



## Corporate Governance Report

### 1. Company's Philosophy

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

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

### 2. Board of Directors

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

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

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the previous Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

| Name of the Director and Designation                  | Attendance at the Meeting held during 2011-12 |          | No of Directorship in other Companies ** |
|---|---|----------|--|
|   | Board Meeting                                 | Last AGM |  |
| Mr. Prakash C. Kanugo<br>Chairman & Managing Director | 4   | Yes      | -  |
| Mr. Ashok M. Seth<br>Executive Director               | 4   | No       | -  |
| Mr. Hemant P. Kanugo<br>Executive Director            | 4   | Yes      | -  |
| Mr. Kamal P. Kanugo<br>Executive Director             | 4   | No       | -  |
| Dr. Bipin C. Doshi<br>Independent Director            | 4   | Yes      | -  |
| Mr. Himanshu Thaker<br>Independent Director           | 2   | Yes      | -  |
| Mr. Mrinmoy Roy*<br>Independent Director              | 4   | Yes      | -  |
| Mr. Gautam Chand Jain<br>Independent Director         | 4   | Yes      | -  |

\*Mr. Mrinmoy Roy has resigned from the post of Independent Director of the company with effect from 28<sup>th</sup> May 2012

\*\*None of the directors are holding committee membership or Chairmanship of the committee of other Companies.

Also the directorship in the Private Limited/ foreign companies are not considered in the above table.

## Board Meetings

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

| Date of the Meeting     | 28.05.2011 | 12.08.2011 | 14.11.2011 | 14.02.2012 |
|-------------------------|------------|------------|------------|------------|
| No of Directors Present | 8          | 8          | 7          | 7          |

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

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

## Board Responsibilities

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

## Role of Independent Directors

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

## Details of Directors

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

## Board Committees

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

### A) Audit Committee

The Audit Committee of the Company was constituted on 25<sup>th</sup> August, 2008. The Audit Committee comprises of two Non-Executive Independent Directors- Mr. Gautam Chand Jain, Dr. Bipin Doshi and Mr. Ashok M. Seth Whole Time Director.

The Composition of the Audit Committee is as under

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

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



## Terms of Reference

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

The audit committee shall have powers, which should include the following:

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



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

### Whistle Blower Policy

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

### B) Remuneration Committee

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

The composition of the Committee as at 31<sup>st</sup> March, 2012 is as follows.

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

### Terms of Reference

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

### Remuneration Policy

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

The details of remuneration paid/ payable to the Directors during the financial year 2011-12 are as under

| Name of the Director  | Remuneration including Perquisite (Rs.) | Sitting Fees (Rs.) | Total (Rs.) |
|-----------------------|---|--------------------|-------------|
| Mr. Prakash C. Kanugo | 12,00,000                               | Nil                | 12,00,000   |
| Mr. Ashok M. Seth     | 9,00,000                                | Nil                | 9,00,000    |
| Mr. Hemant P. Kanugo  | 6,00,000                                | Nil                | 6,00,000    |
| Mr. Kamal P. Kanugo   | 3,60,000                                | Nil                | 3,60,000    |



### Shareholding of Directors as on 31.03.2012

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

The sitting fees paid to The Independent Directors for attending Board Meeting and Audit Committee has been revised from 12<sup>th</sup> August, 2011 from 3000 to Rs. 5000 each for Board Meeting and from Rs. 1000 to 2000 each for Audit Committee. However no fee has been recommended by Board for attending the meetings of Investors' Grievance Committee, Remuneration Committee and Executive Committee.

Sitting fees paid to Non Executive Directors during the year.

| Name of the Directors  | Sitting Fees (Rs.) |                 |
|------------------------|--------------------|-----------------|
|                        | Board Meeting      | Audit Committee |
| Dr. Bipin C. Doshi     | 18000              | 7000            |
| Mr. Himanshu J. Thaker | 8000               | -               |
| Mr. Mrinmoy Roy        | 18000              | -               |
| Mr. Gautam Chand Jain  | 18000              | 7000            |

### C) Shareholders'/ Investor Grievances Committee

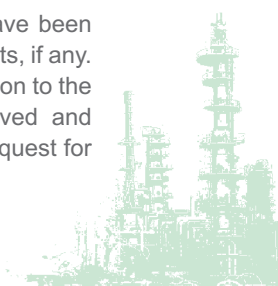
An Investors' Grievance Committee was constituted to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of dividend, etc.

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

The composition of the Committee as at 31<sup>st</sup> March, 2012 is as follows.

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

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



**Terms of Reference:**

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

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

**Shareholders' Complaints**

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

**D) Executive Committee**

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

The composition of the Committee as at 31<sup>st</sup> March, 2012 is as follows.

