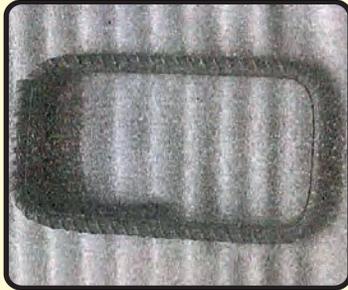


## **READYMADE STEEL INDIA LIMITED**

**Seventh Annual Report 2012-2013**



# Product / Services Portfolio



**PRE-CUT BEND BARS**



**PRE FABRICATED BARS**



**COUPLERS**



**BORED CAST IN PLACE  
CONCRETE PILES**



**DRIVEN PILES**



**SOLDIER PILES**



**CONTINGUOUS BORED AND  
SECANT PILE WALLS**



**MICRO PILES AND  
GEOTECHNICAL WORKS**



**PILE LOAD TESTING**



## BOARD OF DIRECTORS:

<b>Mr. Anil Agrawal</b>	Managing Director
<b>Mr. Satyajit Das</b>	Executive Director
<b>Mr. Mahesh Kumar Garg</b>	Independent Director
<b>Mr. Abhijit Ranade</b>	Independent Director
<b>Mr. Sandeep Mittal</b>	Independent Director
Ms. Binal Khosla	Company Secretary (Compliance Officer)

## BANKERS

Union Bank of India  
Bhat Bazar Branch, Mumbai

## AUDITORS

M/s. M K P S & Associates,  
Chartered Accountants  
Mumbai.

## REGISTERED OFFICE

203, Joshi Chambers,  
Ahmedabad Street, Carnac Bunder,  
Mumbai- 400 009.

## REGISTRAR AND SHARE TRANSFER AGENT (COMMON AGENCY)

Bigshare Services Pvt. Ltd.,  
E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (E), Mumbai-400 072.  
Tel: 2847 0652

## EQUITY SHARES ARE LISTED AT:

The Bombay Stock Exchange Ltd (BSE)  
Website: [www.readymadesteel.com](http://www.readymadesteel.com)

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## Chairman's Speech

Dear Shareholders,

On behalf of the Board, I am pleased to address you all with a momentous feat of your Company coupled with another year of industry-defying growth

2012-13 has been a rather challenging year for the infrastructure industry and for the Indian economy as a whole. The financial year 2012-13 started with Wholesale Price Index (WPI) inflation of 7.50 per cent. The Indian economy slowed to around 5.0% for the year 2012-13 compared with 6.2% in the previous fiscal.

The construction industry showed a subdued performance on account of the economic sluggishness as order inflows to the construction industry slowed down in certain sectors. The negative effects of global recessionary conditions are being attenuated by various countries through huge investments in infrastructure and India is no exception in this regard. Your directors are confident that the present environment of investments in infrastructure by the State and Central Governments assures growth of operations of your Company.

Despite the adverse market conditions during the year 2012-13, your Company performed exceedingly well with consolidated turnover of Rs. 46915.10 lacs and net profit after tax of Rs. 3431.26 lacs .

The highlight of the year has been the acquisition of KH Foges Pte. Ltd. in Singapore through your company wholly owned subsidiary Readymade Steel Singapore Pte. Ltd. in July 2012 which has strengthened your Company's position in the infrastructure solutions space in the Asian markets and helped in diversification of product portfolio and geographical presence. Till date, KH Foges Pte. Ltd has successfully completed 180 projects. KH Foges is amongst top 50 SMEs in Singapore and also is the second largest foundation engineering company in Singapore. It has a current order book of more than Rs. 43760 lacs. KH Foges also has plans to expand the services footprint in India through its subsidiary KH Foges India Private Limited. to capitalize on the long term opportunities in India.

The strategic decision to enhance the service offerings and diversify geographically through the acquisition in Singapore has been a significant step in the growth of the Company amidst domestic downturn. I assure you to continue to explore further avenues having potential to contribute to future growth of your Company.

I would like to express my gratitude to the shareholders and bankers of the Company who have provided unstinted support during this period. I would also like to express my appreciation to the employees for their dedicated service and commitment. Finally I would also like to express my thanks to Board, all our customers, business associates and all other stakeholders for their continuous help and support.

**Yours sincerely**

**Anil Agrawal**  
**Chairman**

## **NOTICE**

NOTICE is hereby given that the **Seventh Annual General Meeting** of the members of **READYMADE STEEL INDIA LIMITED** will be held at Country Club Andheri, A/723, Opp Kia Park, Veera Desai Road, Prathmesh Complex Andheri West, Mumbai – 400 053 on Saturday, the 28<sup>th</sup> Day of September 2013 at 11:00 a.m. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2013 and Profit & Loss Account for the year ended on that date, the Report of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Sandeep Mittal, who retires by rotation and being eligible, offer himself for re-election.
3. To consider & if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**  
“**RESOLVED THAT** pursuant to the provisions of Sections 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs M K P S & Associates, Chartered Accountants having Registration No. 302014E issued by the Institute of Chartered Accountants of India, be and is hereby appointed as the Auditors of the Company to hold office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2014”

