

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.

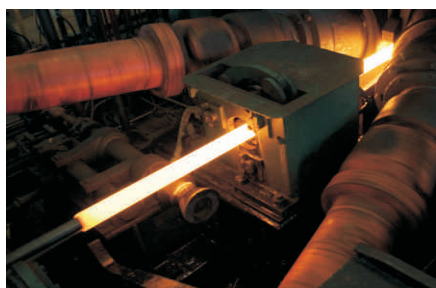
I take this opportunity to thank all the Shareholders, Suppliers, Customers, Bankers and our Employees at all levels for reposing faith & confidence in us and hope that this relationship will not only continue but will grow stronger.

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.

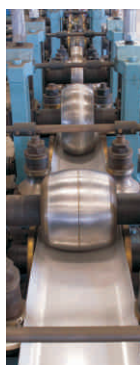
Thank You,

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



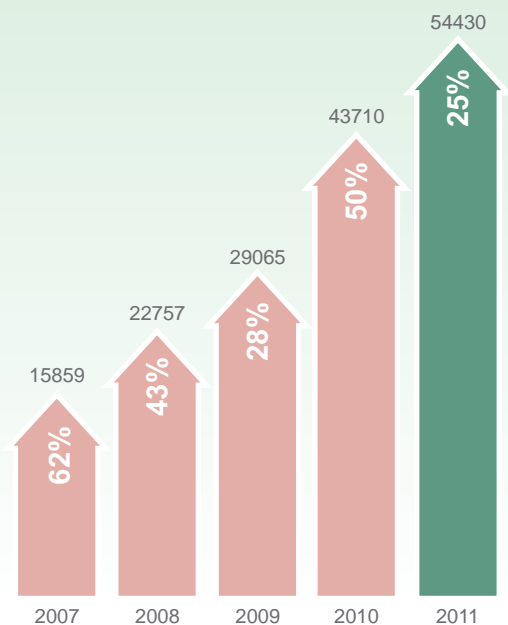
Press conference at hotel Trident, Mumbai



Financial Highlights

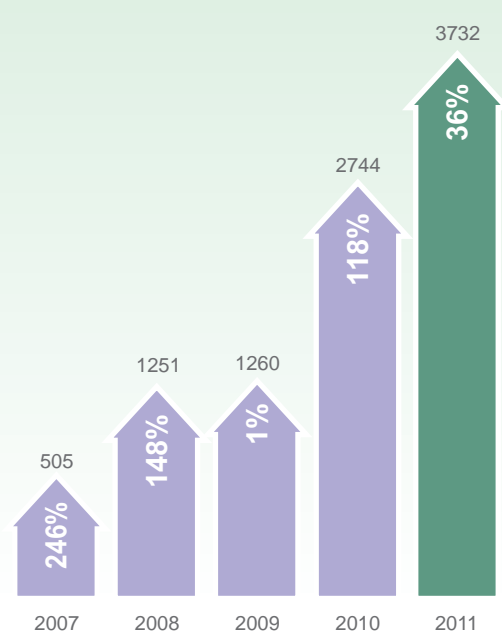
SALES

(Rs. in Lacs)



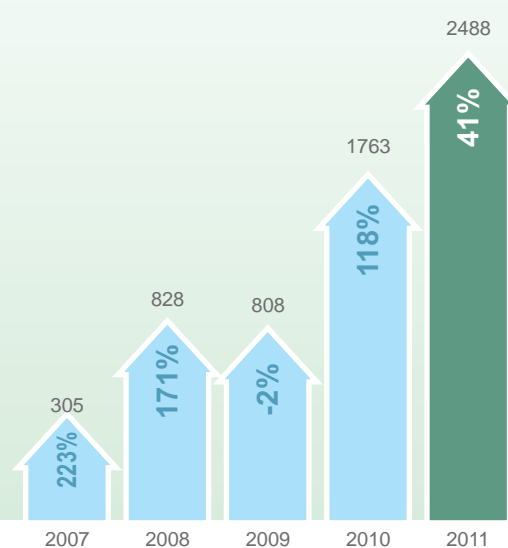
PBT

(Rs. in Lacs)



