-022-28475207

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



Shareholding pattern as on March 31, 2012

Particulars	No. of Shares	%
Promoters, including relatives of Directors and Corporate bodies.	11360524	64.92
Foreign Inst. Investors(FII)	739992	4.23
Non Institutional Investors:-		
Other Bodies Corporate	3574083	20.42
Clearing Members	79383	00.46
Non Resident Indian(NRI)	4945	0.03
Others	1741112	9.10
GRAND TOTAL (A+B)	17500039	100.00

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

Particulars	Mr. Prakash C. Kanugo	Mr. Kamal P. Kanugo	Mr. A. Prakashchandra Hegde
Date of Birth	02/07/1953	11/03/1984	21/03/1948
Date of Appointment	09/05/1991	16/05/2008	28/05/2012
Qualification	Matriculate	B.E. (Industrial Engineering) from U.S.A.	B.Com, LLB, CAIIB (I),
Directorships held in other Public Companies (excluding foreign Companies & Section 25 Companies)	NIL	NIL	NIL
Memberships/Chairmanships of committees of other Public Limited Companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	NIL	NIL	NIL
Number of Equity shares held in the Company	3622800	557752	NIL
Relationship with other Director	Mr. Prakash C. Kanugo is father of Mr. Hemant P. Kanugo and Mr. Kamal P. Kanugo no other Director is related to him	Mr. Kamal P. Kanugo is son of Mr. Prakash C. Kanugo and Brother of Mr. Hemant P. Kanugo no other Director is related to him	NIL

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 March 31, 2012, 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, 28th May, 2012

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, 2012, 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 state that no investor complaints are pending for a period exceeding for 30 days against the Company as per records maintained by the Share Transfer and Investors Grievance Committee.

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.K Jain & Associates

S. K. Jain
Company Secretary
FCS1473, C.P. No. 3076

Place: Mumbai
Date: 28th May, 2012



CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY

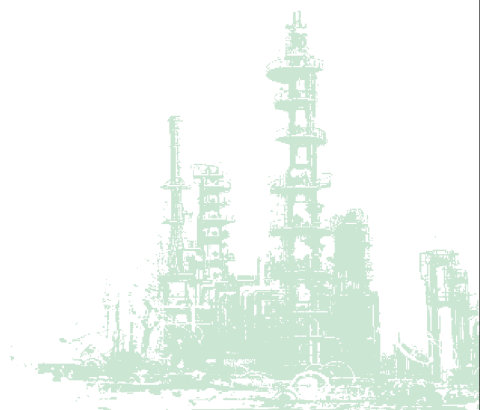
We, Prakash C. Kanugo, Chairman & Managing Director and Dinesh H. Trivedi, CFO, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2012 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

Dinesh H. Trivedi
Chief Financial Officer

Mumbai, 28th May, 2012



Auditors' Report

To

The Members Of

Prakash Steelage Limited

1. We have audited the attached Balance Sheet of PRAKASH STEELAGE LIMITED as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion and in so far as it appears from our examination of those books, proper books of account as required by law have been kept by the Company
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.



- e) On the basis of written representation received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012, from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts and read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
- 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 Cash Flow Statement, of the cash flows for the year ended on that date.

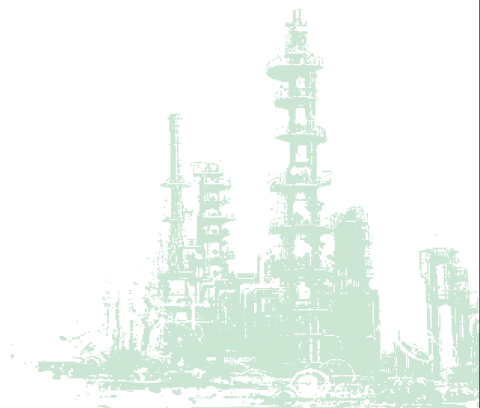
For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No: 105049W

For D. C. Bothra & Co.
Chartered Accountants
Firm Registration No: 112257W

Narendra Jain
Partner
Membership No. 048725

Pawan Bothra
Partner
Membership No. 031215

Place : Mumbai
Date : 28th May, 2012



Annexure to the Auditors' Report

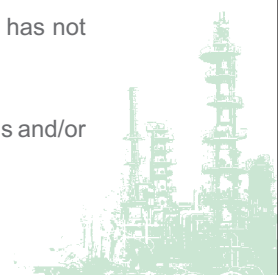
(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF PRAKASH STEELAGE LIMITED FOR THE YEAR ENDED MARCH 31, 2012)

- 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, 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 some delays in depositing such dues. According to the information and explanations given to us, there were no undisputed statutory dues which have remained outstanding as at 31st March, 2012 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 31st March, 2012 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	1,19,669/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
2	Bombay Sales Tax Act	Sales Tax	1995-96	69,317/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
3	Central Sales Tax Act	Central Sales Tax	1995-96	2,90,360/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
4	Income Tax Act	Income Tax	2003-04	2,70,898/-	Comm.of Income Tax (Appeal)-37 Mumbai
5	Income Tax Act	Income Tax	2007-08	15,20,795/-	Comm.of Income Tax (Appeal)-37 Mumbai
6	Income Tax Act	Income Tax	2008-09	66,52,232/-	Comm.of Income Tax (Appeal)-37 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 any 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 Management has disclosed the end-use of the money raised by the public issue of shares (Refer Note 28 to the Financial Statements). The same has been verified by us.
- 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 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 : 28th May, 2012



BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Notes	As At 31-03-2012 Rs.	As At 31-03-2011 Rs.
I Equity And Liabilities			
1 Shareholders' Funds			
a Share Capital	2	175,000,390	175,000,390
b Reserves and Surplus	3	1,355,616,444	1,204,174,761
2 Non-Current Liabilities			
a Long Term Borrowings	4	62,739,125	101,969,828
b Deferred Tax Liabilities (Net)	5	59,586,375	50,023,812
c Long Term Provisions	6	5,749,482	4,314,425
3 Current Liabilities			
a Short Term Borrowings	7	1,852,014,586	1,658,318,743
b Trade Payables	8	1,395,176,822	678,454,200
c Other Current Liabilities	8	343,785,397	237,683,230
d Short Term Provisions	6	60,080,565	38,475,814
Total		5,309,749,186	4,148,415,203
II Assets			
1 Non-Current Assets			
a Fixed Assets	9		
i Tangible Assets		767,613,724	655,084,289
ii Intangible Assets		1,037,939	735,544
b Capital Work In Progress		34,381,146	54,700,065
c Intangible Assets Under Development		-	601,000
d Long Term Loans And Advances	10	75,794,282	70,888,005
e Other Non-Current Assets	11	1,665,856	25,250,762
2 Current Assets			
a Inventories	12	1,451,014,676	1,159,281,706
b Trade Receivables	13	2,097,487,816	1,521,927,840
c Cash and Bank Balances	14	150,368,979	181,747,191
d Short Term Loans and Advances	10	678,272,675	456,647,964
e Other Current Assets	11	52,112,093	21,550,837
Total		5,309,749,186	4,148,415,203
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