### **SPECIAL BUSINESS:**

4. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI (ICDR) Regulations**”) as in force and subject to all other applicable rules, regulations, guidelines, notifications and circulars of the Securities and Exchange Board of India (“**SEBI**”), the applicable provisions of Foreign Exchange Management Act, 1999 (“**FEMA**”), rules, regulations, guidelines, notifications and circulars issued under FEMA including but not limited to Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, and provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchange where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchange, Reserve Bank of India (“**RBI**”), the Department of Industrial Policy and Promotion, Ministry of Commerce, the Foreign Investment Promotion Board (“**FIPB**”), and all other authorities as may be required, whether in India or outside India, (hereinafter collectively referred to as “**Appropriate Authorities**”), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as “**Requisite Approvals**”), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized at its absolute discretion to create, offer, issue and allot upto 23,00,000 warrants convertible into 23,00,000 Equity shares of Rs.10/- (Rupees Ten only) each fully paid up, in one or more tranches, to the Investors who are Promoters (Kridhan Petrochemicals Pvt. Ltd – 20,00,000 Warrants) and Non Promoters ( Hrishita Investments Advisory Pvt. Ltd - 3,00,000 Warrants) on a preferential basis, at a price which shall not be lower than the price determined in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, which shall be higher of the following:

1. The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchanges with the highest trade volume during the Twenty six weeks preceding the relevant date, OR
2. The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchanges with the highest trade volume during the two weeks preceding the relevant date.

### **“RESOLVED FURTHER THAT**

- A. The relevant date for the purpose of issue of warrants convertible into equity shares as per Chapter VII of the SEBI (ICDR) Regulations, 2009, as amended upto date for determination of the applicable price of equity shares arising out of conversion of warrants is 29<sup>th</sup> August, 2013 i.e. the day 30 days prior to the date of Annual General Meeting to be held, in terms of Section 81 (1A) of the Companies Act, 1956, to consider the proposed issue.”
- B. The Offer, Issue and Allotment of the aforesaid warrants shall be made at such time or times as the Board may in its absolute discretion decide.

- C. The Board may allot 23,00,000 warrants at a price of Rs. 70/- per warrant aggregating to Rs. 16,10,00,000/- (Rupees Sixteen Crores Ten Lakhs only), which will entitle the holder to subscribe to one Equity Share of the face value of Rs.10/- each at a price of Rs70/-(including a premium of Rs. 60/-) per Equity share of the Company against each warrant”.
- D. The proposed allottees of Warrants shall, on or before the date of allotment, pay an amount equivalent to 25% of the price fixed per warrant in terms of the SEBI (ICDR) Regulations, 2009.
- E. The tenure of the warrants shall not exceed 18 months from the date of their allotment.
- F. The amount paid wide clause D as aforesaid shall stand forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of the allotment.
- G. The Warrants shall be convertible into Equity Shares of the Company at the discretion of the holders, without any further approval of the shareholders prior to or at the time of conversion.
- H. The Warrants by itself does not give to the holder thereof any rights of the shareholders of the company.
- I. The allotment of warrants is proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at the Annual General Meeting. In case the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority including Stock Exchange where the shares of the Company are listed or the Central Government then the allotment shall be completed within 15 days from the date of receipt of such approval.
- J. In the event of the company making a bonus issue of shares or making rights issue of shares / convertible debentures or any other securities or any other corporate restructuring or arrangement including merger/ demerger/ acquisitions, in whatever proportion prior to the exercise of the rights attached to the Warrants, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequence of such bonus / rights issues / corporate restructuring and that the exercise price of the Warrants be adjusted accordingly, subject to such approvals as may be required.
- K. The Equity shares arising out of exercise of right attached to the warrant(s) to be allotted to investors who are Promoters and Non-Promoters pursuant to the proposed Special Resolution shall be subject to lock-in for such period from the date of receipt of trading approval from all the stock exchanges where the shares of the Company are listed of such shares, consistent with SEBI (ICDR) Regulations, 2009.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue / offer or allotment or conversion of the aforesaid warrants, listing thereof with stock exchange(s) and to resolve and settle all questions and difficulties that may arise in the proposed issue/ offer, allotment and conversion of any of the aforesaid warrants, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Securities as may be required, including issue and allotment of equity shares upon conversion of any warrants referred to above or as may be necessary in accordance with the terms of the offer, and all such equity shares shall be ranking *pari passu* and *inter-se* with the then existing equity shares of the Company in all respects including dividend.”

“**RESOLVED FURTHER THAT** the Board be authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee or Sub-Committee of Directors or the Chairperson or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution, with the power to such Committee/sub-Committee of the Board to further delegate all or any of its powers/duties to any of its members.”

By Order of the Board  
For Readymade Steel India Limited

Sd/-  
Binal Khosla  
Company Secretary

Place: Mumbai  
Dated: 31.08.2013

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
3. Members / Proxy holders are requested to produce duly completed and signed Attendance Slip at the time of meeting. Attendance slip and Proxy Form are attached with this notice.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
5. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956 authorizing their representative to attend and vote on their behalf at the meeting.
6. Messrs M K P S & Associates, Chartered Accountants, the Statutory Auditors of the Company, have certified that the said preferential issue is in accordance with the requirements contained in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
7. All documents referred to in the accompanying Notice and the Explanatory Statement are available for inspection to the Members of the Company at the Registered Office, 203, Joshi Chambers, Ahmedabad Street, Carnac Bunder, Mumbai, Maharashtra 400009 on any working day between 11.00 a.m. and 1.00 p.m. except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.
8. The register of members and the share transfer books of the Company will remain closed from 21/09/2013 to 29/09/2013 (both days inclusive).
9. Members are requested to bring their copy of the Annual Report to the Meeting.
10. (a) Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company.  
(b) Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID no., to their respective Depository Participants.
11. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to the Company at its registered office atleast 7 days before the date of the meeting, so that the required information can be made available at the meeting.
12. Members, who have not registered their e-mail addresses, are requested to register their e-mail address in respect of electronic holdings with the depository through their concerned Depository Participants and members who hold shares in physical form are requested to send their details to Bigshare Services Pvt. Ltd (Registrar & Transfer agent) in order to enable the company to serve the notice/Documents including Annual Report through e-mail as an green initiative in consonance with circular issued by Ministry of Corporate Affairs allowing paperless compliances by the companies.
13. SEBI vide circular ref. no. MRD/DoP/Cir-05/2007 dated April 27, 2007 made Permanent Account Number (PAN) mandatory for all securities market transaction. Thereafter, vide circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 it was clarified that for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company / RTAs for registration of such transfer of shares.

SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- a) deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholder(s).
- b) transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
- c) transposition of shares when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

14. The Ministry of Corporate Affairs, Government of India has introduced a 'Green initiative in the Corporate Governance' by allowing paperless compliances by the companies for service of documents to their members through electronic mode, which will be in compliance with Section 53 of the Companies Act, 1956.

In terms of the above the Company requests to its members to register their designated email id with the Company/RTA. However, Members who are desirous of obtaining hard copy of the Notice, Annual Reports and other documents may forward their written request to the Company/RTA for the same.

15. Brief resume of person proposed to be reappointed as Director of the Company at the Annual General Meeting pursuant to Clause 49 of the Listing Agreement:

<b>Name of Director</b>	<b>Mr. Sandeep Mittal</b>
Age (In years)	37
Date of Appointment	September 30, 2010
Qualifications	B.Com, Post Graduate diploma in Business Administration
Number of Shares held in the Company	Nil
Expertise in specific functional area	Expertise in Business Development and Negotiations, Textiles and Fabrics, Finance and Commercial Management & Product development and Design in textiles
Directorships held in other public companies (excluding foreign companies and section 25 companies)	Nil
Membership/ Chairmanship of committees of other public companies (includes only Audit Committee and Shareholders' / Investors' Grievance committees)	Nil

## **Explanatory Statement pursuant to section 173 (2) of the Companies Act 1956:**

### **Item No. 4**

A. Material Facts relating to the Preferential Allotment:- In terms of Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all the material facts relating to the Item of the accompanying Notice dated 31<sup>st</sup> August, 2013.

- 1 As the Company is on a growth trajectory, there is need to augment funds to enhance its long term resources and thereby strengthen the financial structure of the Company. The Company has been exploring various options for raising funds. The funds to be raised from the proposed issue of Warrants will be utilized for funding capital expenditure, supporting growth plans of the Company, meeting working capital requirements, repayment of debts, providing financial support to Subsidiaries /Joint Ventures / Associates / Group /affiliated Companies in India & abroad by way of loans / investments and for general corporate purposes or any combination thereof.
  - 2 The Board of Directors of the Company, at its meeting held on 31<sup>st</sup> August, 2013 subject to necessary approval(s), has approved the proposal for issuing 23,00,000 warrants convertible into equity shares through preferential offer to investors who are Promoters (Kridhan Petrochemicals Pvt. Ltd – 20,00,000 Warrants) and Non Promoters ( Hrishita Investments Advisory Pvt. Ltd - 3,00,000 Warrants) . The price, at which such warrants shall be converted over a period of 18 months from the date of allotment, shall be Rs. 70/- per warrant. The price determined as per the provision of Regulation 76 of SEBI (ICDR) Regulations, 2009 works out to Rs. 68.48/- per warrant. The Board of Directors has decided to allot warrants at Rs. 70/- per warrant.
  - 3 The Equity Shares allotted on exercise of option by Warrant holder pursuant to the above Resolution shall rank *pari-passu* in all respects including dividend with the existing Equity Shares of the Company.
  - 4 Pursuant to provisions of Section 81 (1A) of Companies Act, 1956, any offer or issue of warrants / shares of the Company to persons other than the exiting holders of the equity shares of a Company requires prior approval of the Shareholders in general meeting by a Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro- rata to the Shareholders unless the Shareholders in a general meeting decide otherwise.
  - 5 The preferential allotment of Securities to investors who are Promoters and non Promoters would be strictly in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009 and the following parameters would be subject to such changes as may be required to conform to the SEBI (ICDR) Regulations, 2009. The Preferential issue would comprise of up to 23,00,000 Warrants with a right exercisable by the Warrant holder to subscribe for one Equity Share per Warrant. The holders of the Warrants shall have the option to exercise the Warrants to subscribe to Equity Shares of the Company within eighteen months of its allotment.
  - 6 The pricing of the warrants to be allotted on preferential basis to investors who are Promoters and Non Promoters shall not be lower than the price determined in accordance with the SEBI (ICDR) Regulations, 2009.
  - 7 The Equity shares arising out of exercise of right attached to the warrants to be allotted to investors who are Promoters and Non Promoters pursuant to the proposed Special Resolution shall be subject to lock-in for such period from the date of receipt of trading approval of such shares, from all the stock exchanges, where the shares of the Company are listed, consistent with SEBI (ICDR) Regulations, 2009.
- B. The details of the issue and other particulars as required in terms of SEBI, (ICDR) Regulations, 2009 in relation to the resolution proposed under Item are given as under:

**(i) The Objects of the issue through preferential offer:**

The proceeds of the preferential offer are proposed to be utilized for augmenting the long term resources of the Company. The proceeds of the Preferential Offer would be used for funding capital expenditure, supporting growth plans of the Company, meeting working capital requirements, repayment of debts, providing financial support to Subsidiaries /Joint Ventures / Associates / Group / affiliated Companies in India & abroad by way of loans / investments and for general corporate purposes or any combination thereof. The issue and allotment of Warrants by way of preferential allotment to the investors is by way of cash contribution.

