

20TH ANNUAL REPORT 2010-11



THE
FUTURE IS
STAINLESS
STEEL

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

Corporate Information

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



Gautam Chand Jain

Non Executive Director

Company Secretary & Compliance Officer

Sarika S. Singh

Bankers

Vijaya Bank
ICICI Bank
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. Lukad & Jain

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).



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Notice

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of Prakash Steelage Ltd. will be held on Friday, 12TH August, 2011 at 3.30 p.m. at Walchand Hirachand Hall (4TH Floor), IMC Building, Churchgate, Mumbai - 400 020 to transact the following business;

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31ST March, 2011, the Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend .
3. To appoint a Director in place of Mr. Himanshu J. Thaker, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Bipin C. Doshi who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Joint Auditors M/s. Khandelwal Jain & Co. Chartered Accountants, & M/s. D. C. Bothra & Co. 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.

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 self and such proxies need not be a member of the Company.**

In order to be valid, proxy forms duly completed in all respects should be lodged with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.

- b) The Register of Members of the Company will remain closed from 10TH August, 2011 to 12TH August, 2011 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared.
- c) 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 12TH August, 2011. 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.
- d) Members are requested to notify immediately change of address, if any, to the Registrars and Transfer Agents of the Company M/s. Bigshare Services Private Limited.
- e) The members are requested to send queries, if any, on the accounts which should reach the Registered Office of the Company at least seven days before the meeting.
- Members are requested to bring their copy of the Annual Report to the meeting.
- f) 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.
- g) The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
- h) 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.

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

By Order of the Board

Place: Mumbai
Date: 28TH May, 2011

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

A very warm Greeting to my dear shareholders. It gives me great pleasure in addressing you for the first time after the Initial public offering of the Company through this Annual Report. We are now in 20TH year of existence and it gives me great satisfaction when I look back the path we have travelled all along these years. Our Economic growth, measured by GDP for F.Y. 2011 is at 8.5%. However, we at Prakash Steelage Ltd. (PSL) have grown by 25% in turnover and 41% in PAT.

The year 2010-11 has been a good year for PSL. The Company came out with IPO during the year which received overwhelming support from investing fraternity. Our issue was considered by The Market as turning point at that point of time as far as Retail Investors are concerned. Our Shares got listed successfully on BSE/NSE on 25TH August, 2010.

The Company has grown consistently year after year. The growth that we see today is due to tireless efforts by PSL team in earning customer satisfaction over a period of time. We consider this to be our hard earned most valuable asset.

Our turnover went up to Rs. 544.30 crores as against Rs. 437.10 crores in 2009-10 thereby reflecting growth of 25%. The EBIDTA increased to Rs. 53.54 crores marking increase of 33% over previous year. Profit after tax stood at Rs. 24.88 crores, which is the highest ever profit earned by the Company in its history. This has all been possible only because of dedication and commitment exemplified by the team of professional staff and workers.

The year 2011-12 is going to be an eventful year for your Company, with the completion of its expansion plan, the Company is poised for good growth. As India grows, I am confident that, barring unforeseen circumstances, we at PSL will also witness all-round growth.

I take this opportunity to thank all the Shareholders, Suppliers, Customers, Bankers and our Employees at all levels for reposing faith & confidence in us and hope that this relationship will not only continue but will grow stronger.

I would be failing in my duties if I do not acknowledge the contribution and support extended to me by my colleagues on the Board.

I wish all of you the very best for the year ahead.

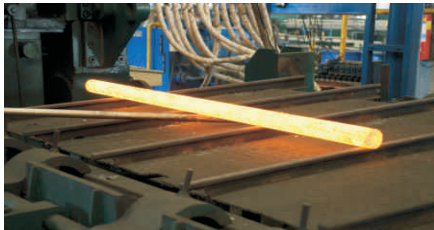
Thank You,

Prakash C. Kanugo
(Chairman & Managing Director)

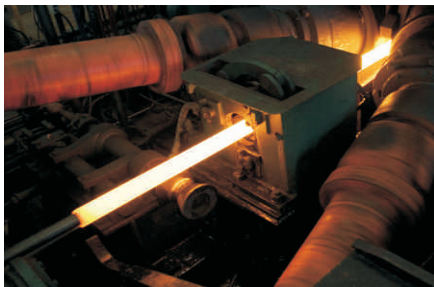


About Us

Prakash Group started in the year 1976 has 35 years of track record of stability, trust & growth. From trading to manufacturing of value added Stainless Steel products, Prakash Group has acquired pre-eminent position in the importation, stocking and supplying flat and long Stainless Steel products in India. Prakash Steelage Limited, the flagship Company of the Prakash Group, was incorporated in the year 1991 for manufacturing Stainless Steel Welded and Seamless Pipes and 'U'-Tubes under one roof in India, which commenced production at its Silvassa unit in the year 1996.



The Group has identified growth as a priority area. As a part of this initiative, PSL has added state-of-the-art manufacturing facility at Umbergaon (Gujarat), for producing Seamless and Welded Stainless Steel Pipes & 'U'-Tubes to make available world-class products manufactured in India. The group is one of the leader in Indian Stainless Steel Pipe and Tube industry.



Vision & Mission

Vision

We aspire to be a leader in stainless steel pipe & tube industry through best ethical and governance practices and create value for all the stakeholders.

Mission

To emerge as a leading and lowest cost producer of Stainless Steel tube and pipe providing world class products at the most competitive prices.

To contribute towards the Society in various ways and also promote green environment.
To put the best HR practices in place and be amongst one of the preferred employer in the Industry.



Core Management Team & Events



Core Management Team



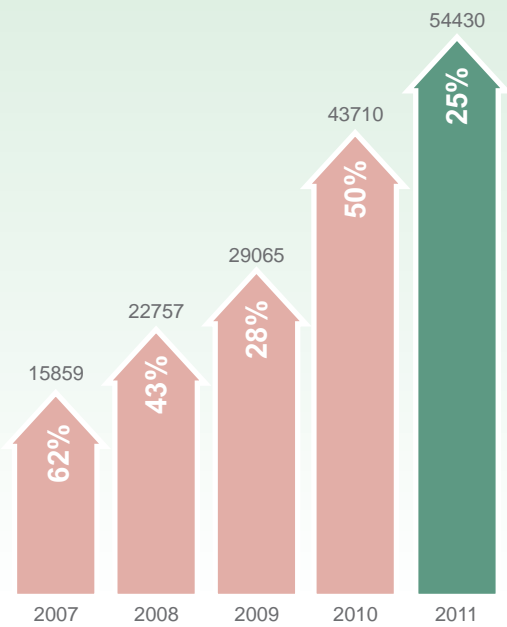
Press conference at hotel Trident, Mumbai



Financial Highlights

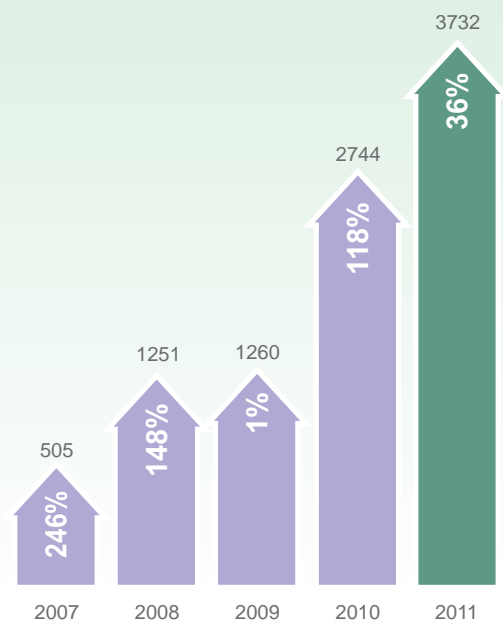
SALES

(Rs. in Lacs)



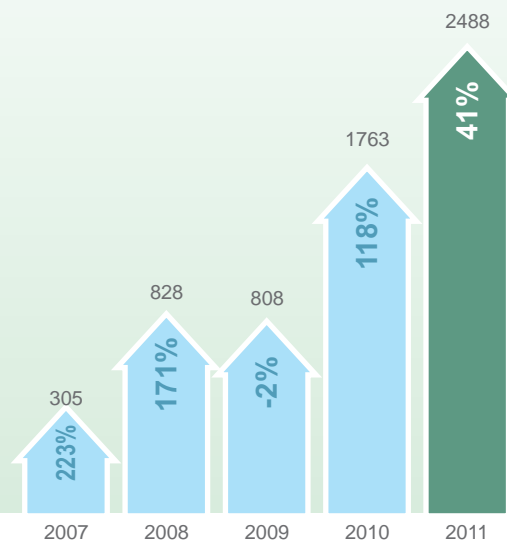
PBT

(Rs. in Lacs)



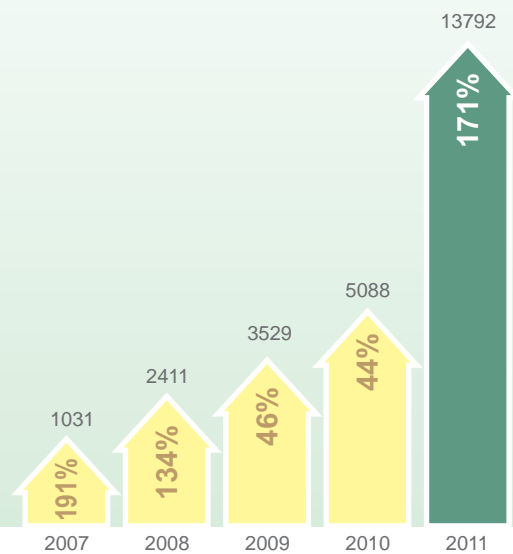
PAT

(Rs. in Lacs)



NET WORTH

(Rs. in Lacs)