NARENDRA JAIN
PARTNER
M.NO.048725

PLACE : MUMBAI
DATE : 28TH MAY, 2012

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

PAWAN BOTHRA
PARTNER
M.NO.031215

FOR AND ON BEHALF OF THE BOARD

PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

SARIKA S. SINGH
COMPANY SECRETARY
& COMPLIANCE OFFICER

ASHOK M. SETH
EXECUTIVE DIRECTOR

DINESH H. TRIVEDI
VICE PRESIDENT
FINANCE



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Notes	Year Ended 31-03-2012 Rs.	Year Ended 31-03-2011 Rs.
Income			
Revenue from Operations (Gross)	15	7,176,683,592	5,710,291,407
Less: Excise Duty		338,639,516	247,265,984
Revenue from Operations (Net)		6,838,044,076	5,463,025,423
Other Income	16	56,483,391	33,809,747
Total Revenue (I)		6,894,527,467	5,496,835,170
Expenses			
Purchases		3,075,599,753	2,926,959,990
Raw Material Consumed	17	2,647,555,888	1,964,604,132
Increase / (Decrease) in Stock	18	20,547,360	(323,626,992)
Stores & Spares Consumed		121,227,667	106,112,229
Employee Benefit Expenses	19	91,823,192	70,397,425
Finance Costs	20	243,765,315	165,384,528
Depreciation and Amortisation	9	65,137,726	44,834,028
Other Expenses	21	358,707,318	169,845,692
Total Expenses (II)		6,624,364,219	5,124,511,032
Profit / (Loss) Before Prior Period Adjustments		270,163,248	372,324,138
Prior Period Adjustments		(1,598,251)	773,423
Profit/(Loss) Before Tax		268,564,997	373,097,561
Tax Expenses			
Current Tax		79,026,078	112,894,917
Deferred Tax		10,690,876	10,070,736
Income Tax Relating to earlier years		9,399,942	1,282,978
Fringe Benefit Tax Relating to earlier year		2,000	-
Total Tax Expenses		99,118,896	124,248,631
Profit/(Loss) After Tax		169,446,101	248,848,930
Earnings Per Equity Share (Basic and Diluted)		9.68	16.50
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 : 28TH MAY, 2012

SARIKA S. SINGH
COMPANY SECRETARY
& COMPLIANCE OFFICER

DINESH H. TRIVEDI
VICE PRESIDENT
FINANCE



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Year Ended 31-03-2012 Rs.	Year Ended 31-03-2011 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior period Adjustment & exceptional item	270,163,248	372,324,138
Adjustment for:		
Depreciation and Amortisation	65,137,727	44,834,028
Profit on Sale of Vehicle	(76,081)	(423,261)
Loss on Theft of Vehicle	78,747	13,270
Sundry Balances Written Back / Off (Net)	(1,511,517)	1,080,856
Provision for Doubtful Debts	2,425,395	-
Unrealised gains and losses arising from changes in foreign exchange rates	14,436,159	(1,149,220)
Interest Received	(53,838,510)	(30,324,995)
Dividend Received	-	(1,780,298)
Finanace Cost	243,765,315	165,384,528
Operating Profit Before Working Capital Changes	540,580,483	549,959,046
Adjustment for:		
Inventories	(291,732,970)	(521,058,882)
Trade & Other Receivables	(848,841,928)	(524,908,478)
Trade Payables & Other Current Liabilities	854,932,561	(7,799,799)
Cash Generated from Operations	254,938,146	(503,808,113)
Direct Taxes Paid (Net of Refund)	(66,482,107)	(138,581,581)
Cash Flow before prior period Adjustments & Exceptional item	188,456,039	(642,389,694)
Prior Period Adjustments	(1,598,251)	773,423
Net Cash From / (Used In) Operating Activities (A)	186,857,788	(641,616,271)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital work-in-progress	(162,163,108)	(148,559,153)
Investment in Bank Deposits	(30,368,900)	(37,284,873)
Sale of Fixed Assets	253,333	4,994,734
Interest Received	51,340,690	27,824,431
Dividend Received	-	1,780,298
Net Cash From / (Used In) Investing Activities (B)	(140,937,985)	(151,244,563)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Share Capital	-	62,500,390
Proceeds from Share Premium	-	625,003,900
Proceeds from Secured Borrowings (Net)	65,805,884	577,180,075
Proceeds from Unsecured Borrowings (Net)	64,670,068	(165,584,124)
Finance Cost Paid	(241,187,768)	(164,493,566)
Dividend & Dividend Tax Paid	(20,313,946)	(15,742,181)
Share Issue Expenses	924,174	(52,098,433)
Net Cash From / (Used In) Financing Activities (C)	(130,101,587)	866,766,061
Net Increase / (Decrease) in Cash and Cash equivalents (A)+(B)+(C)	(84,181,784)	73,905,227
Cash and Cash equivalents at the begining of the year	125,065,904	51,143,142
Exchange differences on translation of foreign currency Cash and Cash equivalents	4,924	17,535
Cash and Cash equivalents at the end of the year	40,889,044	125,065,904

Notes:

- 1 Above statment 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.
- 2 Cash and Cash equivalent at the end of the year includes fixed deposits of Rs.Nil (Previous year Rs.99,618,857/-) being balance of unutilised monies out of the Initial Public Offer (IPO) which are restricted in use and includes earmarked balance with Bank of unpaid dividend of Rs.25,037/- (previous year Rs.Nil).
- 3 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

NARENDRA JAIN
PARTNER
M.NO.048725

PLACE : MUMBAI
DATE : 28TH MAY, 2012

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

PAWAN BOTHRA
PARTNER
M.NO.031215

FOR AND ON BEHALF OF THE BOARD

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CHAIRMAN &
MANAGING DIRECTOR

SARIKA S. SINGH
COMPANY SECRETARY
& COMPLIANCE OFFICER

ASHOK M. SETH
EXECUTIVE DIRECTOR

DINESH H. TRIVEDI
VICE PRESIDENT -
FINANCE



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

1 Summary of significant accounting policies

a) Basis of preparation

The financial statements are prepared under the historical cost convention following accrual basis of accounting and in accordance with the mandatory accounting standards notified under the Companies Accounting Standards Rules, 2006.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

b) 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.

c) 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.

d) 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 depending on the prime cost of assets.

e) 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 realizable 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.

f) 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.

g) 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.



h) 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 Profit and Loss Account. 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 Profit and Loss Account.