**(ii) The intention of the promoters/directors/key management persons to subscribe to the offer:**

The preferential issue is being made to the investors who are Promoters (20,00,000 Warrants) and Non Promoters (3,00,000 Warrants). The Directors / Key Management persons are not intending to subscribe to the offer.

The existing promoters and management team will continue to remain in the management. Further, the composition of the present Board of Directors is not expected to undergo any change.

**(iii) The Company hereby undertakes that:**

- a) It would re-compute the price of the Securities specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009 where it is required to do so.
- b) If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

**(iv) Securities to be issued:**

The resolution set out hereinabove of the accompanying Notice authorizes the Board to issue to the investors who are Promoters (20,00,000 Warrants) and Non Promoters (3,00,000 Warrants), upto 23,00,000 warrants entitling the holder of each warrant to apply for and obtain allotment of one equity share of face value of Rs. 10/- each against each warrant in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.

**(v) Relevant Date:**

The Relevant Date for the purpose of determining the pricing of shares arising out of Warrants in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009 is 29<sup>th</sup> August, 2013 i.e. 30 days prior to the date of Annual General Meeting.

**(vi) Terms of Issue of Warrants to Investors who are Promoters and Non**

**Promoters:**

- 1 The proposed allottees of Warrants shall, on or before the date of allotment, pay an amount equivalent to 25% of the price fixed per warrant in terms of the SEBI, (ICDR) Regulations, 2009.
- 2 The holder of each warrant will be entitled to apply for and obtain allotment of one equity share of face value of Rs. 10/- each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the warrant holder(s) shall pay the balance of the consideration towards the subscription to each equity share. The amount so paid will be adjusted/ set-off against the issue price of the resultant Equity shares.
- 3 If the entitlement against the warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- 4 Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share per warrant by appropriating Rs. 10/- towards equity share capital and the balance amount paid against each warrant, towards the securities premium.
- 5 In the event of the company making a bonus issue of shares or making rights issue of shares / convertible debentures or any other securities or any other corporate restructuring or arrangement including merger/ demerger/ acquisitions, in whatever proportion prior to the exercise of the rights attached to the Warrants, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequence of such bonus / rights issues / corporate restructuring and that the exercise price of the Warrants be adjusted accordingly, subject to such approvals as may be required.
- 6 The warrant(s) by itself until converted into equity shares, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above.
- 7 The equity shares issued as above shall rank *pari passu* in all respects including with respect to dividend, with the then fully paid up equity shares of the Company, subject however to the provisions of the Memorandum and Articles of Association of the Company.

**(vii) Particulars of Subscribers to Warrants:**

The Company proposes to issue Warrants by way of preferential issue to the investors who are Promoters and non Promoters as per the details given herein below:

Sr. No.	Name of the proposed warrant holders	Pre Preferential Allotment		Post Preferential Allotment(*)	
		No. of Shares	% of Total Voting Rights	No. of Warrants / Shares	% of Total Voting Rights
1	Kridhan Petrochemicals Pvt. Ltd ( \$ )	Nil	Nil	20,00,000	14.27
2	Hrishita Investments Advisory Pvt. Ltd ( # )	68076	0.58	3,68,076	2.63
<b>TOTAL</b>		<b>68076</b>	<b>0.58</b>	<b>23,68,076</b>	<b>16.9</b>

(\*) Assuming full conversion of Warrants in to Equity shares.

(\$) The proposed allottee being a private limited company is the ultimate beneficial owner of the shares and Mr. Anil Agrawal, being the principal shareholder and Mr. Madhav Deshpande, Mr. Rohit Garg and Mr. Anil Agrawal being the Directors of the said Private Limited Company will ultimately control the said shares.

(#) The proposed allottee, being a private limited company is the ultimate beneficial owner of the shares and Ms. Jaishri Chandel, being the principal shareholders and Mr. Ankit Jouhari and Ms. Jaishri Chandel being the Directors of the said Private Limited Company will ultimately control the said shares.

**viii) Under subscription, if any:**

Any of the warrants issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any person / entity / investor as mentioned hereinabove, on the same terms and conditions.

**(ix) Shareholding Pattern Pre and Post Preferential Offer:**

The Shareholding pattern giving the present position as also considering full allotment of warrants to the investors who are Promoters and Non-Promoters and equity shares arising out of the conversion thereof, as per Resolution of the Notice are given below:

Category of Shareholders	Pre-Allotment		Post allotment of Equity Shares on exercise of Warrants (assuming full conversion)	
	Total No. of Shares	% of Total Voting Rights	Total No. of Shares	% of Total Voting Rights
Promoters/Promoters' Group (A)	75,51,200	64.44	95,51,200	68.13
Mutual Funds / UTI	0	0.00	0	0.00
Banks, FIs, Insurance Companies etc.	0	0.00	0	0.00
Foreign Institutional Investors	3,34,798	2.85	3,34,798	2.39
Other Bodies Corporate	15,71,092	13.41	15,71,092	11.21
Non Resident Indians / Overseas Corporate Bodies	1,788	0.02	1,788	0.01
Public	21,70,375	18.52	21,70,375	15.48
Others – clearing Members	21,024	0.18	21,024	0.15
New Investors - Hrishita Investments Advisory Pvt. Ltd	68,076	0.58	3,68,076	2.63
Non Promoters – Sub total ( B)	4167153	35.56	4467153	31.87
<b>Total</b>	<b>1,17,18,353</b>	<b>100.00</b>	<b>1,40,18,353</b>	<b>100.00</b>

**(x) Proposed time within which the allotment shall be completed:-**

The allotment of warrants is proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at the Annual General Meeting. In case the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority including Stock Exchanges where the shares of the Company are listed or the Central Government then the allotment shall be completed within 15 days from the date of receipt of such approval.