Exports

Export Highlights

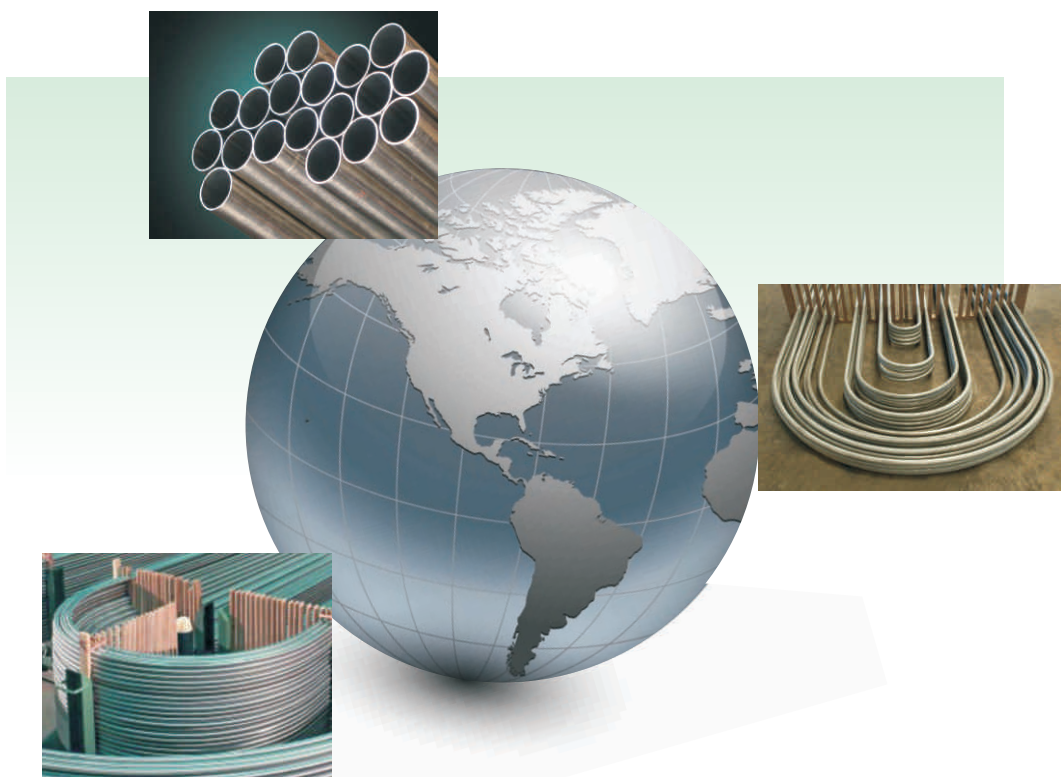
After gaining wide experience in domestic market, Prakash Steelage Limited entered into the international markets. The Company gained market through exhibitions organized in various countries across the globe. Within last few years export of the Company spread all over the world covering almost 40 countries.

The Company exports its products to countries like USA, UK, UAE, South Africa, Belgium, Canada, Columbia, Denmark, Ecuador, Egypt, France, Germany, Iran, Ireland, Italy, Jordan, Kenya, Kuwait, Mauritius, Mexico, Netherland, Nicaragua, Norway, Peru, Portugal, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Turkey, Vietnam etc.

Industry Structure And Development

Vast changes are happening day to day in the Industries worldwide and every market player is trying their best to tap each and every opportunity which comes to them, so as to get maximum share. Due to this there is a fierce competition in the global market.

To cope up with such a situation the international structure of the company has been built up to catch maximum opportunities, giving quality as per international standards. Now that the company has built up its market reputation internationally and have committed customers and clients. Despite the global export scenario, the performance and growth of the company has remained satisfactory during the year.



From the Works



We had built our first manufacturing unit at Dadra Nagar Haveli, Silvassa in 1996 for producing Stainless Steel Welded and Seamless Tubes, Pipes & "U" Tubes, just 160 kms away from Mumbai and is close to all major steel markets. This unit is strategically located near customers. The unit is well equipped with the most modern technology for manufacturing welded and seamless stainless steel tubes and pipes of ¼" NB to 24" NB - Schedule 5, Schedule 10, Schedule 40, Schedule 80 ETD and other OD sizes as per ASTM standards and other International Standards like DIN, JIS, and EN etc.

Considering the ever-increasing demand of Stainless Steel, we identified yet another opportunity to grow in the Indian and Global markets. We then set up our new state-of-the-art manufacturing facility at Umbergaon (Gujarat) for producing Seamless and Welded Stainless Steel Pipes, Tubes & "U" Tubes. The plant has an excellent and efficient layout, modern equipments, automated handling system along with an ultra modern facility for destructive and non-destructive testing. It also contains an environment-friendly surface treatment and effluent treatment plant.

A flap ahead from conventional market of austenitic / martensite stainless steel tubes & pipes, we now emphasized to concentrate on high value added product mix, like Duplex / Super Duplex stainless steel grades in seamless & welded tubings.



Directors' Report

To,
The Members,

Your Directors are pleased to present the 20TH Annual Report together with the Audited Statement of Accounts for the financial year ended 31ST March, 2011.

Financial Highlights

The financial performance of the Company, for the year ended 31ST March, 2011 is summarized below :

Particulars	(Rs. in Lacs)	
	Year Ended March 31, 2011	Year Ended March 31, 2010
Income from Operations and Other Income.	57400.98	43793.28
Profit before Depreciation and Tax	4180.55	3127.29
Depreciation	448.34	383.59
Profit before Tax	3732.21	2743.69
Taxation	1243.73	980.81
Profit after Taxes	2488.48	1762.88
Balance brought forward	2310.97	1005.51
Amount available for appropriation	4799.46	2768.39
Proposed Dividend and Tax on Dividend	203.39	157.42
Transfer to General Reserves	500.00	300.00
Balance Transferred to Balance Sheet	4096.07	2310.97

Financial Performance

The income from operations for the year has increased to Rs. 57400.98 Lacs as compared to Rs. 43793.28 Lacs of previous year reflecting a growth of 31%. The profit before tax increased to Rs. 3732.21 Lacs as against Rs. 2743.69 Lacs in the previous year reflecting a growth of 36%. The Net Profit after Tax also was higher by 41% at Rs. 2488.48 Lacs as compared to Rs. 1762.88 Lacs during previous year.

Dividend

Your Directors have recommended a dividend of Re. 1.00 (last year Re. 1.20) per Equity Share on 1,75,00,039 Equity Shares of Rs.10/- each, for the financial year ended 31ST March, 2011 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. 300.00 Lacs) to the General Reserve and an amount of Rs. 4096.07 Lacs (Previous year Rs. 2310.97 Lacs) to be carried to balance sheet out of the amount available for appropriation.

IPO & Share Capital

During the year under review the Company has gone for Initial Public Offering which has received overwhelming response from the investors. Consequent upon IPO the Share Capital of the Company has increased from Rs. 1125.00 Lacs to Rs. 1750.00 Lacs. Equity Shares of the Company are listed with the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE) on 25TH August, 2010.

The Projects

The expansion Project of the Company at its Umbergaon plant has almost completed resulting in increasing the capacity to 17600 MTPA. The remaining capacity expansion of 1400 MT shall be completed soon.

Fixed Deposit

The Company has not accepted any Fixed Deposits from shareholders and public during the year within the meaning of section 58(A) of the Companies Act, 1956.

Directors

In terms of Article 150 of Articles of Association of the Company Mr. Himanshu J. Thaker, 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 Articles of Association of the Company Dr. Bipin C. Doshi, is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Particulars and Brief Resume of Directors to be appointed / re-appointed are included in the Corporate Governance Report forming part of this Annual Report.

Your directors recommended their re-appointment. None of the directors except the said Mr. Himanshu J. Thaker & Dr. Bipin C. Doshi are interested in the respective resolution.

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;
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 period;
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;
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.

Auditors

The Statutory Auditors M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. D. C. Bothra & Co. Chartered Accountants, Mumbai, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Your Company has received certificate from M/s. Khandelwal Jain & Co. Chartered Accountants and M/s. D. C. Bothra & Co. Chartered Accountants confirming their eligibility for re-appointment.

Your Directors recommend their re-appointment.

Auditors' Report

In respect of Auditors Qualification regarding non provision of penalty on the income declared under search operation in the year 2008-09, the management is of opinion that penalty in respect of income declared under search operation under the Income Tax Act, 1961 cannot be quantified since proceeding is still pending for hearing.



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

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Company Secretary's Certificate regarding compliance of conditions of Corporate Governance are made a part of the 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 ensuing high levels of performance and growth during the year.

Acknowledgements

Your Directors place on record their sincere appreciation to SEBI, Stock Exchanges & other Issue Intermediaries for the co-operation extended during the recent IPO of the Company. Your Directors also appreciate the confidence and support provided by 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, 2011

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, 2011	Previous Year March 31, 2010
A) Power & Fuel Consumption		
a) Purchase Unit	4529220	3936124
b) Total Amount (Rs.)	21548270	21567317
c) Rate Per Unit (Approx.) (Rs.)	4.76	5.48
B) Own Consumption		
a) Through Diesel Generator (Unit)	138971	131729
b) Through Steam Turbine	NIL	NIL
C) L.P.G. Consumption		
Gas Cylinders (kgs.)	310357	351510
Total Cost (Rs.)	14111616	13993260
Average rate (Rs.)	45.47	39.81
D) Furnace Oil (LDO)		
Quantity (In Ltrs.)	173039	130657
Total Cost (Rs.)	6964820	3828250
Average rate (Rs.)	40.25	29.30
0E) Consumption of Coal		
Quantity (In Kgs.)	2011657	1613597
Total Cost (Rs.)	11064114	7309594
Average rate (Rs.)	5.50	4.53
F) Consumption per unit of production cannot be given since Company is having fabrication shop and manufacturing is done as per requirements of the client. Details given hereunder are total and unit wise		

Particulars	Current Year March 31, 2011	Previous Year March 31, 2010
Product (with details) - (M. Ton)	S.S. Pipe & Tube	S.S. Pipe & Tube
Electricity Units Consumed Per Unit	395.10	367.89
Furnace Oil (in Liters) Per Unit of Production	15.09	12.21



- 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 a 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 Exports	3027.68
2) CIF Value of Imports	13767.42
3) Expenditure in Foreign Currency	73.10

Management Discussion And Analysis Report For The Financial Year 2010-2011

Industry Overview

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 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 varied based on the type, shape and size of the same some of which are as listed below:-

- S.S. Welded Tubes
- S.S. Welded Pipes
- S.S. Pipes
- S.S. Seamless Tubes
- S.S. Seamless Pipes
- Square
- U Bend Tubing
- S.S. Grades

Business Overview

We are into the business of manufacturing stainless steel pipes, tubes for more than 15 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 set up two industrial plants at Silvassa & Umbergaon. Having set up its first Plant at Silvassa in the year 1996 with a capacity of 4000 MTPA, the Company expanded its capacity by setting up another plant at Umbergaon in Gujarat and presently has total capacity of 17600 MTPA, which is going to be expanded further to 19000 MTPA 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, 2011. 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. 57400.98 Lacs as compared to Rs. 43793.28 Lacs of previous year reflecting a growth of 31%. The profit before tax is Rs. 3732.21 Lacs as against Rs. 2743.69 Lacs in the previous year reflecting a growth of 36%. The Net Profit after Tax is Rs. 2488.48 Lacs as compared to Rs. 1762.88 lacs during previous year reflecting a growth of 41%. The Earning per Share (EPS) works out to be Rs. 16.50 per share on weighted average basis on the expanded capital after successful IPO.

