



22ND ANNUAL REPORT 2012-13



Prakash Steelage Ltd.

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

Core Management Team



State-of-the-art manufacturing facility





Board of Directors



Prakash C. Kanugo

Chairman & Managing Director



Ashok M. Seth

Whole-time Director



Hemant P. Kanugo

Whole-time Director



Kamal P. Kanugo

Whole-time Director



Dr. Bipin C. Doshi

Non Executive Director



Himanshu J. Thaker

Non Executive Director



Gautam Chand Jain

Non Executive Director



A. Prakashchandra Hegde

Non Executive Director

Company Secretary & Compliance Officer

Pallavi P. Shedge

Bankers

Vijaya Bank

ICICI Bank

The Royal Bank of Scotland NV

Bank of Baroda

Standard Chartered Bank

CITI Bank NA

ING Vysya Bank Ltd.

Union Bank of India

Statutory Auditors

M/s. Khandelwal Jain & Co.

Chartered Accountants

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

Chartered Accountants

Internal Auditors

M/s. Anand Jain & Associates

Chartered Accountants

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Registered Office

701, Mahalaxmi Chambers,

Bhulabhai Desai Road,

Mahalaxmi, Mumbai - 400 026 (India)

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

Email: investorsgrievances@prakashsteelage.com

Registrar & Transfer Agents

Bigshare Services Private Limited

E2/3, Ansa Industrial Estate,

Saki Vihar Road, Sakinaka,

Andheri (East), Mumbai – 400 072

Tel: +91-022-40430200/28470652

Fax: +91-022-28475207

Email: babu@bigshareonline.com

Website: www.bigshareonline.com

ISIN: E616K01016

Manufacturing Units

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

Village: Kherdi, Silvassa - 396 230,

Union Territory of Dadra & Nagar Haveli, (India)

Umbergaon : Plot No.131/1,

Umbergaon, Sanjan Road,

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

Notice

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

Ordinary Business

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

Special Business

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

Place: Mumbai
Date: 30th May, 2013

On Behalf of the Board of Directors
For Prakash Steelage Limited

Prakash C. Kanugo
(Chairman & Managing Director)

NOTES:

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

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

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



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

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

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

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

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

Place: Mumbai
Date: 30th May, 2013

Prakash C. Kanugo
(Chairman & Managing Director)

IMPORTANT COMMUNICATION TO MEMBERS :

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

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

Item No. 6:

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

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

Option-A

Remuneration:

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

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

c. Allowances/perquisites: As under

Category: A

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

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

Category: B

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

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

Category: C

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

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

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

OR

Option-B

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

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



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

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

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

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

Item No. 7:

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

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

Option-A

Remuneration:

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

Category: A

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

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

Category: B

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

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

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

Category: C

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

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

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

OR

Option-B

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

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

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

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

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

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

Item No. 8:

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

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