**(xi) Others:**

The certificate of the Statutory Auditors to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations, 2009 shall be open for inspection at the Registered office of the Company on all working days except Saturdays, Sundays and Public Holidays between 11.00 a.m. and 1.00 p.m. prior to the date of the Annual General Meeting.

As it is proposed to issue warrants on preferential basis, special resolution is required to be approved by members pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 and Chapter VII of the SEBI (ICDR) Regulations, 2009 and other applicable provisions (if any).

The Board of Directors recommends the passing of this resolution as mentioned in the notice as a Special Resolution.

None of the directors except Mr. Anil Agrawal is in any way concerned or interested in the said resolution.

By Order of the Board  
For Readymade Steel India Limited

Sd/-  
Binal Khosla  
Company Secretary

Place: Mumbai  
Dated: 31.08.2013

## DIRECTORS' REPORT

Dear Members,

### Readymade Steel India Limited

Your Directors are pleased to present the 7<sup>th</sup> Annual Report together with the audited accounts of the Company for the financial year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

The brief highlights of financial results of the Company for the Financial Year 2012-13 as compared to the previous financial year 2012-13 are as under:

	(Rs. in Lacs)			
	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Sales	5079.36	7749.43	46915.1	-
Other Income	43.82	87.61	1099.75	-
Profit/ (Loss) before Tax	88.9	287.45	4143.88	-
Provision for taxation				
Current Tax	17.79	57.85	454.29	-
Deferred Tax	-28.32	3.3	-28.32	-
Profit/(Loss) After Tax	99.44	226.3	3431.26	-
Add: Balance brought forward	537.54	311.24	-	-
Add/(Less): Taxation of earlier years	-	-	-	-
Less: Provision for gratuity	1.13	-	-	-
Balance carried to Balance Sheet	635.85	537.54	-	-

### DIVIDEND

In view of the need to conserve resources, the Board of Directors does not recommend any dividend for the year.

### OPERATIONS

During the year under review, on standalone basis, the Company reported, revenue from operations at Rs. 5079.36 lacs as compared to Rs. 7749.53 lacs in the previous year. Profit before tax decreased to Rs. 88.90 lacs from Rs. 287.45 lacs and profit after tax declined to Rs. 99.44 lacs as compared from Rs. 226.3 lacs in previous financial year.

The business environment has been challenging due to sluggishness in Indian economy and high volatility in the exchange rate. Your Directors are confident that the company will strive hard to deliver and improved performance and confident of future growth of the company.

On consolidated basis, the revenue from operations stood Rs. 46915.1 lacs during financial year 2012-13. Profit before tax reported at Rs. 4143.88 lacs and profit after tax was Rs. 3431.26 lacs. On Consolidated basis the EPS of the company is Rs. 29.28 EPS for financial year 2012-13 against EPS of Rs. 2.10 on standalone basis.

### DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. Sandeep Mittal, Director of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

### EMPLOYEE STOCK OPTIONS:

As per scheme of **RMS ESOS 2010**, Company shall grant such number of options convertible into Equity Shares as may be determined by the Compensation-cum-Remuneration Committee ("**the Grant**"). The Compensation-cum-Remuneration Committee has granted 1,16,000 options pursuant to its resolution dated November 8, 2010. Each option shall entitle an employee to one Equity Share and the maximum number of options that may be granted under ESOS 2010 is 1,16,000.

Till date Company has not allotted any shares pursuant to scheme of ESOS.

## **SUBSIDIARY COMPANIES AND THEIR BUSINESS**

The company has expanded its business/ presence in Singapore through KH Foges Pte. Limited, acquired by your Company's wholly owned subsidiary Readymade Steel Singapore Pte, Limited. The principal activities of the KH Foges are those of civil engineering, piling, foundation and geotechnical engineering works, mixed construction activities and marine services. The turnover of the company KH Foges Pte. Limited as of March 2013 was Rs. 41835.74 lacs as compared to Rs. 32651.35 lacs for the year ended 2011. Profit before tax stood at Rs. 4054.98 lacs in 2012- 13 against Rs. 2202.75 lacs for the year ended December 2011. Profit after tax rose to Rs. 3331.83 lacs against Rs. 1841.43 lacs in December 2011.

Till now the company has completed 180 projects. Today the company's expertise continues to be in demand in challenging piling and foundation projects. The expertise spans across services like pre-cast piling and jointed piling; cast in place concrete piles, driven and bored piling. The experience in ground engineering has strengthened the competencies in erecting vertical structures.

## **AUDITORS**

M/s. M K P S & Associates, Chartered Accountants who are to retire at the conclusion of the forthcoming Annual General meeting, have offered themselves for re-appointment as Auditors of the Company. A written certificate to the effect that their appointment, if made, would be within the prescribed limits under Section-224(1B) of the Companies Act, 1956, has been obtained by the Company from them. The members are requested to consider their re-appointment and fix remuneration.