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 17600 MT same will reach 19000 MT on completion of expansion project at Umbergaon.

Share Capital

The paid up share capital of the Company has increase from Rs. 1125.00 Lacs to Rs. 1750.00 Lacs. The Company came with an IPO (Initial Public Offering) of 62.50 Lacs Equity shares of Rs. 10/- per share at issue price of Rs. 110/- per share (including premium of Rs. 100/- per share). The shares of the Company got listed with BSE and NSE on 25TH August, 2010.

Reserves & Surplus

The Reserves & Surplus of the Company increased from Rs. 3962.63 Lacs to Rs. 12041.75 Lacs as on 31.03.2011 due to increase in share premium amount and also profit after tax.

Interest & Finance Charges / Income (Net)

During the year under consideration total interest & finance charges were Rs.1350.60 Lacs as against Rs. 1344.45 Lacs in the previous year.

Provision for Tax

Due to increase in Net Profit, the provision for tax for the year increased to Rs. 1243.73 Lacs (Including Rs. 100.71 Lacs towards deferred tax liability) as against Rs. 980.81 Lacs in the previous year.

Dividend outgo

A sum of Rs. 203.39 Lacs has been provided for dividend (including Dividend Distribution Tax) for the year as against Rs.157.42 Lacs during the previous year.

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.

As per capita income consumption of stainless steel in India is only 1.20 kg as against 6 kgs in China, 16 kgs in Japan and 30 kgs in Italy which shows that there are tremendous growth opportunities in India. As a Company operating in India, we are affected by the general economic conditions in the Country. The Indian economy has grown steadily over the past several years. This improved performance was propelled by the growth in industrial activity and robust services sector. The overall economic growth will therefore impact the results of its operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macro economic growth.

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 geo-political 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 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, BS OHSAS 18001-2007, PED Certified, AD-2000-Merkblatt W O & Government Recognised Star Export House

Corporate Social Responsibility

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

Human Resource Development

The Company values and understands the need for continuous growth and development of its people in order to have greater productivity and provide job satisfaction and also equip them to meet growing 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. In order to motivate the employees, the Company had kept a reservation of 1,00,000 equity shares exclusively for the employees in the recently concluded IPO.

Statutory compliance

The Company Secretary, as Compliance Officer, ensures compliance of the SEBI regulations and provisions of the Listing Agreement. 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, 2011

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 read with Clause 49 of the Listing Agreement. 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 & governed and to identify its activities with 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 & openness in the working of the management and the 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 Company is managed by the Board of Directors comprising of eminent professionals having vast and diversified experience in the field of Industry, Finance & Operations. 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 three whole-time Directors.

The Board of the Company formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and Whole-Time Directors manage 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 2010-11		No of Directorship in other Companies *
	Board Meeting	Last AGM	
Mr. Prakash C. Kanugo Chairman & Managing Director	8	Yes	-
Mr. Ashok M. Seth Executive Director	9	Yes	-
Mr. Hemant P. Kanugo Whole Time Director	9	Yes	-
Mr. Kamal P. Kanugo Whole Time Director	9	Yes	-
Dr. Bipin C. Doshi Independent Director	9	Yes	2
Mr. Himanshu J. Thaker Independent Director	9	Yes	-
Mr. Mrinmoy Roy Independent Director	9	Yes	-
Mr. Gautam Chand Jain Independent Director	9	Yes	-

*None of the directors are holding committee membership or Chairmanship of the committee of other Companies. Also the directorship in the Pvt. Ltd. Company is not considered in the above table.

Board Meetings

During the Year, the Board met 9 (Nine) times and gap between two meetings did not exceed four months. The Board meetings were held on 07.05.2010, 24.06.2010, 30.06.2010, 22.07.2010, 28.07.2010, 11.08.2010, 20.08.2010, 12.11.2010 and 08.02.2011.

The meetings of the Board are generally held at the registered office of the Company at Mumbai.

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, a brief resume of all the Directors proposed to be re-appointed, nature of their expertise in specific functional areas and names of the Companies in which they hold Directorship, membership / chairmanship of the Board Committees and their shareholding in the Company 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, 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 reconstituted by induction of Mr. Gautam Chand Jain as Chairman of the Committee, at the Board meeting held on 11TH August, 2010. Mr. Gautam Chand Jain is a Chartered Accountant by Profession and has Accounting and Financial expertise and the composition of the Committee is in compliance with the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreements with the Stock Exchanges.

Reconstitution of the Audit Committee is effected as under:

Name of Director	Category	Particulars
Mr. Himanshu J. Thaker	Independent, Non-Executive	Ceased with effect from 11 TH August, 2010
Mr. Gautam Chand Jain	Independent, Non- Executive	Appointed with effect from 11 TH August, 2010

4 (Four) Audit Committee Meetings were held during the year 2010-11 on 30TH June, 2010, 11TH August, 2010, 12TH November, 2010 and 8TH February, 2011. The necessary quorum was present at the meetings.



The composition of the Committee as at 31ST March, 2011 is as follows.

Name of the Members	Status at the Committee	Nature of Directorship	No. of the Meeting attended
*Mr. Himanshu J. Thaker	Chairman	Independent Director	1
Mr. Gautam Chand Jain	Chairman	Independent Director	3
Mr. Ashok M. Seth	Member	Whole Time Director	4
Dr. Bipin C. Doshi	Member	Independent Director	4

* Ceased as the chairman of audit committee with effect from 11TH August, 2010

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 being included in the Directors' 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 the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Any related party transactions that may have potential conflict with the interest of the Company at large.
 - 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 non-payment of declared dividends) and creditors.
- (l) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- (m) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

The Remuneration Committee consists of following 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, 2011 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 2010-11 are as under;

Name of the Director	Remuneration including Perquisite (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Prakash C. Kanugo	12,90,000.00	Nil	12,90,000.00
Mr. Ashok M. Seth	9,70,000.00	Nil	9,70,000.00
Mr. Hemant P. Kanugo	6,30,000.00	Nil	6,30,000.00
Mr. Kamal P. Kanugo	3,60,000.00	Nil	3,60,000.00

The Independent Directors are paid sitting fees at the rate of Rs. 3000/- each for attending meeting of the board and Rs.1000/- each for attending meeting of 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 are as under.

Name of the Directors	Sitting Fees (Rs.)	
	Board Meeting	Audit Committee
Dr. Bipin C. Doshi	27000	4000
Mr. Himanshu J. Thaker	27000	1000
Mr. Mrinmoy Roy	27000	-
Mr. Gautam Chand Jain	27000	3000

C) Shareholders'/ Investors' 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 2010-11 two meeting of Shareholders'/ Investors' Committee was held on 12TH November, 2010 and 8TH February, 2011. The Committee is Chaired by Dr. Bipin C. Doshi.

The composition of the Committee as at 31ST March, 2011 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	2	2
Mr. Himanshu J. Thaker	Member	2	2
Mr. Ashok M. Seth	Member	2	2

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 S. 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, 2011, the Company received 69 complaints from the shareholders all of which were related to IPO, which were 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, 2011 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 / stockist, 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.
- To sanction any foreign tour by executives of the Company for the Company's business.
- To enter into Joint Venture or other business agreement / arrangement for expanding the business activity of the Company.

The decisions of the executive committee were ratified in the subsequent Board meetings

Code of Conduct

The Board of Directors of the Company has adopted a Code of Conduct at its meeting held on 20TH August, 2010. Member can refer the said Code of Conduct at the website of the Company at www.prakashsteelage.com.

The Company's Board of Directors and 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 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
2007-08	701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026	29 TH September, 2008	10.30 A.M.
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.

Details of Special Business/ Special Resolution at Annual General Meetings during the last three years

At the AGM held on 30TH September, 2009, two special Business were passed by Ordinary resolution Appointment of Dr. Bipin C. Doshi and Mr. Himanshu J. Thaker as Directors who were appointed as additional Director u/s 260 of the Companies Act, 1956.

Details of the Special resolution(s) passed at Extra Ordinary General Meeting Held on 10TH November, 2009. Following resolutions were passed

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

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 the F.Y. 2010-11.

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 Chief Financial Officer

Mr. Prakash C. Kanugo - Chairman & Managing Director and Mr. Dinesh H. Trivedi - CFO (Designated as Vice President - Finance), have issued a Certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said Certificate was placed before the Board Meeting held on 28TH May, 2011 in which the Audited Accounts for the Financial Year ended 31ST March, 2011 were considered and approved by the Board of Directors.

Shareholders' Information:

20TH Annual General Meeting Details

Day	Friday
Date	12 TH August, 2011
Time	3.30 P.M.
Venue	Walchand Hirachand Hall, (4 TH Floor) IMC Building, Churchgate, Mumbai - 400 020

Financial Year of the Company

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

Book Closure Period

From: Wednesday, 10TH August 2011 To Friday, 12TH August, 2011 (both days inclusive).

Dividend Payment Date

On or after 13TH August, 2011 but before 11TH September, 2011.

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**.