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

**Terms of Reference:**

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

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



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

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

### Code Of Conduct

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

### Insider Trading Code

At the Board Meeting held on 20<sup>th</sup> August, 2010, the Board of Directors had approved the Code of Conduct for Prevention of Insider Trading applicable to the Directors and the Designated Employees of Company as per the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

### Annual General Meetings

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

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

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

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

- a) Allot equity shares u/s 81 and 81(1A) of the Companies Act, 1956.
- b) Alteration of articles of association of the Company in consistence with the Listing Agreement of Exchanges
- c) Enhancement of borrowing limit u/s 293(1) (d) of the companies act, 1956 for sum of Rs. 500 Crores (Five Hundred Crores).
- d) There was no resolution passed through postal ballot during the year.

### Disclosures

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



### Means Of Communication

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

### Certification By The Managing Director And The V. P. (finance)

Mr. Prakash C. Kanugo - Chairman & Managing Director and Mr. Dinesh H. Trivedi – CFO(Chief Financial Officer), have issued a Certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said Certificate was placed before the Board Meeting held on 28<sup>th</sup> May, 2012 in which the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2012 were considered and approved by the Board of Directors.

### Shareholders' Information:

#### 21<sup>st</sup> Annual General Meeting Details

|       |   |
|-------|---|
| Day   | Tuesday   |
| Date  | 14 <sup>th</sup> August, 2012   |
| Time  | 4.00 p.m.   |
| Venue | Victoria Memorial School for the Blind, Opp. A. C. Market, Tardeo, Mumbai 400 034 |

### Financial Year of the Company

Financial Year of the Company is 1<sup>st</sup> April to 31<sup>st</sup> March.

### Book Closure Period:

From: Thursday, 9<sup>th</sup> August 2012 to Tuesday, 14<sup>th</sup> August, 2012 (both days inclusive).

### Dividend Payment Date:

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

### Listing with Stock Exchanges

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

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

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

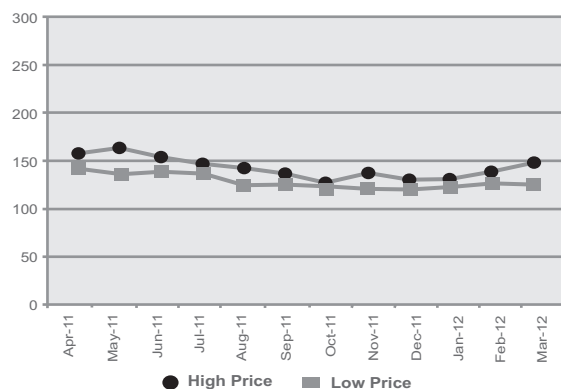




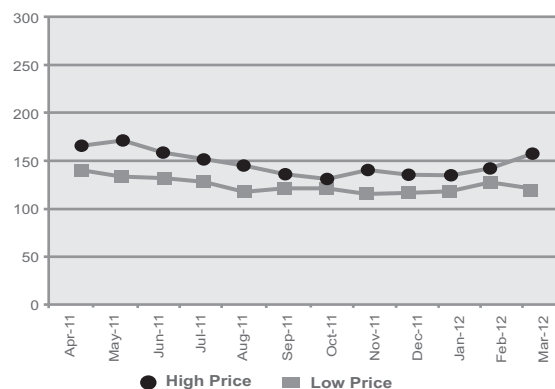
## Share Price Data Monthly Basis

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

Monthly High Low (BSE)



Monthly High Low (NSE)



## Manufacturing Units

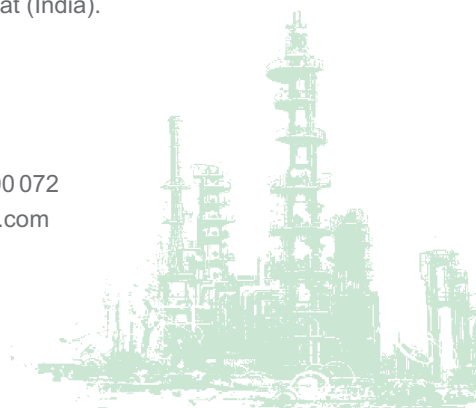
**SILVASSA** : Survey No. 46/1, Parjai Road,  
Village: Kherdi, Union Territory of  
Dadra & Nagar Haveli, Silvassa - 396 230 (India).