## **AUDITORS REPORT**

The observations of the Auditors in their report read together with the Notes to Accounts are self explanatory and therefore, in the opinion of the Directors, do not call for any further explanation. The auditor's reports do not contain any reservation, qualification & adverse remark for the financial year under review.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed section on the Management Discussion and Analysis forms part of this Report as Annexure I

## **CORPORATE GOVERNANCE**

Your Company has implemented the conditions of Corporate Governance as contained in Clause 49 of listing agreement. Separate reports on Corporate Governance forms part of this report as Annexure II

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956, the directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- ii) Appropriate accounting policies have been selected 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 2012-2013 and Profit of the Company for that the year ended on 31<sup>st</sup> March, 2013;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

### **CONSERVATION OF ENERGY:**

The scope for conservation of energy is limited in the type of industry in which your Company is engaged. However, the Company continues to accord high priority to conservation of energy by opting for more power effective replacements of equipments and electrical installations. No specific investment proposals are envisaged.

Form 'A' of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable as our industry is not included in the Schedule to the said Rules.

**TECHNOLOGY ABSORPTION:**

Every effort is being made by the company to update the technological skills of its technical staff in order to ensure that they possess adequate skills to enable them to serve the Company's clients.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The relevant information in respect of the foreign exchange earnings and outgo has been given in the Notes forming part of the Accounts for the year ended on 31<sup>st</sup> March, 2013.

**PARTICULARS OF EMPLOYEES:**

In terms of provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended the Company has no employees who were in receipt of the remuneration of Rs. 60,00,000/- or more per annum during the year ended 31<sup>st</sup> March, 2012 or Rs. 5,00,000/- or more per month during any part of the said year.

**ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation for the co-operation and support received from the Banks, Financial Institutions, Shareholders, Customers and Suppliers. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

For and on behalf of the Board  
For Readymade Steel India Limited

Place: Mumbai  
Date: 31.08.2013

Sd/-  
Anil Agrawal  
Managing Director

## Annexure A to Directors Report

### Management Discussion and Analysis Report

#### Background

The Management Discussion and Analysis sets out the developments in the business environment and the Company's performance since our last report. This analysis supplements the Directors' Report and the Audited Financial Statements forming part of this Annual Report.

#### Economic Overview

In a world suffering unprecedented economic and environmental challenges, the importance of infrastructure has been recognized. The long-term and short term issue of funding for financing of infrastructure has been a matter of concern for policy makers and the government officials responsible for creating and maintaining the assets that enable 21st-century cities to function. In this turbulent period of low growth and government deficits, economies need fiscal stimulus and creation of employment. Spending on infrastructure offers both of these benefits and, if wisely directed, this investment delivers improved quality of life to the affected community.

According to [WEF](#) (World Economic Forum), efficient infrastructure is critical to ensuring the effective functioning of the economy as a well-developed infrastructure reduces the effect of distance between regions, helps integrating the national market and connecting it to markets in other countries and regions.

Infrastructure sector contributes significantly to the country's overall development.

It is worth noting that infrastructure construction accounts as much as 54 per cent of construction activities while industrial expansion contributes to 36 percent.

In real terms, the rate of growth of construction in FY2013 is expected to be around 5.9%, which is one of the lowest growth rates that the sector has seen in the last ten years. There has also been a steady reduction in Gross Fixed Capital Formation as a share of GDP

In terms of competitiveness, India ranks 84<sup>th</sup> in basic infrastructure with score of 3.6 out of 7 as per the Global Competitiveness Report 2012-13. The country's supply of transport, ICT, and energy infrastructure remains largely insufficient and ill-adapted to the needs of the economy. Despite these considerable challenges, India does possess a number of strengths in the more advanced and complex drivers of competitiveness. This "reversed" pattern of development is characteristic of India. It can rely on a fairly well developed and sophisticated financial market that can channel financial resources to good use, and it boasts reasonably sophisticated and innovative businesses.

Efficient and widespread infrastructure is an essential component for country's economic growth. Currently India's infrastructure spending is 8% of GDP which is required to augment further to sustain economic growth.

#### Strategic Business Initiatives

During the year 2012-2013, your company acquired KH Foges Pte. Limited through its wholly owned subsidiary Readymade Steel Singapore Pte. Limited. The acquisition was significant considering the robust demand outlook in Singapore and growing demand for ground engineering solutions in India.

#### Performance of company after acquisition:

Turnover of the company increased from Rs. 27088.55 lacs for the half year ended 30<sup>th</sup> September 2012 to Rs. 46915.10 lacs for the year ended 31<sup>st</sup> March 2013. Profit after tax increased from Rs. 1902.77 lacs for the half year ended 30<sup>th</sup> September 2012 to Rs. 3431.25 lacs for the year ended 31<sup>st</sup> March 2013.

KH Foges' satisfied clients list includes Fusionopolis in Dover, United World College in Tampines, Marina Financial Centre in Marina South.

Some of the notable projects during the year are Bukit Timah Canal, Marina South Coastal Expressway, Jurong Island, Singapore General Hospital, Khoo Teck Puat Hospital, Changi Airport Upgrading.