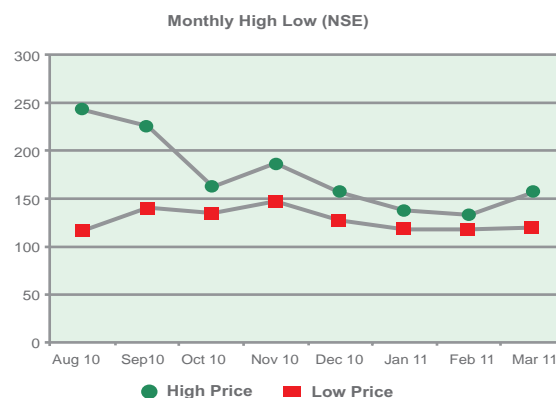
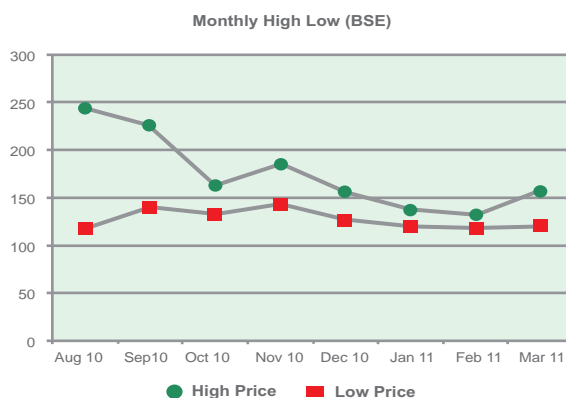
Stock Exchange	Script Code/ Symbol
Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	533239
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	PRAKASHSTL

Payment of Listing Fees, Annual Listing Fees for the year 2011-12 (as applicable) has been paid by the Company to BSE and NSE.

Share price data

Month	BSE		NSE	
	High	Low	High	Low
*Aug 10	242.85	117.00	243.85	117.00
Sep 10	225.50	139.80	225.50	140.05
Oct 10	163.30	132.30	162.90	135.15
Nov 10	185.55	143.20	185.80	147.00
Dec 10	156.45	126.60	158.00	126.80
Jan 11	137.50	120.00	137.45	118.75
Feb 11	132.00	118.00	132.90	118.00
Mar 11	157.20	120.05	157.90	120.05

*The Equity shares of the Company were listed on 25TH August, 2010.





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

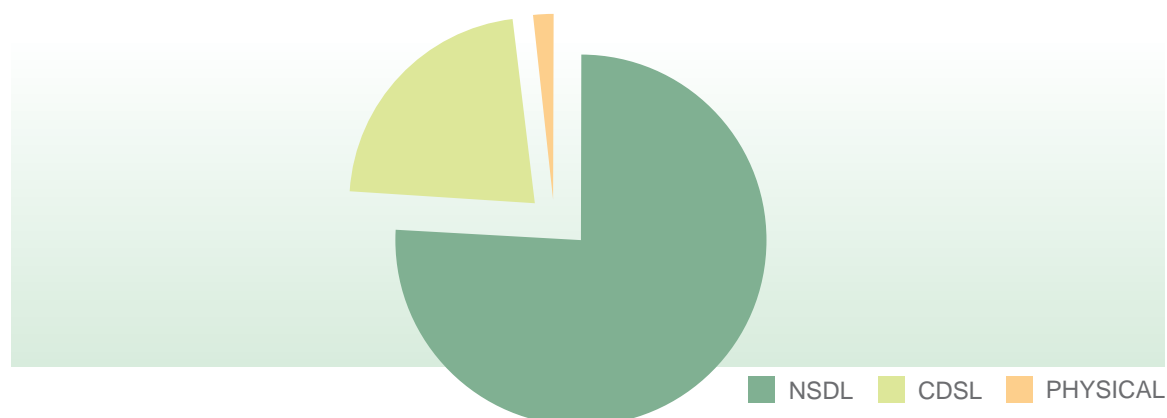
Distribution of the shares according to size of holdings as on 31ST March, 2011.

Sr. No.	Category Shares	Number of Shareholders	Percentage of Total	Share Amount	Percentage of Total
1.	1-500	5596	94.39	5200050	2.97
2.	501-1000	158	2.66	1239380	0.70
3.	1001- 2000	74	1.24	1113620	0.63
4.	2001- 3000	15	0.25	385330	0.22
5.	3001- 4000	9	0.15	312240	0.17
6.	4001 -5000	8	0.13	388430	0.22
7.	5001 -10000	10	0.16	732820	0.41
8.	10001 & Above	58	0.97	165628520	94.64
Total		5928	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 (98.16%) is held in dematerialized form with NSDL 13280512 Shares (75.89%) and CDSL 3898224 Shares (22.28%) as on 31ST March, 2011 and the rest is in physical form.

Dematerialized Position as of 31ST March, 2011



Address for Investor Correspondence:**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.com

Website: www.bigshareonline.com

Shareholding pattern as on 31ST March, 2011:

Particulars	No. of Shares	%
Promoters, including relatives of Directors and Corporate bodies.	11250000	64.28
Institutional Investors(FI)	2230	0.013
Foreign Inst. Investors(FII)	739992	04.23
Non Institutional Investors:-		
Other Bodies Corporate	3623777	20.71
Clearing Members	22373	00.13
Non Resident Indian(NRI)	6341	0.036
Others	1855326	10.60
GRAND TOTAL (A+B)	17500039	100.00

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 IV (G) OF THE LISTING AGREEMENTS:**Details of Directors seeking re-appointment at the Annual General Meeting**

Particulars	Mr. Himanshu J. Thaker	Dr. Bipin C. Doshi
Date of Birth	01/09/1948	26/11/1950
Date of Appointment	25/10/2008	25/10/2008
Qualification	B.E. (Metallurgy)	M.B.B.S, M.S
Directorships held in other Public companies (excluding foreign companies & Section 25 companies)	Nil	<ul style="list-style-type: none"> • Puspak Health Care Services Limited • Siddhi Finance & Management Services Limited
Memberships/Chairmanships of committees of other Public Limited companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Nil	Nil
Number of Equity shares held in the Company	Nil	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 31ST March, 2011 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, 2011

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, 2011, 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 Mahendra Sood & Associates

Mahendra Sood
Company Secretary
FCS 6299, C.P. NO 6723

Place: Mumbai
Date: 28TH May, 2011

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 D. H. Trivedi, Chief Financial Officer, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31ST March, 2011 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
Vice President - Finance

Mumbai, 28TH May, 2011



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, 2011, the Profit and Loss Account 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account 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, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31ST March, 2011, from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
- f) *Note No.9 of Schedule P (II) to the accounts, regarding non-provision of penalty under the Income Tax Act 1961 on income declared at the time of search operation carried out by the income tax authorities during the year 2008-09, as the same has not yet been quantified, the resulting impact on the accounts is not ascertainable.*
- g) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts subject to our comment in Paragraph (f) above and read together with the significant accounting policies and 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, 2011,
- b) in the case of Profit and Loss Account, 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, 2011



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 31ST MARCH, 2011)

- 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) The Company has taken unsecured loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.178,700,000/- and the year end balance of loans taken from such parties was Rs. Nil/-.
- (c) In our opinion and according to the information and explanations given to us the rate of interest and other terms and conditions on which these loans have been taken are not prima facie prejudicial to the interest of the Company.
- (d) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever stipulated.
- 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 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, 2011 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, 2011 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	Bombay Sales Tax Act	Sales Tax	2004-05	9,04,730/-	Dy. Comm. Sales Tax
5	Central Sales Tax Act	Central Sales Tax	2004-05	25,32,191/-	Dy. Comm. Sales Tax
6	Gujarat Sales Tax Act	Entry Tax	2009-10	16,23,702/-	Commercial Tax Officer (3)
		Interest on Entry Tax	2009-10	3,08,997/-	Commercial Tax Officer (3)
7	Gujarat Sales Tax Act	Entry Tax	2010-11	1,50,47,060/-	Commercial Tax Officer (3)
		Interest on Entry Tax	2010-11	14,31,930/-	Commercial Tax Officer (3)



- 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 13 of Schedule P (II) to the Financial Statement). 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, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
SOURCES OF FUNDS :			
SHAREHOLDER'S FUNDS :			
Share Capital	"A"	175,000,390	112,500,000
Reserves & Surplus	"B"	1,204,174,761	396,262,919
LOAN FUNDS :			
Secured Loans	"C"	1,309,395,221	983,137,161
Unsecured Loans	"D"	218,417,191	428,050,000
Deferred Tax Liability	"E"	50,023,812	45,125,588
TOTAL		2,957,011,375	1,965,075,668
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	"F"	799,142,109	668,456,424
Less : Depreciation		143,322,276	102,132,186
Net Block		655,819,833	566,324,238
Add : Capital Work in Progress		66,527,603	58,120,032
		722,347,436	624,444,270
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	"G"	1,159,281,706	638,222,824
Sundry Debtors		1,521,927,840	1,117,483,893
Cash and Bank Balances		205,835,935	94,628,300
Other Current Assets		22,712,855	18,125,680
Loans & Advances		516,309,431	408,270,524
	(a)	3,426,067,767	2,276,731,221
LESS :			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	"H"	1,148,613,589	873,661,903
Provisions		42,790,239	62,437,920
	(b)	1,191,403,828	936,099,823
NET CURRENT ASSETS	(a-b)	2,234,663,939	1,340,631,398
TOTAL		2,957,011,375	1,965,075,668
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	"P"		

The Schedules Referred to above form an integral part of this Balance Sheet
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, 2011

SARIKA S. SINGH
COMPANY SECRETARY
& COMPLIANCE OFFICER

DINESH H. TRIVEDI
VICE PRESIDENT
FINANCE



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year Ended 31-03-2011 Rs.	Year Ended 31-03-2010 Rs.
INCOME			
Sales		5,691,547,986	4,539,621,514
Less: Excise Duty		248,556,131	168,583,984
Net Sales		5,442,991,855	4,371,037,530
Export Incentives		18,743,421	14,824,893
Fluctuation in Foreign Currency		1,281,193	19,997,923
Other Income	"I"	2,203,559	2,802,290
Increase / (Decrease) in Stock	"J"	274,877,583	(29,334,400)
TOTAL	(a)	5,740,097,611	4,379,328,236
EXPENDITURE			
Purchases		2,878,210,581	2,152,608,281
Raw Material Consumed	"K"	1,964,604,132	1,504,756,921
Stores & Spares Consumed		106,112,229	85,652,643
Manufacturing & Other Expenses	"L"	66,820,955	58,078,511
Employees' Remuneration and Benefits	"M"	70,397,425	51,887,769
Administrative & Selling Expenses	"N"	101,611,288	79,436,779
Interest & Finance Charges / Income (Net)	"O"	135,059,533	134,445,399
Depreciation		44,834,028	38,359,328
TOTAL	(b)	5,367,650,171	4,105,225,632
Profit Before Prior Period Adjustments	(a-b)	372,447,440	274,102,604
Prior Period Adjustment (Net) (Refer Note no. 7 of Schedule "P" - II)		773,423	266,789
Profit Before Tax		373,220,863	274,369,393
Provision for Tax -			
Current Tax		112,894,917	89,000,000
Deferred Tax		10,070,736	6,835,791
Wealth Tax		63,030	48,000
Income Tax Relating to earlier years		1,282,978	1,761,627
Fringe Benefit Tax Relating to earlier year		-	329,030
Wealth Tax Relating to earlier years		60,272	106,495
Profit After Tax for the year		248,848,930	176,288,450
Balance Brought Forward from Last year		231,097,171	100,550,902
PROFIT AVAILABLE FOR APPROPRIATION		479,946,101	276,839,352
APPROPRIATION			
Transfer to General Reserve		50,000,000	30,000,000
Dividend Proposed		17,500,039	13,500,000
Tax on Dividend		2,838,944	2,242,181
Balance Surplus being Carried to Balance Sheet		409,607,118	231,097,171
		479,946,101	276,839,352
Earning Per Share (Basic) (Refer Note No.11 of Schedule "P" - II)		16.50	15.67
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	"P"		