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

i) Employee Benefits

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account 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 Profit and Loss Account 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 Profit and Loss Account.

j) Preliminary & Share Issue Expenses

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

k) 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.

l) Duties and Taxes on Purchases

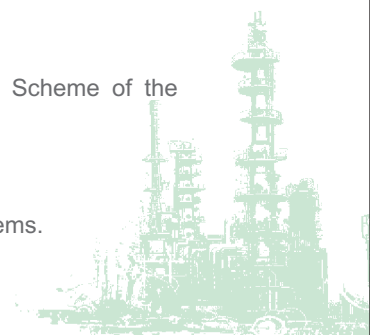
Refundable duties and taxes on purchase of Raw Materials, other eligible inputs and capital goods are adjusted against duties and taxes payable. The unadjusted credits of such duties and taxes are shown under the head "Loans and Advances".

m) 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.

n) Prior Period Adjustment

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



o) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying fixed assets are capitalized 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 Profit & Loss Account in the year in which they are incurred.

p) 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.

q) 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 Profit and Loss Account 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.

2 Share Capital

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Authorised 20,000,000 (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, 2012		31 st March, 2011	
	Nos.	In Rs.	Nos.	In Rs.
At the beginning of the period	17,500,039	175,000,390	11,250,000	112,500,000
Issued during the period : IPO	-	-	6,250,039	62,500,390
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 28th May, 2012, 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, 2012. 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/-.



During the year ended 31st March, 2011, 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, 2011 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, 2012		31 st March, 2011	
	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	3,622,800	20.70%	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%

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

	31 st March, 2012	31 st March, 2011
	Numbers	Numbers
Equity Shares allotted as fully paid bonus shares by capitalization of General Reserve on 15 th February, 2007	3,234,000	3,234,000

3 Reserves & Surplus

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Share Premium Account		
As Per Last Balance Sheet	669,254,695	89,852,800
Add: Premium on Issue of Equity Shares in Initial Public Offer (IPO)	-	625,003,900
Add : Share Issue Expenses (Net of Tax) (Refer Note 28)	2,334,566	(45,602,005)
Closing balance	671,589,261	669,254,695
General Reserve		
As per last Balance Sheet	125,312,948	75,312,948
Add : Amount Transferred from surplus balance in the statement of Profit and Loss	50,000,000	50,000,000
Closing balance	175,312,948	125,312,948
Surplus / (Deficit) in the statement of profit and loss		
As per last Balance Sheet	409,607,118	231,097,171
Add : Profit for the year	169,446,101	248,848,930
Less : Appropriations		
Transfer to General Reserve	50,000,000	50,000,000
Dividend Proposed	17,500,039	17,500,039
Dividend Distribution Tax	2,838,944	2,838,944
Total Appropriations	70,338,983	70,338,983
Net Surplus in the statement of Profit and Loss	508,714,235	409,607,118
Total Reserve and Surplus	1,355,616,444	1,204,174,761

4 Long Term Borrowings

	Non Current portion		Current Maturities	
	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
Term Loans				
Foreign currency loan from Bank (Secured) (External Commercial Borrowings)	-	17,581,669	19,895,556	35,163,333
Indian rupee loan from Bank (Secured)	59,631,353	77,192,651	17,493,169	17,847,940
Vehicle Loans				
From Banks (Secured)	2,761,488	7,195,508	4,915,699	4,833,349
From NBFC's (Secured)	346,284	-	340,292	1,227,858
	62,739,125	101,969,828	42,644,716	59,072,480
The above amount includes				
Secured Borrowings	62,739,125	101,969,828	42,644,716	59,072,480
Unsecured Borrowings	-	-	-	-
Amount Disclosed under the head "Other current liabilities " (Note 8)	-	-	42,644,716	59,072,480
Net Amount	62,739,125	101,969,828	-	-

- a) Foreign currency loan from Bank (secured) carries interest @ LIBOR+1.5 % p.a. The loan is 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 is 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 is also secured by mortgage of residential flat at Tardeo Tower, Mumbai belonging to Director and his relatives and by personal guarantee of three Directors).
- b) Indian rupee loan from Bank (secured) carries interest @BPLR + 0.50 % +0.25 % which was 14.50 % to 15.75 % p.a. The loan is repayable in 84 monthly installments of Rs 14,57,764/- 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 charges between ICICI Bank & Vijaya Bank)
- c) 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 - 36 monthly installments from the date of disbursement. These loans are secured against hypothecation of specific capital assets i.e. Motor Cars 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. Motor Car and Post Dated Cheques for Principal & Interest payable thereon.

5 Deferred Tax Liabilities (Net)

	31 st March, 2012 in Rs.	31 st March, 2011 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	68,194,514	57,346,689
Gross Deferred Tax Liability	68,194,514	57,346,689
Deferred tax assets		
Outstanding Leave encashment, Gratuity and Bonus	2,813,522	2,150,365
Provision for doubtful debts	786,919	-
Preliminary Expenses u/s. 35D of the Income Tax Act, 1961	5,007,698	5,172,512
Gross Deferred Tax Assets	8,608,139	7,322,877
Net Deferred Tax Liability	59,586,375	50,023,812

6 Provisions

	Long - Term		Short - Term	
	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
(a) Provision for employee benefits				
Provision for Leave Encashment	1,341,434	1,482,276	122,990	512,556
Provision for Gratuity	4,408,048	2,832,149	347,651	17,169
	5,749,482	4,314,425	470,641	529,725
(b) Other Provisions				
Proposed Dividend	-	-	17,500,039	17,500,039
Dividend Distribution Tax	-	-	2,838,944	2,838,944
Income Tax (Net of Advance Taxes)	-	-	39,105,827	17,446,034
Fringe Benefit Tax (Net of Advance Taxes)	-	-	100,000	98,000
Wealth Tax (Net of Advance Taxes)	-	-	65,114	63,072
	-	-	59,609,924	37,946,089
	5,749,482	4,314,425	60,080,565	38,475,814