With this acquisition, your company's service portfolio includes various infrastructure solutions as mentioned below:

- Pre-cut/bend bars (readymade steel bars) from 6 mm to 40 mm diameter
- Bored Cast-in-Place Concrete Piles
- Contiguous Bored and Secant Pile Walls
- Driven Piles
- Soldier Piles/King Posts
- Micro Piles and Geotechnical Works
- Pile Load Testing

### **Incorporation of KH Foges India Private Limited**

KH Foges Pte. Ltd incorporated its wholly owned subsidiary KH Foges India Private Limited in May 2013 in India to further expand its operations of piling and other foundation engineering works in India. Demand for foundation equipment in India has been growing as large infrastructure projects are lined up for implementation. The noteworthy change in piling and drilling in India is widespread adoption of technology.

### **Opportunities, Threats and Future Outlook:**

As India gears up for a massive upgrade and expansion of its infrastructure, Government will kick-start a number of new infrastructure projects including 8 new airports and two new sea-ports in the coming months to boost sluggish economic growth, Prime Minister Manmohan Singh said during the 67<sup>th</sup> Independence day.

Further he said “Our growth will accelerate, new employment opportunities will be generated and there will be improvement in the infrastructure sector,”

The government has intervened to remove a ban on transfer of government land for infrastructure projects that are developed in partnership with the private sector. This reverses the earlier policy where every proposal of land transfer by the government for development of infrastructure like ports, roads, railways stations or airports required a cabinet approvals which would inevitably take around 6 months time.

The infrastructure and construction business in India is targeted to be at about 8% of the Indian GDP in the near future. A slated investment of \$1 trillion for the 12th Five Year Plan amply demonstrates the governmental focus on the sector. Private sector is expected to account for 30% of infrastructure investment in 12th Five Year Plan

Despite becoming the second fastest growing and the fourth largest economy of the world (in terms of Purchasing Power Parity or PPP), India continues to face large gaps in the demand and supply of essential social and economic infrastructure and services.

### **OUTLOOK:**

The projected moderate growth of the economy is largely based on inflationary pressures, volatility in oil and on commodity prices, and this moderate growth in Indian economy is going to be one of the vital instances in world's financial history. This thus expects to create huge demand for construction industry across the value chain during the 12th Five Years Plan period. India requires quality infrastructure and infrastructure investments are the most important growth drivers for construction companies. While short term factors will keep the sentiments subdued, over the long term, demand will remain strong.

### **INTERNAL CONTROL SYSTEM:**

Your Company has an adequate system of internal controls in place to ensure that all its assets are adequately safeguarded and protected and that all transactions are authorized, recorded and reported correctly. These internal policies ensure efficient use and protection of company's assets and resources, compliance with policies and statutes as well as promptness of financial and operational report

### **ENVIRONMENT AND SAFETY:**

The company's environment policy follows strict compliance with the environmental legislations for prevention of pollution in the nature of air and water and to make continuous efforts for improvement in such environmental friendly performance. The company believes that its resources are conserved by minimization of process wastes and also by having an efficient environmental management system for treatment and safe disposal of such wastes. The company provides safe work place within the organization and ensures that safety consciousness is spread amongst all the employees

### **INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT:**

The Company considers that its relationship with its employees as vital and ensures that employees feel valued and is endeavoring to create an environment and culture within which every employees can put his best efforts and maximize his contribution.

The company ensures that all its employees remain competent through education, skills, training and experience as necessary. The initiatives taken by the management in this direction will help in attaining professional and productive culture by a blend of technology and highly skilled manpower.

### **Cautionary Statement**

Statements forming part of the Management Discussion and Analysis covered in this report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. The Company takes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

## Annexure B to Directors Report

### Corporate Governance Report

#### 1. Company's Philosophy

Readymade Steel believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. The efficient conduct of its business through transparency and ethics in discharging its corporate responsibility are focus of the company. Good Corporate Governance practices stem from the culture and mindset of the organization. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values.

Your company continues to focus on good Corporate Governance in line with local and global standards. Its primary objective is to observe the highest level of ethics in all its dealings, create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards its shareholders and other stakeholders.

#### 2. BOARD OF DIRECTORS

##### Composition of the Board:

As on 31st March, 2013, the Board comprised of one Executive Managing Director, one Executive Director and Three non-executive directors.

None of the Directors on the Board is a member of more than 10(ten) committees and Chairman of more than 5 (five) committees as per Clause 49 of listing agreement across all Companies in which they are Directors. The directors have made necessary disclosures regarding Committee positions in other public companies as at March 31, 2013.

The following table gives details of Directors, Attendance of Directors at the Board Meetings and the last Annual General Meeting, number of memberships held by Directors in the Board/Committees of various other companies:

Name of Director	Category	Number of Position held (other than Readymade Steel Limited)		Number of Board Meetings attended	Attendance at the last AGM
		Board*	Committee@		
Mr. Anil Agrawal	Managing Director Chairman	Nil	-	7	Yes
Mr. Satyajit Das	Executive Director	Nil	-	2	Yes
Smt. Krishnadevi Agrawal (Resigned w.e.f. 05/09/2012)	Promoter Group	Nil	-	3	No
Mr. Sandeep Mittal	Independent / Non-Executive Director	Nil	-	7	Yes
Mr. Mahesh Kumar Garg	Independent / Non-Executive Director	Nil	-	7	No
Mr. Abhijit Ranade	Independent/ Non-Executive Director	Nil	-	3	Yes

\* Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for the above purpose.

@ the Committees considered for the purpose those prescribed in the Listing Agreement, i.e. Audit Committee and Shareholders/Investors Grievance Committee.

Annual General Meeting (AGM) for the financial year 2011-12 was held on 29<sup>th</sup> September, 2012.