The Schedules Referred to above form an integral part of this Profit & Loss Account
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, 2011

SARIKA S. SINGH
COMPANY SECRETARY
& COMPLIANCE OFFICER

DINESH H. TRIVEDI
VICE PRESIDENT
FINANCE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year Ended 31-03-2011 Rs.	Year Ended 31-03-2010 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior period Adjustment & exceptional item	372,447,440	274,102,604
Adjustment for:		
Depreciation	44,834,028	38,359,328
Profit on Sale of Vehicle	(423,261)	(104,334)
Loss on Theft of Vehicle	13,270	17,213
Sundry Balances Written back / Off (Net)	1,080,856	(2,697,956)
Sales Tax Written Off	-	4,000,000
Interest Received	(30,324,995)	(4,531,391)
Dividend Received	(1,780,298)	-
Interest and Finance Charges	165,384,528	138,976,790
Operating Profit Before Working Capital Changes	551,231,568	448,122,254
Adjustment for:		
Inventories	(521,058,882)	30,322,704
Trade & Other Receivables	(523,277,567)	(555,826,528)
Trade Payables	284,813,704	261,321,795
Cash Generated from Operations	(208,291,177)	183,940,225
Direct Taxes Paid (Net of Refund)	(138,704,883)	(58,039,858)
Cash Flow before prior period Adjustments & Exceptional item	(346,996,060)	125,900,367
Prior period adjustments	773,423	266,789
Net Cash From / (Used In) Operating Activities (A)	(346,222,637)	126,167,156
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital work-in-progress	(148,559,153)	(79,339,018)
Sale of Assets	4,994,734	879,445
Interest Received	27,824,431	4,517,092
Dividend Received	1,780,298	-
Net Cash From / (Used In) Investing Activities (B)	(113,959,690)	(73,942,481)
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 Borrowings	327,495,274	121,279,765
Proceeds / (Repayment) from / of Unsecured Loans (Net)	(209,632,809)	29,865,553
Interest and Finance Charges paid	(166,136,179)	(141,551,338)
Dividend & Dividend tax paid	(15,742,181)	(11,715,527)
Share Issue Expenses	(52,098,433)	(4,647,200)
Net Cash From / (Used In) Financing Activities (C)	571,389,962	(6,768,747)
Net Increase / (Decrease) in Cash (A)+(B)+(C)	111,207,635	45,455,928
Cash and Cash equivalents at the beginning of the year	94,628,300	49,172,372
Cash and Cash equivalents at the end of the year	205,835,935	94,628,300

NOTES:

- Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounting Standards) Rules, 2006.
- Cash and Cash equivalent at the end of the year includes fixed deposits of Rs.6,80,40,482/- (previous year Rs.4,09,30,088/-) held as margin money against loans taken from banks and includes fixed deposits of Rs.10,97,18,857/- (Previous year Rs.Nil) being balance of unutilised monies out of the Initial Public Offer (IPO) which are restricted in use.
- Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between beginning and end of the period treated as part of Investing Activities.
- Previous year figures have been restated wherever necessary.

As per our report of even date attached.

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

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

FOR AND ON BEHALF OF THE BOARD

NARENDRA JAIN
PARTNER
M.NO.048725

PAWAN BOTHRA
PARTNER
M.NO.031215

PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

ASHOK M. SETH
EXECUTIVE DIRECTOR

PLACE : MUMBAI
DATE : 28TH MAY, 2011

SARIKA S. SINGH
COMPANY SECRETARY
& COMPLIANCE OFFICER

DINESH H. TRIVEDI
VICE PRESIDENT
FINANCE



**SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
SCHEDULE "A" : SHARE CAPITAL		
AUTHORISED		
20,000,000 (20,000,000) Equity Shares of Rs. 10/- each	200,000,000	200,000,000
ISSUED, SUBSCRIBED AND PAID-UP		
17,500,039 (11,250,000) Equity Shares of Rs. 10/- each fully paid-up	175,000,390	112,500,000
(Out of the above 3,234,000 Equity Shares of Rs. 10/- each were issued as fully paid Bonus Shares by utilisation of Rs. 32,340,000/- from General Reserves)	175,000,390	112,500,000
SCHEDULE "B" : RESERVES & SURPLUS		
i) GENERAL RESERVE		
Balance Brought Forward	75,312,948	45,312,948
Add : Transfer during the Year	50,000,000	30,000,000
Total	125,312,948	75,312,948
SURPLUS AS PER PROFIT & LOSS ACCOUNT	409,607,118	231,097,171
(a)	534,920,066	306,410,119
ii) SHARE PREMIUM ACCOUNT		
As Per Last Balance Sheet	89,852,800	94,500,000
Add : Received during the year	625,003,900	-
Less : Share Issue Expenses (Net of Tax) (Refer Note No.13 of Schedule "P" - II)	45,602,005	4,647,200
(b)	669,254,695	89,852,800
Total (a+b)	1,204,174,761	396,262,919
SCHEDULE "C" SECURED LOANS		
A) Term Loans		
From ICICI Bank (External Commercial Borrowings)	52,745,002	88,588,891
From VIJAYA Bank (FCNR)	-	109,344,000
From VIJAYA Bank (In INR)	95,040,591	9,246,207
(The Above Loans are secured by way of mortgage of factory land & building, and hypothecation of plant & machinery of Company at Umbergaon. (First pari pasu charges between ICICI Bank & Vijaya Bank) ECB from ICICI Bank 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)		
(a)	147,785,593	207,179,098

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
b) Working Capital Loan from Banks		
i) Cash Credit	928,709,853	669,187,066
ii) Export Packing Credit	190,098,180	90,080,008
iii) Bills Discounting	29,544,880	5,030,814
(Secured by Hypothecation of Stock of Raw Material, Stock-in-process, Finished Goods, book debts, Receivables and Collateral security in the form of Land, Building and Plant & Machinery at Silvassa, (First Pari Pasu charges between Vijaya Bank, ICICI Bank, Bank of Baroda, RBS Bank and Standard Chartered bank) and collateral security in the form of Land & Building & Plant & Machinery at Umbergaon (Second Pari Pasu charges between Vijaya Bank, ICICI Bank, Bank of Baroda , RBS Bank 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)		
(b)	1,148,352,913	764,297,888
c) Vehicle Loans		
i) from Banks	12,028,857	8,161,291
ii) from NBFC's	1,227,858	3,498,884
(Secured against Hypothecation of respective vehicle and PDCs for Principal & Interest payable thereon)		
(C)	13,256,715	11,660,175
Total (a+b+c)	1,309,395,221	983,137,161
[Term loans and Vehicle loans from banks and NBFC's include amount repayable within one year Rs.59,072,480 /- (Pr. Yr. Rs. 62,371,400/-)]		
SCHEDULE "D" UNSECURED LOANS		
Working Capital Loan from Banks		
i) Cash Credit	23,942,441	-
ii) Export Packing Credit	21,474,750	-
(Against personal guarantee of three Directors and relative)	45,417,191	-
From Companies	173,000,000	428,050,000
	218,417,191	428,050,000
SCHEDULE "E" : DEFERRED TAX (ASSETS) / LIABILITY		
Deferred Tax Liability		
Opening Balance	45,125,588	38,289,797
(Charged) /Credited to Profit & Loss Account	10,070,736	6,835,791
Adjusted to Share Premium	(5,172,512)	-
Balance carried forward	50,023,812	45,125,588

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

SCHEDULE "F" : FIXED ASSETS

Sr. No.	Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As On 01/04/2010 Rs.	Addition Rs.	Deductions/ Adjustments Rs.	As On 31/03/2011 Rs.	As On 01/04/2010 Rs.	Dep. For the year Charged To P&L A/c Rs.	Deductions/ Adjustments Rs.	Upto 31/03/2011 Rs.	As On 31/03/2011 Rs.	As On 31/03/2010 Rs.
1	Factory Land	16,980,767	25,000	-	17,005,767	-	-	-	-	17,005,767	16,980,767
2	Factory Building	203,282,772	46,549,248	573,624	249,258,396	6,657,287	-	23,779,336	23,779,336	225,479,060	186,160,723
3	Office Building	731,040	-	-	731,040	18,070	-	387,717	387,717	343,323	361,393
4	Plant & Machinery	366,868,611	74,216,160	663,591	440,421,180	27,245,827	-	83,118,666	83,118,666	357,302,514	310,995,772
5	Electrical & Telephone Installation & office equ.	12,411,354	947,708	-	13,359,062	738,969	-	4,795,112	4,795,112	8,563,950	8,355,211
6	Computers	10,530,659	2,685,158	-	13,215,817	2,394,267	-	7,484,705	7,484,705	5,731,112	5,440,220
7	Furniture & Fixtures	20,420,692	815,243	-	21,235,935	1,494,260	-	5,998,734	5,998,734	15,237,201	15,916,218
8	Vehicles	37,230,529	14,913,065	8,228,682	43,914,912	6,285,348	3,643,938	17,758,006	17,758,006	26,156,906	22,113,933
	CURRENT YEAR TOTAL	668,456,424	140,151,582	9,465,897	799,142,109	44,834,028	3,643,938	143,322,276	143,322,276	655,819,833	566,324,238
	PREVIOUS YEAR TOTAL	659,874,317	23,674,941	15,092,834	668,456,424	38,359,328	748,436	102,132,186	102,132,186	566,324,238	595,353,023
9	Capital Work In Progress (Including advances for Capital Expenditure)	58,120,032	89,275,763	80,868,192	66,527,603	-	-	-	-	66,527,603	58,120,032
	CURRENT YEAR TOTAL	58,120,032	89,275,763	80,868,192	66,527,603	-	-	-	-	66,527,603	-
	PREVIOUS YEAR TOTAL	2,336,269	55,783,763	-	58,120,032	-	-	-	-	58,120,032	-