7 Short-Term Borrowings

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Cash Credit from Banks (Secured)	1,142,891,324	928,709,853
Cash Credit from Bank (Unsecured)	8,834,299	23,942,441
Buyers' Credit from Banks (Secured)	241,026,054	248,666,071
Buyers' Credit from Banks (Unsecured)	127,628,616	42,882,568
Working Capital loan from Bank (Unsecured)	75,000,000	-
Export Packing Credit from Banks (Secured)	119,347,907	190,098,180
Export Packing Credit from Banks (Unsecured)	1,259,916	21,474,750
Bill Discounting from Banks (Secured)	18,922,932	29,544,880
Bill Discounting from Bank (Unsecured)	8,457,922	-
Bill Discounting from a NBFC (Unsecured)	108,645,616	-
Loan from Companies (Unsecured)	-	173,000,000
	1,852,014,586	1,658,318,743
The above amount includes		
Secured Borrowings	1,522,188,218	1,397,018,984
Unsecured Borrowings	329,826,368	261,299,759
Total	1,852,014,586	1,658,318,743

Cash Credit from Banks (Secured) are repayable on demand and carries interest @ 12% to 16% p.a., Buyers Credit (Secured) represents Foreign Currency Buyers Credit from various Banks. The said facility is repayable on demand. These loans carries interest ranging from 2 % to 4.25% p.a., 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 4% to 4.5% p.a. and Bill Discounting from Banks (Secured) represents bill discounted with various banks. The tenor of the loan is in the range of 60 - 120 days and the rate of interest (local bill discounting) is 13.25% p.a. to 14.25% p.a. and rate of interest (foreign bill discounting) is in the range of 3.80% to 4.50% p.a., All these loans are secured by Hypothecation of Stock of Raw Material, Stock-in-process, Finished Goods, book debts (both present and future), Receivables and Collateral security in the form of Land, Building and on the entire Fixed Assets at Silvassa (First Pari Passu charges between Vijaya Bank, ICICI Bank, Bank of Baroda, The Royal Bank of Scotland and Standard Chartered Bank) and collateral security in the form of Land & Building and entire Fixed Assets at Umargaon (Second Pari Passu charges between Vijaya Bank, ICICI Bank, Bank of Baroda, The Royal Bank of Scotland and Standard Chartered Bank) and first pari-passu charge on office premises no 101 & 102 at Islampura Street, at Mumbai and 701, Mahalaxmi chambers, at Mumbai belonging to Director and his relatives and Personal Guarantee of three Directors and their relatives.



Cash Credit from Bank (Unsecured) carries interest approximately 14% p.a. The interest is payable at monthly rests, Buyers Credit (Unsecured) represents Foreign Currency Buyers Credit from various Banks. The said facility is repayable on demand & carries interest ranging from 2% to 4.25% p.a., 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% p.a. The interest is payable monthly at the end of each month / at the end of closure of the loan transaction, Export Packing Credit (Unsecured) availed from a Bank carries interest approximately 2.25% p.a. The interest is payable at monthly rests, Bill Discounting from Bank (Unsecured) represents export bills discounted with a bank. The tenor of the loan is in the range of 60 to 120 days and the rate of interest is approximately 3.50% p.a. and Bill Discounting from a NBFC (Unsecured) is availed from a finance company. The tenor of the loan is 90 days and the rate of interest is 13.25% p.a.

8 Other Current Liabilities

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Trade payables (including acceptances) (refer note 29 for details of dues to micro and small enterprises)	1,395,176,822	678,454,200
Other Liabilities		
Current maturities of Long Term Borrowings (Note 4)	42,644,716	59,072,480
Liability for expenses (refer note 29 for details of dues to micro and small enterprises)	68,834,443	48,397,210
Creditors for capital expenditure	38,164,800	26,222,255
Advance received from customer	173,325,705	68,162,238
Interest Accrued but not due on Loans	4,589,372	2,580,770
Unpaid Dividend	25,037	-
<u>Others</u>		
Statutory dues	16,201,324	33,248,277
	343,785,397	237,683,230
	1,738,962,218	916,137,430



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Note 9 : FIXED ASSETS

Sr. No.	Assets	GROSS BLOCK			DEPRECIATION/ AMORTISATION			NET BLOCK			
		As On 01/04/2011 Rs.	Addition Rs.	Deductions/ Adjustments Rs.	As On 31/03/2012 Rs.	As On 01/04/2011 Rs.	Dep. For the year Charged To P & L A/c Rs.	Deductions/ Adjustments Rs.	Upto 31/03/2012 Rs.	As On 31/03/2012 Rs.	As On 31/03/2012 Rs.
Tangible assets											
1	Factory Land	17,005,767	-	-	17,005,767	-	-	-	-	-	17,005,767
2	Factory Building	249,258,396	45,162,358	-	294,420,754	8,354,688	-	-	32,134,025	-	262,286,729
3	Office Building	731,040	-	-	731,040	387,717	-	-	404,884	-	326,156
4	Plant & Machinery	440,421,180	124,310,869	-	564,732,049	45,140,521	-	-	128,259,187	-	436,472,862
5	Electrical & Telephone Installation & office equipment	13,359,062	1,502,893	-	14,861,955	4,795,112	-	-	5,530,104	-	9,331,851
6	Computers	11,396,040	1,461,507	-	12,857,547	6,400,472	-	-	8,462,694	-	4,394,853
7	Furniture & Fixtures	21,235,935	2,589,719	-	23,825,654	5,998,734	-	-	7,597,570	-	16,228,084
8	Vehicles	43,914,912	2,511,299	1,184,848	45,241,363	17,758,005	6,866,785	928,849	23,695,941	-	21,545,422
9	Live Stock	-	22,000	-	22,000	-	-	-	-	-	22,000
	Intangible assets	797,322,332	177,560,645	1,184,848	973,698,129	142,238,043	64,775,211	928,849	206,084,405	767,613,724	655,084,289
	Computer Software	1,819,777	664,911	-	2,484,688	1,084,233	362,516	-	1,446,749	-	1,037,939
	Total Current Year	799,142,109	178,225,556	1,184,848	976,182,817	143,322,276	65,137,727	928,849	207,531,154	768,651,663	655,819,833
	Total Previous Year	668,456,424	140,151,582	9,465,897	799,142,109	102,132,186	44,834,028	3,643,938	143,322,276	655,819,833	566,324,238

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 pertaining to long term foreign currency monetary items amounting to 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 (previous year exchange gain of Rs.1,237,215/- (in respect of Building Rs.573,624/- and Plant & Machinery Rs.663,591/-) have been credited to the cost of respective fixed assets).