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

## Registrar & Transfer Agents:

### BIGSHARE SERVICES PVT. LTD.

E2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072  
Tel: +91-022-28470632/53 Fax : +91-022-28475207 • Email: babu@bigshareonline.com  
Website: www.bigshareonline.com

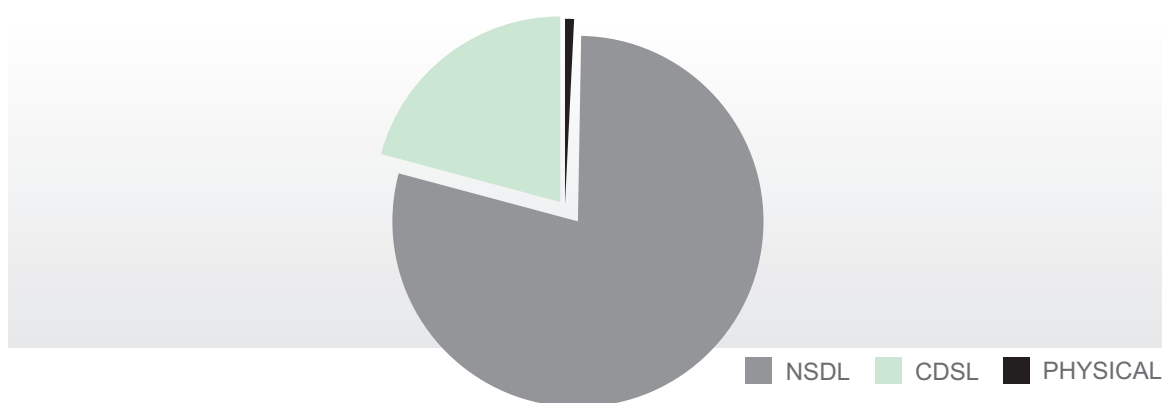


**Distribution of Shareholding****Distribution of the shares according to size of holdings as on March 31, 2012.**

| Sr. No. | Category Shares | Number of Shareholders | Percentage of Total | Share Amount | Percentage of Total |
|---------|-----------------|------------------------|---------------------|--------------|---------------------|
| 1.      | 1-500           | 4152                   | 94.36               | 3664140      | 2.09                |
| 2.      | 501-1000        | 111                    | 2.52                | 849140       | 0.49                |
| 3.      | 1001- 2000      | 45                     | 1.02                | 720260       | 0.04                |
| 4.      | 2001- 3000      | 13                     | 0.30                | 329150       | 0.20                |
| 5.      | 3001- 4000      | 4                      | 0.09                | 128570       | 0.07                |
| 6.      | 4001 -5000      | 9                      | 0.20                | 437210       | 0.25                |
| 7.      | 5001 -10000     | 5                      | 0.11                | 417980       | 0.24                |
| 8.      | 10001 & Above   | 61                     | 1.39                | 168453940    | 96.26               |
| Total   |                 | 4400                   | 100.00              | 175000390    | 100.00              |

**Dematerialisation of Shareholding**

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar- Bigshare Services Pvt. Ltd. This has facilitated the shareholders to hold and trade their shares in 'electronic form'. Almost the entire shareholding (99.99%) is held in dematerialized form with NSDL 13827312 Shares (79.01%) and CDSL 3672723 Shares (20.99%) as on 31<sup>st</sup> March, 2012 and only 4 shares are in physical form.

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

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

Email: [investorsgrievances@prakashsteelage.com](mailto: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](mailto:babu@bigshareonline.com)Website: [www.bigshareonline.com](http://www.bigshareonline.com)

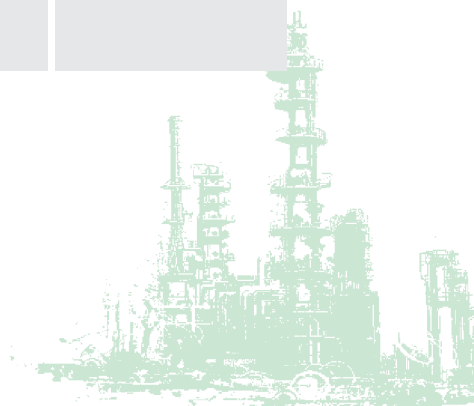


### Shareholding pattern as on March 31, 2012

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

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

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



## Annexure To Corporate Governance Report

### Declaration Of Compliance With The Code Of Conduct

All Board members and Senior Management Personnel have, for the year ended March 31, 2012, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchanges.

Prakash C. Kanugo  
Chairman & Managing Director

Mumbai, 28<sup>th</sup> May, 2012

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

To,  
The Members of Prakash Steelage Limited.

We have read the Report of Directors on Corporate Governance and have examined the relevant records relating to compliance of condition of Corporate Governance by Prakash Steelage Limited for the year ended on 31<sup>st</sup> March, 2012, as stipulated in Clause-49 of the Listing Agreement executed by the Company with the Stock Exchanges.

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

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

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

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

For S.K Jain & Associates

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

Place: Mumbai  
Date: 28<sup>th</sup> May, 2012



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

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2012 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
  - These statements present true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and the Audit Committee of:
  - (I) Significant changes in internal control during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

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

**Dinesh H. Trivedi**  
Chief Financial Officer

Mumbai, 28<sup>th</sup> May, 2012