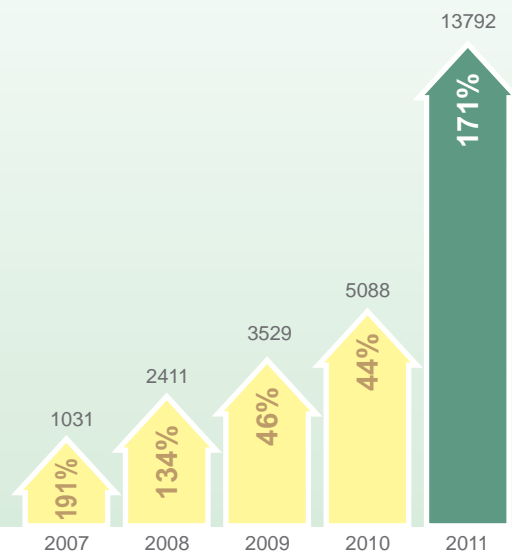
PAT

(Rs. in Lacs)



NET WORTH

(Rs. in Lacs)



Exports

Export Highlights

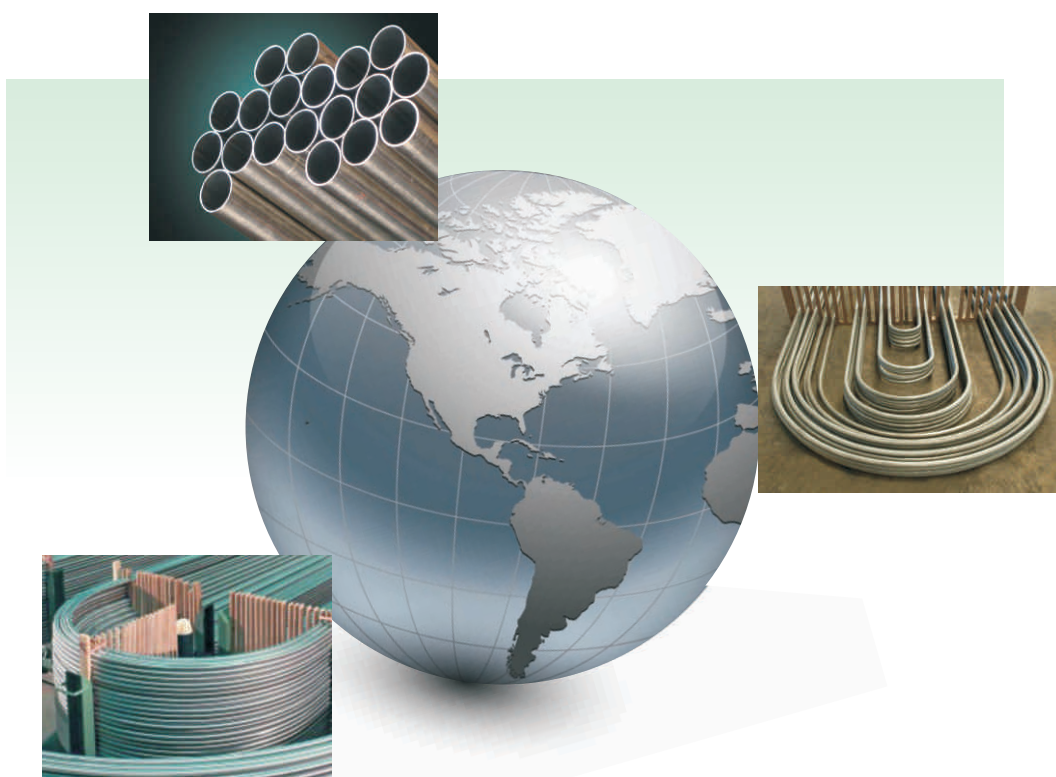
After gaining wide experience in domestic market, Prakash Steelage Limited entered into the international markets. The Company gained market through exhibitions organized in various countries across the globe. Within last few years export of the Company spread all over the world covering almost 40 countries.

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 1/4" 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.