10 Loans and Advances

	Long - Term		Short - Term	
	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	15,483,009	11,226,538	-	-
(A)	15,483,009	11,226,538	-	-
Security Deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	59,306,128	59,301,128	904,950	4,364,225
(B)	59,306,128	59,301,128	904,950	4,364,225
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	545,576,974	306,981,151
(C)	-	-	545,576,974	306,981,151
Other loans and advances (Unsecured, considered good)				
Balance with central excise authority	-	-	105,700,338	105,119,848
Margin Money	-	-	11,640,483	170,205
Prepaid expenses	-	-	5,755,097	2,079,123
Loans and advances to employees	-	-	1,194,146	868,873
Balances with statutory / Government authorities	1,005,145	360,339	7,500,687	37,064,539
(D)	1,005,145	360,339	131,790,751	145,302,588
(A+B+C+D)	75,794,282	70,888,005	678,272,675	456,647,964

	Long - Term		Short - Term	
	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.	31 st March, 2012 In Rs.	31 st March, 2011 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	-	-	1,037,646	854,873
Dues from Workers	-	-	156,500	14,000

11 Other Assets

	Non - Current		Current	
	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
Unsecured, considered good unless stated otherwise				
Non current bank balances (note 14)	1,658,995	24,088,744	-	-
Interest Accrued on Bank deposits	6,861	1,162,018	5,114,079	1,461,102
Export Benefit Incentive	-	-	46,998,014	20,089,735
	1,665,856	25,250,762	52,112,093	21,550,837

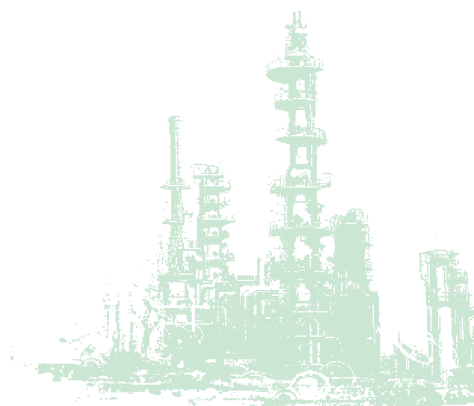


12 Inventories (Valued at cost or market value whichever is lower, as taken, valued and certified by management)

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Raw materials and components (Includes in transit Rs 415,99,952/- (P.Y. Rs.66,65,955/-) (Refer Note (1) (e))	596,982,857	311,720,679
Work in progress (Refer note (1) (e))	148,466,137	91,249,759
Finished goods (Refer Note (1) (e))	105,275,976	125,828,175
Traded goods (Includes in transit Rs. Nil (P.Y. Rs 48,749,409) (Refer Note (1) (e))	547,287,271	604,498,810
Stores and spares	53,002,435	25,984,283
	1,451,014,676	1,159,281,706

13 Trade Receivable

	Non - Current		Current	
	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.	31 st March, 2012 In Rs.	31 st March, 2011 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	-	-	92,154,264	57,330,705
Doubtful	-	-	2,425,395	-
	-	-	94,579,659	57,330,705
Provision for doubtful debts			(2,425,395)	
(A)	-	-	92,154,264	57,330,705
Other debts				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	2,005,333,552	1,464,597,135
(B)	-	-	2,005,333,552	1,464,597,135
(A+B)	-	-	2,097,487,816	1,521,927,840



14 Cash and Bank Balances

	Non - Current		Current	
	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
Cash and cash equivalents				
Currency in hand			633,432	-
Cash on hand			1,219,767	675,894
Balances with banks:				
On current accounts			38,891,307	24,771,153
Earmarked balance with Bank (Unpaid Dividend)			25,037	-
Unutilised monies out of public issue in term deposit with original maturity of less than 3 months			-	99,618,857
Cheques/drafts in hand			119,501	-
Total Cash and cash equivalents			40,889,044	125,065,904
Other bank balances				
Unutilised monies out of public issue in term deposit with original maturity of more than 3 months but less than 12 months	-	-	-	10,100,000
Margin money deposit	1,658,995	24,088,744	109,479,936	46,581,287
	1,658,995	24,088,744	109,479,936	56,681,287
Amount disclosed under non-current assets (Note - 11)	1,658,995	24,088,744		
	-	-	150,368,979	181,747,191

Margin money deposits given as security :

Margin money deposits with a carrying amount of Rs.111,138,931/- (Previous year Rs.70,670,031/-) are subject to first charge to secure the Company's cash credit loans.

15 Revenue From Operations

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Operating revenue		
Sale of Products		
Finished goods	3,746,874,544	2,820,301,894
Traded goods	3,388,687,220	2,871,246,092
Other operating revenue		
Export Incentives	40,567,484	18,743,421
Premium on High Seas Sales	334,600	-
Profit on Consignment Sales	219,744	-
Revenue from operations (Gross)	7,176,683,592	5,710,291,407
Less : Excise duty #	338,639,516	247,265,984
Revenue from operations (Net)	6,838,044,076	5,463,025,423

Excise duty on sales amounting to Rs.338,639,516 (31st March, 2011 : Rs.247,265,984) has been reduced from sales in profit & loss account and excise duty on (increase) / decrease in stock amounting to Rs.1,000,838 (31st March, 2011 : Rs.5,046,557) has been considered as (income) / expense in note 21 of financial statements.