Note:

1. Deductions / Adjustments in respect of Building and Plant & Machinery includes Rs. 573,624/- (P. Y. Rs. 6,227,788 /-) and Rs. 663,591/- (P. Y. Rs. 7,204,600/-) respectively on account of currency exchange difference as per Note No.18 of Schedule "P" - II.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
SCHEDULE "G" : CURRENT ASSETS, LOANS & ADVANCES		
I) CURRENT ASSETS		
a) Inventories (Valued at cost or market value whichever is lower, as taken, valued and certified by Management)		
i) Finished Goods	681,577,576	454,771,676
ii) Work in Process	91,249,759	43,178,076
iii) Raw Materials	311,720,679	130,036,533
iv) Stores, Spares & Consumables	25,984,283	10,236,539
v) Stock-in-Transit	48,749,409	-
(a)	1,159,281,706	638,222,824
b) Sundry Debtors (Unsecured)		
Considered Good		
i) Outstanding for more than 6 months	71,651,225	38,556,013
ii) Others	1,450,276,615	1,078,927,880
(Debtors includes NIL (Previous Year Rs. 44,244,227/- due from entities in which directors are interested.)		
(b)	1,521,927,840	1,117,483,893
c) Cash & Bank Balances		
Cash on Hand	675,894	5,026,044
Balance with Scheduled Banks		
(I) In Current Account	23,870,555	45,533,967
(ii) Margin Money held in Term Deposit Account	68,040,482	40,930,088
(iii) Balance of unutilised monies out of the public issue in Term Deposit Account (Refer Note No.13 of Schedule "P" - II)	109,718,857	-
Balance with Non- Scheduled Banks		
(i) In Current Account	7,205	-
Yes Bank		
[Maximum balance during the year Rs. 1,01,07,260/- (P.Y. Rs. NIL)]		
Royal Bank of Scotland	773,125	212,516
[Maximum balance during the year Rs. 5,695,278/- (P.Y. Rs. 240,128/-)]		
Kotak Mahindra Bank	120,268	370,615
[Maximum balance during the year Rs. 400,432/- (P.Y. Rs. 193,591,350/-)]		
(ii) In Term Deposit Account		
Yes Bank	-	-
[Maximum balance during the year Rs. 1,00,00,000/- (P.Y. Rs. NIL)]		
Royal Bank of Scotland	2,629,549	2,555,070
[Maximum balance during the year Rs. 2,629,549/- (P.Y. Rs. 2,555,070/-)]		
(c)	205,835,935	94,628,300
d) Other Current Assets		
Accrued Interest on Fixed Deposit with Banks	2,623,120	122,556
Export Benefit Licence	20,089,735	18,003,124
(d)	22,712,855	18,125,680



**SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
II) LOANS & ADVANCES (Unsecured & Considered Good)		
a) Advances recoverable in cash or in kind or for value to be received	347,524,230	291,367,460
b) Balance with Central Excise Authority	105,119,848	80,636,595
c) Deposits (Deposit includes Rs. 5,50,00,000/- (Previous Year Rs. 3,00,00,000/-) Due from Directors & their relatives)	63,665,353	35,193,380
d) Deferred Premium on forward contracts	-	1,073,089
(e)	516,309,431	408,270,524
Total (a+b+c+d+e)	3,426,067,767	2,276,731,221
SCHEDULE "H" : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
a) Sundry Creditors for Goods due to Micro, Small and Medium Enterprises (Refer Note No.4 Of Schedule "P" - II) Others	- 952,458,232	- 688,335,444
b) Creditors for Expenses due to Micro, Small and Medium Enterprises (Refer Note No.4 Of Schedule "P" - II) Others	724,976 92,890,823	300,279 60,289,324
c) Amount Payable to Bank Less: Forward contract receivable	- -	112,320,000 109,344,000
	-	2,976,000
d) TDS/TCS Payable	1,335,755	1,696,599
e) Advance Received from Customers	68,162,238	108,731,964
f) Interest Accrued but not due on Loans	829,816	1,581,467
g) Other Liabilities	32,211,749	9,750,826
(a)	1,148,613,589	873,661,903
PROVISIONS		
Proposed Dividend	17,500,039	13,500,000
Tax on Dividend	2,838,944	2,242,181
Gratuity	2,849,318	2,210,509
Leave Encashment	1,994,832	1,150,521
Income Tax (Net of Advance Taxes)	17,544,034	43,286,709
Wealth Tax (Net of Advance Taxes)	63,072	48,000
(b)	42,790,239	62,437,920
Total (a+b)	1,191,403,828	936,099,823

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year Ended 31-03-2011 Rs.	Year Ended 31-03-2010 Rs.
SCHEDULE "I" : OTHER INCOME		
Dividend Income	1,780,298	-
Profit on Sale of Car	423,261	104,334
Sundry Balance w/b (Refer Note No.6 of Schedule P-II)	-	2,697,956
	2,203,559	2,802,290
SCHEDULE "J" : INCREASE / (DECREASE) IN STOCK		
Opening Stock :		
Work in Process	43,178,076	53,676,145
Finished Goods	454,771,676	473,608,007
	497,949,752	527,284,152
Closing Stock :		
Work in Process	91,249,759	43,178,076
Finished Goods	681,577,576	454,771,676
	772,827,335	497,949,752
	274,877,583	(29,334,400)
SCHEDULE "K" : RAW MATERIAL CONSUMED		
Opening Stock	130,036,533	130,797,280
Add : Purchases	2,146,288,278	1,503,996,174
	2,276,324,811	1,634,793,454
Less : Closing Stock	311,720,679	130,036,533
	1,964,604,132	1,504,756,921
SCHEDULE "L" : MANUFACTURING & OTHER EXPENSES		
Testing , Cutting & Job Work Charges	33,395,986	27,086,147
Power, Fuel & Water Charges	22,174,946	20,914,943
Insurance (Factory)	546,348	457,064
Repairs & Maintenance (Factory)	6,947,265	5,703,803
Excise Duty on Closing Stock	3,756,410	3,916,554
	66,820,955	58,078,511
SCHEDULE "M" : PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salaries, Bonus and Other Benefits	11,315,807	8,890,199
Contribution to Provident and Other Funds	2,584,029	2,016,765
Wages, Bonus & Other Benefits	53,437,589	37,920,805
Remuneration to Directors	3,060,000	3,060,000
	70,397,425	51,887,769



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year Ended 31-03-2011 Rs.	Year Ended 31-03-2010 Rs.
SCHEDULE "N" : SELLING & ADMINISTRATIVE EXPENSES		
Advertisement Expenses	2,309,541	3,454,746
Sales Promotion Expenses	10,233,968	6,396,355
Discount & Rebate	26,350	196,560
Donation	246,894	304,453
Export Freight	16,771,954	11,372,185
Legal and Professional Expenses	7,263,320	3,492,562
Packing, Transport, Coolie & Cartage	25,369,002	20,141,739
Printing & Stationary	3,062,237	2,141,113
Rates & Taxes	1,622,601	513,497
Registration & Tender Fees	81,590	82,923
Sales Tax Written Off	-	4,000,000
Rent	1,740,000	1,488,000
Electricity Charges	1,460,172	1,319,019
Repairs & Maintenance	2,592,542	1,435,752
Security Charges	1,693,184	954,648
Service Tax	194,242	140,274
Auditors Remuneration		
- Audit Fees	600,000	600,000
- Other Matters	239,000	57,908
Insurance	158,414	45,346
Sundry Expenses	1,909,632	1,957,643
Telephone, Postage & Telegram	4,618,692	4,750,854
Travelling & Conveyance	9,878,691	7,171,838
Vehicle Maintenance & Insurance	5,915,192	4,501,672
Warehousing Charges	-	96,486
Brokerage & Commission	422,989	347,017
Sundry Balance Written off (Refer Note No.6 of Schedule P-II)	1,080,856	-
Premium on Forward Contracts	1,073,089	2,262,911
Loss on Theft of Vehicle	13,270	17,213
Training & Recruitment Expenses	1,033,866	194,065
	101,611,288	79,436,779
SCHEDULE "O" : INTEREST & FINANCE CHARGES / INCOME (NET)		
Interest on Term Loan	13,406,348	17,014,166
Interest on Cash Credit & Other Facilities	115,095,318	79,637,868
Interest on Car Loans	1,124,963	1,345,967
Interest On Unsecured Loans	6,345,691	6,126,575
Other Interest	16,003,101	12,499,460
Bank Commission & Other Finance Charges	13,409,107	22,352,754
	165,384,528	138,976,790
Less: Interest Income		
- on Fixed Deposit (Tax Deducted at Source Rs.6,76,028/- [P.Y. Rs. 5,37,326])	5,826,212	3,112,813
- on Interest received on sundry advances, customers' balances (Tax Deducted at Source Rs.22,58,985/- [P.Y. Rs. NIL])	24,497,235	1,417,146
- on Others	1,548	1,432
	30,324,995	4,531,391
	135,059,533	134,445,399

SCHEDULE “P”: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011

I SIGNIFICANT ACCOUNTING POLICIES:

1) Basis of Accounting

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

2) 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.

3) 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.

4) 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.

5) 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.

6) 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.

7) 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.

8) 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 is adjusted in the Profit and Loss Account.

9) 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.

10) Preliminary & Share Issue Expenses

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

11) 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.

12) 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".

13) 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.

14) Prior Period Adjustment

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

15) 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.

16) 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.

17) 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.

II NOTES ON ACCOUNTS:

Sr. No.	Particulars	Current Year Rs.	Previous Year Rs.
1)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	23,265,705/-	25,256,298/-
2)	Contingent liabilities not provided for in respect of:		
	a) Guarantees given by the bankers of the Company.	26,002,411/-	14,274,931/-
	b) Sales Tax demands disputed in appeals	3,926,267/-	3,926,267/-
	c) Letters of credit opened by the bankers of the Company.	442,266,854/-	401,921,191/-
	d) Gujarat Commercial Tax (Penalty)	234,851/-	-

3) Some of the balances of Sundry Debtors, Deposits, Loans & Advances, Advances received from customers and Sundry Creditors 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.