Details of product sold

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Finished goods sold		
S. S. Pipe / Tubes	3,646,110,540	2,751,477,870
S. S. Scrap	100,764,004	68,824,024
	3,746,874,544	2,820,301,894
Traded goods sold		
S. S. Pipe / Tubes	1,579,540,036	1,129,109,893
S. S. Sheet / Coil /Plate	1,800,280,041	1,742,113,860
S. S. Scrap	8,867,143	22,339
	3,388,687,220	2,871,246,092
	7,135,561,764	5,691,547,986

16 Other Income

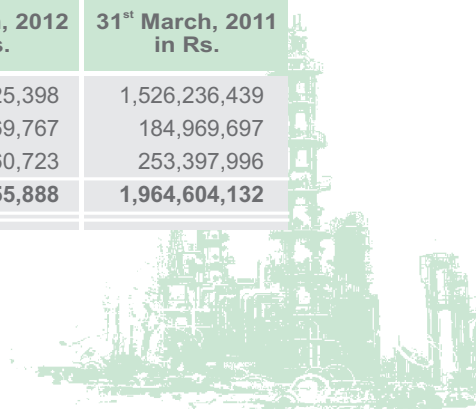
	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Interest Income on		
Bank Deposits	7,106,395	5,826,212
Others	46,732,115	24,498,783
Dividend Income	-	1,780,298
Profit on Sale of Car	76,081	423,261
Sundry Balance write back (net) (Refer Note No.32)	1,511,517	-
Fluctuation in Foreign Currency	-	1,281,193
Gain on cancellation of Forward Contracts (net)	1,029,673	-
Other Income	27,610	-
	56,483,391	33,809,747

17 Raw Material Consumed

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Opening Stock	311,720,679	130,036,533
Add : Purchases	2,932,818,066	2,146,288,278
	3,244,538,745	2,276,324,811
Less : Closing Stock	596,982,857	311,720,679
	2,647,555,888	1,964,604,132

Details of raw material and components consumed

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
S. S. Strip / Sheet / Coil / Plate	1,785,825,398	1,526,236,439
S. S. Round Bar	341,369,767	184,969,697
S.S. Pipe	520,360,723	253,397,996
	2,647,555,888	1,964,604,132



Details of inventory

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Raw materials and components		
S. S. Strip / Sheet / Coil / Plate	262,731,799	211,707,013
S. S. Round Bar	182,527,937	28,418,143
S.S. Pipe	151,723,121	71,595,523
	596,982,857	311,720,679

18 Increase / (decrease) in Stock

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Opening Stock :		
Traded Goods	604,498,810	366,635,458
Work in Process	91,249,759	43,178,076
Finished Goods	125,828,175	88,136,218
	821,576,744	497,949,752
Closing 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
	20,547,360	(323,626,992)

Details of purchase of traded goods

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
S. S. Pipe / Tubes	1,580,291,814	1,117,863,171
S. S. Sheet / Coil /Plate	1,495,307,939	1,801,203,201
S. S. Scrap	-	7,893,618
	3,075,599,753	2,926,959,990

Details of inventory

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Traded goods		
S. S. Pipe / Tubes	251,049,648	104,572,146
S. S. Sheet / Coil /Plate	296,237,623	492,033,046
S. S. Scrap	-	7,893,618
	547,287,271	604,498,810
Work-in-progress		
S. S. Strip / Sheet / Coil / Plate	61,368,880	66,543,501
S. S. Round Bar	54,308,925	8,338,238
S.S. Pipe	32,788,332	16,368,020
	148,466,137	91,249,759
Finished goods		
S. S. Pipe / Tubes	100,496,902	118,770,982
S. S. Scrap	4,779,074	7,057,193
	105,275,976	125,828,175



19 Employee Benefit Expenses

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Salaries, Bonus and Other Benefits	12,106,733	11,125,437
Contribution to Provident and Other Funds	3,574,023	2,774,399
Wages , Bonus & Other Benefits	66,309,474	47,128,206
Remuneration to Directors	3,060,000	3,060,000
Staff welfare Expenses	6,772,962	6,309,383
	91,823,192	70,397,425

20 Finance Costs

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Interest on Term Loan	14,425,752	13,406,348
Interest on Cash Credit & Other Facilities	173,488,999	115,095,318
Interest on Car Loans	963,560	1,124,963
Interest On unsecured loans	16,301,725	6,345,691
Other Interest	10,251,999	16,003,101
	215,432,035	151,975,421
Bank Commission & Other Finance Charges	25,450,445	13,409,107
Exchange difference to the extent considered as an adjustment to borrowing cost	2,882,835	-
	243,765,315	165,384,528

21 Other Expenses

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Manufacturing & Other Expenses		
Testing , Cutting & Job Work Charges	52,157,490	33,395,986
Power, Fuel & Water Charges	28,179,578	22,174,946
Insurance (Factory)	747,813	546,348
Repairs & Maintenance (Factory)	10,013,074	6,947,265
Liquidated damages paid	5,231,165	-
Excise Duty on Closing Stock	1,000,838	5,046,557
	97,329,958	68,111,102
Administrative & Selling Expenses		
Fluctuation in Foreign Currency	118,234,806	-
Advertisement Expenses	4,392,915	2,309,541
Sales Promotion Expenses	6,051,946	10,233,968
Discount & Rebate	620,223	26,350
Donation	223,451	246,894
Export Freight	33,549,316	16,771,954
Legal and Professional Expenses	10,462,302	7,263,320
Packing, Transport, Coolie & Cartage	31,563,395	25,369,002
Printing & Stationary	2,257,997	3,062,237
Rates & Taxes	3,880,512	1,745,903
Registration & Tender Fees	1,700	81,590
Rent	2,416,700	1,740,000
Electricity Charges	1,350,008	1,460,172
Repairs & Maintenance	1,818,327	2,592,542

	31 st March, 2012 in Rs.	31 st March, 2011 in Rs.
Security Charges	1,719,220	1,693,184
Service Tax	301,373	194,242
Auditors Remuneration	759,216	839,000
Insurance	241,892	158,414
Director Sitting Fees	76,000	112,000
Sundry Expenses	3,928,489	1,797,632
Telephone, Postage & Telegram	5,280,609	4,618,692
Travelling & Conveyance	12,115,688	9,878,691
Vehicle Maintenance & Insurance	9,454,886	5,915,192
Brokerage & Commission	849,231	422,989
Sundry Balance Written off (Refer Note No.32)	-	1,080,856
Premium on Forward Contracts (net of discount)	695,786	1,073,089
Loss on Theft of Vehicle	78,747	13,270
Training & Recruitment Expenses	1,338,794	1,033,866
Provision for doubtful debts	2,425,395	-
Bad Debts written off	5,288,438	-
	(B)	101,734,590
	(A+B)	169,845,692
Note:		
Payment to auditors		
As auditor:		
Audit fee	600,000	600,000
In other capacity:		
Taxation matters	40,000	-
Reimbursement of expenses	18,216	-
Other services	-	200,000
Certification	101,000	39,000
	759,216	839,000

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, 2012 in Rs.	31 st March, 2011 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.)	169,446,101	248,848,930
Weighted average number of equity shares issued (Nos.) for basic EPS	17,500,039	15,085,640
Basic earnings per share of Rs. 10/- each (in Rs.)	9.68	16.50

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. 3,574,023/- (Previous Year Rs. 2,774,399/-) 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

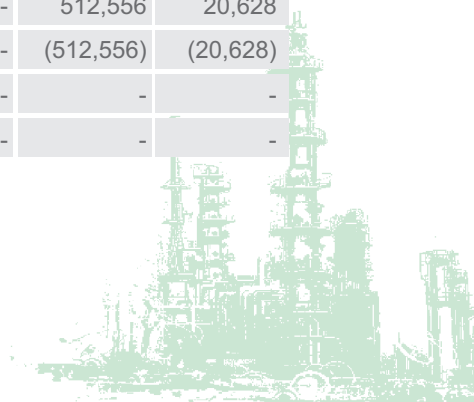
Particulars	Gratuity		Leave Encashment	
	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Discount Rate Current	8.50%	8.25%	8.50%	8.25%
Rate of Increase in Compensation Levels	6.00%	6.00%	6.00%	6.00%

II Table Showing Change in Benefit Obligation

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Projected Benefit Obligations (PBO) at the beginning of the year	2,849,318	2,210,509	1,994,832	1,150,521
Interest Cost	235,069	182,367	164,574	94,918
Service Cost	1,058,495	810,293	620,673	563,222
Benefits paid	(17,169)	-	(512,556)	(20,628)
Actuarial (gain) / loss on Obligations	629,986	(353,852)	(803,099)	206,733
Projected Benefit Obligations (PBO) at the end of the Year	4,755,699	2,849,318	1,464,424	1,994,832

III Tables of Fair value of Plan Assets

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	17,169	-	512,556	20,628
Benefits paid	(17,169)	-	(512,556)	(20,628)
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, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
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, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Funded Status	(4,755,699)	(2,849,318)	(1,464,424)	(1,994,832)

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, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Present Value of Obligation	4,755,699	2,849,318	1,464,424	1,994,832
Fair value of Plan Assets	-	-	-	-
Diff	4,755,699	2,849,318	1,464,424	1,994,832
Unrecognised Actuarial gains (losses)	-	-	-	-
Unrecognised Transitional Liability	-	-	-	-
Liability Recognised in Balance Sheet	4,755,699	2,849,318	1,464,424	1,994,832

VII. Net Periodic Cost

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Current Service Cost	1,058,495	810,293	620,673	563,222
Interest Cost	235,069	182,367	164,574	94,918
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain) loss recognised in the year	629,986	(353,852)	(803,099)	206,799
Expenses Recognised in the Income Statement	1,923,550	638,809	(17,852)	864,939

VIII. Movements in the liability recognised in the Balance Sheet:

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Opening Net Liability	2,849,318	2,210,509	1,994,832	1,150,521
Expense as above	1,923,550	638,809	(17,852)	864,939
Contributions paid	(17,169)	-	(512,556)	(20,628)
Closing Net Liability	4,755,699	2,849,318	1,464,424	1,994,832



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	
Smt. Payal K. 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, 2012.

(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, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Purchase of goods	M/s. Top Honest Inc.	NIL	14,379,300				
Purchase of Licence	M/s. Top Honest Inc.	NIL	461,641				

(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, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Sale of goods	M/s. PCK Metal Pvt. Ltd.	NIL	2,132,000				
	M/s. Seth Iron & Steel Pvt. Ltd.	NIL	6,352,856				
	M/s. Top Honest Inc.	NIL	606,317				
Unsecured Loans/ Advances/ Deposit Accepted	M/s. Prakash Stainless Pvt. Ltd.	NIL	1,000,000				
	M/s. Seth Carbon & Alloys Pvt. Ltd.	NIL	5,300,000				
	M/s. Seth Iron & Steel Pvt. Ltd.	NIL	1,600,000				
	M/s. Sunrise Metal Industries	NIL	10,400,000				
	M/s. Top Honest Inc.	NIL	41,400,000				
Office Deposit Given	M/s. Ashok M. Seth (HUF)	NIL	4,400,000				
	M/s. Prakash C. Kanugo (HUF)	NIL	5,600,000				
	Smt. Ekta H. Kanugo					NIL	5,600,000
	Shri Kamal P. Kanugo			NIL	4,400,000		
Guest House Deposit Given	Shri Kamal P. Kanugo			NIL	50,00,000		
Unsecured Loans/ Advances/ Deposit Repaid	M/s. AMS Trading & Investments Pvt. Ltd.	NIL	150,000,000				
	M/s. Prakash Stainless Pvt. Ltd.	NIL	1,000,000				
	M/s. Seth Carbon & Alloys Pvt. Ltd.	NIL	5,300,000				
	M/s. Seth Iron & Steel Pvt. Ltd.	NIL	25,700,000				
	M/s. Sunrise Metal Industries	NIL	10,400,000				
	M/s. Top Honest Inc.	NIL	41,400,000				
Interest Received	M/s. Seth Iron & Steel Pvt. Ltd.	NIL	3,322,192				



(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, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
Loans/ Advances Given	M/s. Top Honest Inc.	800,000	NIL				
	M/s. Seth Iron & Steel Pvt. Ltd.	NIL	3,027				
	M/s. Sunrise Metal Industries	NIL	600,000				
	M/s. Prakash & Daga Infra Projects Pvt. Ltd.	NIL	110				
	M/s. PCK Metal Pvt. Ltd.	NIL	185,500				
	M/s. Seth Carbon & Alloys Pvt. Ltd.	NIL	2,116,049				
Loans/ Advances Recovered	M/s. Seth Iron & Steel Pvt. Ltd.	NIL	3,027				
	M/s. Prakash & Daga Infra Projects Pvt. Ltd.	NIL	110				
	M/s. PCK Metal Pvt. Ltd.	NIL	185,500				
	M/s. Prakash Stainless Pvt. Ltd.	NIL	3,000,000				
	M/s. Sunrise Metal Industries	NIL	600,000				
	M/s. Seth Carbon & Alloys Pvt. Ltd.	NIL	2,116,049				
	M/s. Top Honest Inc.	800,000	NIL				
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			360,000	360,000		
	Shri Kamal P. Kanugo (Guest House)			300,000	NIL		
	Shri Hemant P. Kanugo			108,000	108,000		
Smt. Payal K. Kanugo					72,000	48,000	