4) The Company has amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006, (MSMED Act) as at 31ST March, 2011. The disclosure pursuant to the said Act is as under:



Particulars	As On 31.03.2011 (Rs.)	As On 31.03.2010 (Rs.)
Principal amount due to suppliers under MSMED Act, 2006	724,976	300,279
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	NIL	NIL
Payment made to suppliers (other than interest) beyond the appointed day, during the year	NIL	NIL
Interest paid to suppliers under MSMED Act, 2006 (Other than Section 16)	NIL	NIL
Interest paid to suppliers under MSMED Act, (Section 16)	NIL	NIL
Interest due and payable to suppliers under MSMED Act, for payments already made	NIL	NIL
Interest accrued and remaining unpaid at the end of the year to suppliers under 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.

- 5) 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.
- 6) Sundry debit balances written off amounting to Rs. 1,080,856/- are net of sundry credit balances written back amounting to Rs. 7,627,246/- (in previous year sundry credit balance written back amounting to Rs. 2,697,956/- are net of sundry debit balances written off amounting to Rs. 1,663,763/-)
- 7) Prior period adjustment (Net) amounting to Rs. 773,423/- (Cr.) {Previous year Rs. 266,789/- (Cr.)} includes income of Rs. 1,037,678/- (Previous year Rs. 1,142,317/-) and expenses Rs. 264,255/- (Previous year Rs. 875,528/-)
- 8) During the year, the Company has reviewed its fixed assets for impairment loss as required by Accounting Standard 28 "Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.
- 9) During the year 2008-09 search operation u/s. 132 of the Income Tax Act, 1961 was carried out by the Income Tax Authorities on the Company and the Company, based on professional advice, had declared undisclosed income of Rs. 71,097,351/- to buy peace. The income tax liability arising as a result of such declaration has been provided for in the books of accounts in the said year. However, based on professional advice, the penalty, if any, payable on the tax liability has so far not been provided for as the same has not yet been quantified by the Tax Authorities.

10) Related Party Disclosure:

Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

I) List of related parties:

Sr. No.	Description of Relationship	Name of Related Parties
01.	Associates / Enterprises over which directors and / or their relatives has significant influence	M/s. Sunrise Metal Industries
		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.
		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)
02.	Key Management Personnel	Shri Prakash C. Kanugo, Chairman & Managing Director
		Shri Ashok M. Seth, Executive Director
		Shri Hemant P. Kanugo, Whole Time Director
		Shri Kamal P. Kanugo , Whole Time Director
03.	Relatives of Key Management Personnel	Smt. Babita P. Kanugo
		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.

II) Details of transactions between the Company & related parties & the status of outstanding balances as on 31ST March, 2011.

(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	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Purchase of Goods	M/s. Top Honest Inc.	14,379,300	272,619,171				
	M/s. Sunrise Metal Industries	NIL	1,460,368				
	M/s. Seth Iron & Steel Pvt. Ltd	NIL	55,280,198				
	M/s. Seth Carbon & Alloys Pvt. Ltd.	NIL	7,024,812				
Purchase of Licence	M/s. Top Honest Inc.	461,641	NIL				



(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	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Sale of Goods	M/s. PCK Metal Pvt. Ltd.	2,132,000	14,471,198				
	M/s. Seth Iron & Steel Pvt. Ltd.	6,352,856	31,351,048				
	M/s. Sunrise Metal Industries	NIL	32,115,239				
	M/s. Top Honest Inc.	606,317	278,941,119				
	M/s. Prakash Stainless Pvt. Ltd.	NIL	40,187,525				
Unsecured Loans/ Advances/ Deposit Accepted	M/s. AMS Trading & Investment Pvt. Ltd.	NIL	130,692,258				
	M/s. Prakash Stainless Pvt. Ltd.	1,000,000	68,797,693				
	M/s. Seth Carbon & Alloys Pvt. Ltd.	5,300,000	20,380,000				
	M/s. Seth Iron & Steel Pvt. Ltd.	1,600,000	116,800,000				
	M/s. Prakash & Daga Infra Projects Pvt. Ltd.	NIL	2,500,000				
	M/s. Sunrise Metal Industries	10,400,000	135,880,000				
	M/s. Top Honest Inc.	41,400,000	194,200,000				
Office Deposit Given	M/s. Ashok M. Seth (HUF)	4,400,000	NIL				
	M/s. Prakash C. Kanugo (HUF)	5,600,000	NIL				
	Smt. Ekta H. Kanugo Shri Kamal P. Kanugo			4,400,000	NIL	5,600,000	NIL
Guest House Deposit Given	Shri Kamal P. Kanugo			50,00,000	NIL		
Unsecured Loans/ Advances/ Deposit Repaid	M/s. AMS Trading & Investments Pvt. Ltd.	150,000,000	60,000,000				
	M/s. Prakash Stainless Pvt. Ltd.	1,000,000	68,797,693				
	M/s. Seth Carbon & Alloys Pvt. Ltd.	5,300,000	30,622,000				
	M/s. Seth Iron & Steel Pvt. Ltd.	25,700,000	164,700,000				
	M/s. Seth Steelage Pvt. Ltd.	NIL	1,450,000				
	M/s. Prakash & Daga Infra Projects Pvt. Ltd.	NIL	2,460,625				
	M/s. Sunrise Metal Industries	10,400,000	135,880,000				
	M/s. Top Honest Inc.	41,400,000	194,200,000				
Interest Received	M/s. Seth Iron & Steel Pvt. Ltd.	3,322,192	NIL				

(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	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Loans/ Advances Given	M/s. Top Honest Inc.	NIL	217,955,000				
	M/s. Seth Iron & Steel Pvt. Ltd.	3,027	NIL				
	M/s. Prakash Stainless Pvt. Ltd.	NIL	3,000,000				
	M/s. Sunrise Metal Industries	600,000	NIL				
	M/s. Prakash & Daga Infra Projects Pvt. Ltd.	110	NIL				
	M/s. PCK Metal Pvt. Ltd.	185,500	NIL				
	M/s. Seth Carbon & Alloys Pvt. Ltd.	2,116,049	NIL				
Loans/ Advances Recovered	M/s. Top Honest Inc.	NIL	218,730,291				
	M/s. Seth Iron & Steel Pvt. Ltd.	3,027	NIL				
	M/s. Prakash & Daga Infra Projects Pvt. Ltd.	110	NIL				
	M/s. PCK Metal Pvt. Ltd.	185,500	16,086				
	M/s Prakash Stainless Pvt. Ltd.	3,000,000	NIL				
	M/s. Sunrise Metal Industries	600,000	NIL				
	M/s. Seth Carbon & Alloys Pvt. Ltd.	2,116,049	NIL				
Remuner- ation / 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 Hemant P. Kanugo			108,000	108,000		
	Smt. Payal K. Kanugo					48,000	NIL



(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	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Outstanding Balances							
i) Creditors / Payables	M/s. Seth Iron & Steel Pvt. Ltd.	NIL	162,243				
	M/s. Top Honest Inc.	NIL	119,441,817				
ii) Debtors	M/s. Top Honest Inc.	NIL	7,709,229				
	M/s. Seth Iron & Steel Pvt. Ltd.	NIL	35,200,926				
	M/s. Sunrise Metal Industries	NIL	1,334,072				
iii) Advances Given	M/s. Prakash Stainless Pvt. Ltd.	NIL	3,000,000				
iv) Office Deposit Given	M/s. Ashok M. Seth (HUF)	11,000,000	6,600,000				
	M/s. Prakash C. Kanugo (HUF)	14,000,000	8,400,000				
	Smt. Ekta H. Kanugo					14,000,000	8,400,000
	Shri Kamal P. Kanugo			11,000,000	6,600,000		
v) Other Deposit Given	Shri Kamal P. Kanugo			5,000,000	NIL		
vi) Rent Payable	Shri Hemant P. Kanugo			NIL	108,000		
vii) Unsecured Loans Taken	M/s. AMS Trading & Investment Pvt. Ltd.	NIL	150,000,000				
	M/s. Seth Iron & Steel Pvt. Ltd.	NIL	24,100,000				

11) Earnings Per Share (EPS)

The numerators and denominators used to calculate Basic Earnings Per Share:-

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Profit attributable to the Equity Shareholders (Rs.) (A)	248,848,930	176,288,450
Weighted number of Equity Shares (B)	15,085,640	11,250,000
Basic/ diluted Earning Per Share (Rs. (A)/(B)) (face value Rs. 10/-)	Rs.16.50	Rs.15.67

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

- 12) The Tax effect of Significant Timing (Temporary) Differences that resulted in Deferred Tax Assets & Liabilities and description of the Financial Statement items that creates these differences are as follows:

Particulars	Opening Balance (Rs.)	(Charged) / Credited To P & L (Rs.)	Adjusted To Share Premium (Rs.)	Closing Balance (Rs.)
Deferred Tax Liabilities				
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	(46,723,675)	(10,623,014)	-	(57,346,689)
Total (A)	(46,723,675)	(10,623,014)	-	(57,346,689)
Deferred Tax Assets:				
Tax impact of expenses charged in the financial statements but allowable as deduction in future years under income tax:				
Outstanding Leave encashment, Gratuity and Bonus	1,598,087	552,278	-	2,150,365
Preliminary Expenses u/s. 35D of the Income Tax Act, 1961	-	-	5,172,512	5,172,512
Total (B)	1,598,087	552,278	5,172,512	7,322,877
Net Deferred Tax Assets / (Liabilities) (B – A)	(45,125,588)	(10,070,736)	5,172,512	(50,023,812)

13) Initial Public Offer

During the current year, the Company has completed an Initial Public Offer (IPO) of its 6,250,039 Equity Shares of Rs. 10/- each for cash at a price of Rs. 110/- The premium of Rs. 100/- per share amounting to Rs.625,003,900/- is credited to share premium account. Expenses pertaining to the issue of shares amounting Rs.52,098,433/- after net of tax of Rs.6,496,428/- i.e. Rs.45,602,005/- has been written off against the balance available in share premium account in terms of section 78 of the Companies Act, 1956.

Pursuant to the public issue, shares of the Company were listed on Bombay Stock Exchange and National Stock Exchange with effect from August 25, 2010.

The total IPO proceeds received by the Company are Rs. 687,504,290/-. Following are the details of utilization of IPO proceeds till 31ST March, 2011.