(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, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
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		
Rent Payable	Smt Payal K. Kanugo					72,000	NIL

26 Capital and Other Commitment

	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	88,730,232	23,265,705

27 Contingent Liabilities

	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
<u>Contingent liabilities not provided for in respect of:</u>		
a) Guarantees given by the bankers of the company	114,170,699	26,002,411
b) Sales Tax demands disputed in appeals	479,346	3,926,267
c) Letter of Credit	933,943,287	442,266,854
d) Gujarat Commercial Tax Penalty	234,581	234,581

28 Utilization of money raised through public issue

During previous year, the Company came out with Initial Public Offer (IPO) of its Equity Shares aggregating Rs.687,504,290/- and the same were listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). Out of amount debited to share premium account of Rs.45,602,005/- (net of tax) in the financial year 2010-11, expenses of Rs.924,174/- pertaining to the issue of shares has been written back during the year as the same is no longer payable. Further during the year, the tax impact of Rs.1,410,392/- has been credited to share premium account on claim amounting to Rs.4,347,025/- under section 35D of Income Tax Act, 1961, on completion of pending cost of projects. Details of utilization of funds received from IPO of Equity Shares are as under:

Particulars of funds utilized for	Amount to be utilized as per prospectus (I)	Actual amount utilized till 31st March, 2011 (A)	Actual amount utilized during the financial year ended 31st March, 2012(B)	Actual amount utilized upto 31st March, 2012 (II) = (A)+(B)	Unutilized amount as at 31st March, 2012(I) - (II)
Construction and development costs of projects specified in the prospectus	193,800,000	107,508,480	86,291,520	193,800,000	-
Additional working capital	414,204,290	397,299,347	16,904,943	414,204,290	-
General Corporate purposes	34,000,000	30,253,010	3,746,990	34,000,000	-
Share issue expenses	45,500,000	42,724,596	2,775,404	45,500,000	-
Total	687,504,290	577,785,433	109,718,857	687,504,290	-

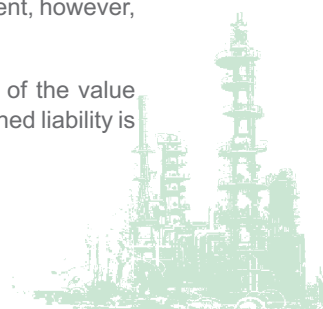
29 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006, (MSMED Act) as at 31st March, 2012. The disclosure pursuant to the said Act is as under:

Particulars	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
Principal amount remaining unpaid to suppliers as at the end of accounting year under MSMED Act, 2006	3,923,167	724,976
Interest due to suppliers under MSMED Act, 2006	109,939	NIL
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	53,952	NIL
The amount of interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	55,987	NIL
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 u/s 23 of the MSMED Act 2006	NIL	NIL

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.

- 30** 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.
- 31** 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.



- 32** Sundry credit balances written back amounting to Rs.1,511,517/- are net of sundry debit balances written off amounting to Rs.3,974,001/- (in previous year sundry debit balance written off amounting to Rs.1,080,856/- are net of sundry credit balances written back amounting to Rs.7,627,246/-)
- 33** Prior period adjustment (Net) amounting to Rs. 1,598,251/-(debit) {Previous year Rs. 773,423/-(credit)} includes income of Rs.1,134,791/- (Previous year Rs. 1,037,678/-) and expenses Rs. 2,733,042/- (Previous year Rs.264,255/-)

34 CIF value of Imports

Class of Goods	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
Material	1,158,888,702	1,376,742,462
Capital Goods	9,661,605	18,317,301
Stores and Spares	2,774,310	4,902,824
Total	1,171,324,617	1,399,962,587

35 Expenditure in Foreign Currency (on accrual basis)

Particulars	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
Professional Fees	197,880	581,712
Interest on Term Loan	576,568	1,244,427
Traveling Exp.	5,626,404	2,803,307
Others	8,713,021	3,925,287
Total	15,113,873	8,554,733

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

Particulars	31 st March, 2012 In Rs.	31 st March, 2011 In Rs.
Exports of Goods	582,593,104	302,768,219

- 37** During the year ended 31st March, 2012, the Revised schedule VI notified under The Companies Act 1956, has become applicable to the Company, for presentation and preparation of its financial statement. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impacts on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figure in accordance with the requirements applicable in the current year.

AS PER OUR REPORT OF EVEN DATE

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

NARENDRA JAIN
PARTNER
M.NO.048725

PLACE : MUMBAI
DATE : 28TH MAY, 2012

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

PAWAN BOTHRA
PARTNER
M.NO.031215

SIGNATURES TO NOTES "1" TO "37"

FOR AND ON BEHALF OF THE BOARD

PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

ASHOK M. SETH
EXECUTIVE DIRECTOR

SARIKA S. SINGH
COMPANY SECRETARY
& COMPLIANCE OFFICER

DINESH H. TRIVEDI
VICE PRESIDENT
FINANCE

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 21ST 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 Tuesday, the 14th August, 2012.

.....
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

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 21ST ANNUAL GENERAL MEETING of the
Company, to be held on Tuesday, the 14th August, 2012 at 4.00 P.M. and at any adjournment thereof.

Signed this..... Day of2012 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-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)



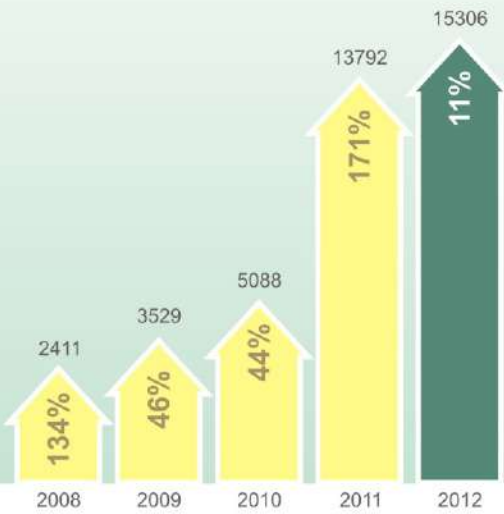
PAT

(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, Mumbai - 400 026.
Ph. : +91-22 - 6613 4500 • Fax : +91-22 - 2352 6576

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, Union Territory of
Dadra & Nagar Haveli,
Silvassa - 396 230 (India).

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