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

As on 31ST March, 2011, unutilized funds amounting to Rs. 109,718,857/- have been temporarily invested in bank deposits as mentioned in the Prospectus of the Company.

- 14) Figures of the previous year have been re-grouped, re-classified and re-arranged, wherever necessary.
- 15) 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.

I. Defined Contribution Plan:

During the year, the Company has recognized Rs. 2,608,515/- (Previous Year Rs. 2,016,765/-) towards Provident Fund and Employees, State Insurance Corporation as Defined Contribution Plan Obligation.

II. 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	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Discount Rate Current	8.25%	8.25%	8.25%	8.25%
Rate of Increase in Compensation Levels	6%	6%	6%	6%

II. Table Showing Change in Benefit Obligation

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Projected Benefit Obligations (PBO) at the beginning of the year	2,210,509	1,147,353	1,150,521	721,925
Interest Cost	182,367	94,657	94,918	59,559
Service Cost	810,293	718,018	563,222	397,264
Benefits paid	-	-	(20,628)	(242,363)
Actuarial (gain) / loss on Obligations	(353,852)	250,481	206,733	214,136
Projected Benefit Obligations (PBO) at the end of the Year	2,849,318	2,210,509	1,994,832	1,150,521

III. Tables of Fair value of Plan Assets

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	-	-	20,628	242,363
Benefits paid	-	-	(20,628)	(242,363)
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.)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
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.)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Funded Status	(2,849,318)	(2,210,509)	(1,994,832)	(1,150,521)

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

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Present Value of Obligation	2,849,318	2,210,509	1,994,832	1,150,521
Fair value of Plan Assets	-	-	-	-
Diff	2,849,318	2,210,509	1,994,832	1,150,521
Unrecognised Actuarial gains (losses)	-	-	-	-
Unrecognised Transitional Liability	-	-	-	-
Liability Recognised in Balance Sheet	2,849,318	2,210,509	1,994,832	1,150,521

VII. Net Periodic Cost

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Current Service Cost	810,293	718,018	563,222	397,264
Interest Cost	182,367	94,657	94,918	59,559
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain) loss recognised in the year	(353,852)	250,481	206,799	214,136
Expenses Recognised in the Income Statement	638,809	1,063,156	864,939	670,959

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

Particulars	Gratuity (Rs.)		Leave Encashment (Rs.)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Opening Net Liability	2,210,509	1,147,353	1,150,521	721,925
Expense as above	638,809	1,063,156	864,939	670,959
Contributions paid	-	-	(20,628)	(242,363)
Closing Net Liability	2,849,318	2,210,509	1,994,832	1,150,521

16) Remuneration to Key Managerial Personnel

Particulars	31-03-2011	31-03-2010
Salary	3,060,000	3,060,000
Contribution to Provident Fund	NIL	NIL
Perquisites	NIL	NIL
Total	3,060,000	3,060,000

17) 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" as issued by The Institute of Chartered Accountants of India.

- 18)** 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 on the Accounting Standard 11 "The effect of changes in foreign exchange rates", during the year 2008-09, the Company has exercised the option that exchange differences 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 gain pertaining to long term foreign currency monetary items amounting to Rs. 1,237,215/- (previous year Rs. 13,432,388/-) have been credited to the cost of respective fixed assets.



19) Additional information pursuant to the provisions of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956, to the extent applicable to the Company and as certified by the management and relied upon by the auditors :-

a) Licensed & Installed Capacity and Production

Class of Goods	Unit of Quantity	Licensed Capacity		Installed Capacity		Actual Production	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Stainless Steel Tubes and Pipes	M.T.	N.A.	N.A.	17,600	15,600	11,463.434	10699.273
Scrap	M.T.	N.A.	N.A.	N.A.	N.A.	667.606	568.258

Note: The installed capacities are as certified by the management on which the auditors have placed reliance.

b) Particulars in respect of Sales

(1) Traded Goods

Class of Goods	Unit of Quantity	31.03.2011		31.03.2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
i) S.S. Pipe/Tubes	M.T.	4094.454	1,129,109,893	2160.787	667,628,137
ii) S.S. Sheet/Coil/Plate	M.T.	6960.434	1,742,113,860	6249.525	1,526,219,568
iii) S.S. Scrap	M.T.	.222	22,339	NIL	NIL
Total			2,871,246,092		2,193,847,705

2) Manufactured Goods

Class of Goods	Unit of Quantity	31.03.2011		31.03.2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
i) S.S. Pipe/Tubes	M.T.	11452.102	2,751,477,870	10970.738	2,299,220,016
ii) S.S. Scrap	M.T.	677.129	68,824,024	529.096	46,553,793
Total			2,820,301,894		2,345,773,809

c) Particulars in respect of purchases of Traded Goods

Class of Goods	Unit of Quantity	31.03.2011		31.03.2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
i) S.S. Pipe/ Tubes	M.T.	4206.525	1,117,863,171	2161.318	621,457,810
ii) S.S. Sheet/Coil/ Plate	M.T.	7655.545	1,752,453,792	6585.756	1,531,150,471
iii) S.S. Scrap	M.T.	64.058	7,893,618	NIL	NIL
Total			2,878,210,581		2,152,608,281

d) Particulars of Opening & Closing Stock (Finished Goods)

(1) Traded Goods

Class of Goods	Unit of Quantity	31.03.2009		31.03.2010		31.03.2011	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
i) S.S. Pipe/ Tubes	M.T.	323.739	106,523,094	324.270	69,680,965	436.341	104,572,146
ii) S.S. Sheet/ Coil/ Plate	M.T.	1123.250	209,494,570	1459.481	297,126,556	2154.593	443,283,637
iii) S.S. Scrap	M.T.	0.222	23,670	0.222	23,670	64.058	7,893,618
Total			316,041,334		366,831,191		555,749,401

(2) Manufactured Goods

Class of Goods	Unit of Quantity	31.03.2009		31.03.2010		31.03.2011	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
i) S.S. Pipe/ Tubes	M.T.	711.391	152,997,376	439.926	80,140,636	451.258	118,770,982
ii) S.S. Scrap	M.T.	59.619	4,569,297	98.781	7,799,849	89.258	7,057,193
Total			157,566,673		87,940,485		125,828,175

e) Raw Materials & Components consumed / sold

Class of Goods	Unit of Quantity	31.03.2011		31.03.2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Material	M.T.	12,834.880	1,964,604,132	11,351.713	1,504,756,921

f) Stores & Spares consumed / sold

Class of Goods	31.03.2011	31.03.2010
Material	Rs.106,112,229	Rs.85,652,643

g) CIF value of Imports

Class of Goods	31.03.2011	31.03.2010
Material	Rs. 1,376,742,462	Rs.785,677,880
Capital Goods	Rs. 23,220,125	Rs.1,671,612

h) Expenditure in Foreign Currency (On actual payment basis)

	31.03.2011	31.03.2010
Traveling & others	Rs. 7,310,306	Rs. 8,469,389

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

	31.03.2011	31.03.2010
Export of Goods	Rs.302,768,219	Rs.189,018,250

j) Value of Raw Materials consumed / sold

Class of Goods	31.03.2011		31.03.2010	
	Percentage %	Value (Rs.)	Percentage %	Value (Rs.)
Imported	24.94	490,048,460	24.16	363,600,052
Indigenous	75.06	1,474,555,672	75.84	1,141,156,869
Total	100.00	1,964,604,132	100.00	1,504,756,921

k) Value of Stores & Spares consumed / sold

Class of Goods	31.03.2011		31.03.2010	
	Percentage %	Value (Rs.)	Percentage %	Value (Rs.)
Imported	4.72	5,006,292	5.62	4,817,501
Indigenous	95.28	101,105,937	94.38	80,835,142
Total	100.00	106,112,229	100.00	85,652,643

As Per Our Report Of Even Date

Signatures To Schedules "A" To "P"

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, 2011

SARIKA S. SINGH
COMPANY SECRETARY
& COMPLIANCE OFFICER

DINESH H. TRIVEDI
VICE PRESIDENT
FINANCE



Additional information as required under Part IV of Schedule VI to the Companies Act, 1956:

Balance Sheet Abstract & Company's General Business Profile

a) Registration Details	
Registration No.	61595 of 1991
State Code	11
Balance Sheet Date	31 ST March, 2011
b) Capital raised During the year : (Rs. in 000)	
Public Issue	62,500
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
c) Position of mobilization and deployment of Funds: (Rs. in 000)	
Total Liabilities	2,957,011
Total Assets	2,957,011
Sources of Funds	
Paid-Up Capital	175,000
Reserves & Surplus	1,204,175
Share Application Money	Nil
Secured Loans	1,309,395
Unsecured Loans	218,417
Deferred Tax Liability	50,024
Application of Funds	
Net Fixed Assets	722,347
Investments	Nil
Net Current Assets	2,234,664
Miscellaneous Expenditure	Nil
Accumulated Losses	Nil
d) Performance of the Company (Rs. in 000, except EPS)	
Turnover	5,442,992
Other Income	328,204
Total Expenditure	5,397,975
Profit/ (Loss) Before Tax	373,221
Profit/ (Loss) After Tax	248,849
Earnings Per Share (Basic)	Rs.16.50
Dividend Rate	10%
e) Generic Names of Principal products, services (As per monetary terms)	
Item Code No. (ITC Code)	7304.90
Product Description	Stainless Steel Seamless Pipes /Tubes
Item Code No. (ITC Code)	7306.90
Product Description	Stainless Steel Welded Pipes / Tubes

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 20TH ANNUAL GENERAL MEETING of the Company at Walchand Hirachand Hall, (4th Floor) IMC Building, Churchgate, Mumbai - 400 020, at 3.30 P.M. on Friday, the 12TH August, 2011.

.....
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
(in block capitals)

.....
Signature

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 20TH ANNUAL GENERAL MEETING of
the Company, to be held on Friday, the 12TH August, 2011 at 3.30 P.M. and at any adjournment thereof.

Signed this..... Day of2011 Folio No..... /DP ID

No. * & Client ID

* Applicable for members holding shares in electronic form

Signature

No. of Shares

Affix
Revenue
Stamp

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

@ Strike out whichever is not desired.

NOTES: (i) The proxy must be returned so as to reach the Registered Office of the Company at 701, Mahalaxmi Chambers Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400 026 not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.

(ii) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy

Listing ceremony at Bombay Stock Exchange



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).