During the year, 7 (seven) Board meetings were held on 12/04/2012, 03/05/2012, 30/05/2012, 14/08/2012, 05/09/2012, 10/11/2012 and 08/02/2013. The gap between two Board meetings was not more than 4 (four) months as per the Clause-49 of the Listing Agreement.

## Code of Conduct

The Board of Directors have implemented a Code of Conduct for adherence by the Directors and Senior Management Personal of the Company. The Code is posted in the Company's website. The Declaration by Managing Director is annexed separately in the Annual Report.

### I) AUDIT COMMITTEE

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with the requirements specified under Section 292A of the Companies Act and Clause 49 of the Listing Agreement.

The Audit Committee consists of three members, namely non-executive- Independent Director as Chairman, non-executive independent director as member and Executive Director as member. As of 31st March, 2012, the Audit Committee consisted of Mr. Sandeep Mittal – Chairman, Mr. Mahesh Kumar Garg– Member and Mr. Anil Agrawal – Member

The Committee was reconstituted on August 14, 2013. The Committee comprises of:

1. Mr. Sandeep Mittal – Chairman
2. Mr. Mahesh Kumar Garg – Member
3. Mr. Satyajit Das – Member

The Audit Committee met 4 times during the year on 30/05/2012, 14/08/2012, 10/11/2012 and 08/02/2013 and has been attended by the Chairman and members of the Committee.

### II) REMUNERATION COMMITTEE

The Company has a Remuneration Committee comprising three Directors as on 31st March, 2013. The broad terms of reference of the Remuneration Committee are to recommend to the Board the salary (including annual increments), perquisites, commission and other benefits of the executive directors, within the overall ceiling prescribed under the Companies Act, 1956, from time to time. The Committee met twice during the year on 30th May, 2012 and 05th September, 2012. The non-executive Directors are paid sitting fees at the rate of Rs. 5,000/- for attending meetings of the Board or Committees each quarter thereof and do not draw any other remuneration from the Company.

The members of Remuneration-cum-Compensation Committee are:

1. Mr. Mahesh Kumar Garg- Chairman
2. Mr. Sandeep Mittal - Member
3. Mr. Anil Agrawal - Member

#### i) Remuneration Policy

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing practice in the Industry.

### A. Non Executive Director's Remuneration

The payment of remuneration by way of sitting fees is as under.

Name of Director	Category	Sitting Fees (Rs.)
Mr. Mahesh Kumar Garg	Independent /Non Executive Director, Chairman	20000
Mr. Sandeep Mittal	Independent/ Non Executive director	20000
Mr. Abhijit Ranade	Independent/ Non Executive director	10000
#Smt. Krishna Devi Agrawal	Non Independent/ Non Executive director	5000

# ceased to be Director w.e.f. 05th September, 2012

## B. Executive Director's Remuneration

The Managing Director is being paid in accordance with and subject to the limits laid down in the Schedule XIII of the Companies Act, 1956, pursuant to agreement entered with the Company read with resolution passed by the shareholders of the Company.

**Details of remuneration of the Executive Director's of the Company during the year is as follows**

(Rs. In lacs)

Name of Director	Category	Gross Remuneration (Rs.)
#Mr. Anil Agrawal	Promoter/Executive	Nil
Mr. Satyajit Das	Executive	7.53
<b>TOTAL</b>		<b>7.53</b>

# Mr. Anil Agrawal, Managing director of company has not drawn remuneration during financial year 2012-13.

The Company does not have policy of paying commission on profits to Non -Executive director of the Company.

## III) **SHAREHOLDER'S GRIEVANCE COMMITTEE/ SHARE TRANSFER COMMITTEE**

The Company has a Shareholders & Investor Grievance Committee at the Board level to look into redressal of grievance like transfer and transmission of shares, issue of duplicate share certificate, non -receipt of balance sheet, non-receipt of dividend etc. and to ensure expeditious share transfer process.

### ii) **Composition of the committee**

The members of the Shareholders'/Investors' Grievance Committee are:

1. Mr. Mahesh Kumar Garg - Chairman
2. Mr. Abhijit Ranade - Member
3. Mr. Satyajit Das – Member

Mr. Mahesh Kumar Garg, Non- Executive and Independent Director is the Chairman of the Shareholders Grievance Committee/ Share Transfer Committee

The Company Secretary is the secretary to the Shareholders' Grievances committee.

## 4. **GENERAL BODY MEETING:**

Details of Annual General Meetings held during the preceding three years are as follows.

AGM reference	Location	Date	Time	No. of Special Resolutions passed
2011-12 6 <sup>th</sup> AGM	Country Club, A/723, Opp Kia Park, Veera Desai Road, Prathmesh Complex, Andheri (West), Mumbai – 400 053	29 <sup>th</sup> September,2012	10.00 A.M.	2
2010-11 5 <sup>th</sup> AGM	Country Club, A/723, Opp Kia Park, Veera Desai Road, Prathmesh Complex, Andheri (West), Mumbai – 400 053	30 <sup>th</sup> September,2011	04.00 P.M	NIL
2009-10 4 <sup>th</sup> AGM	203, Joshi Chambers, Ahmedabad Street, Carnac Bunder, Mumbai- 400 009	29 <sup>th</sup> September,2010	11.00 A.M.	6
2008-09 3 <sup>rd</sup> AGM	203, Joshi Chambers, Ahmedabad Street, Carnac Bunder, Mumbai- 400 009	23 <sup>rd</sup> September 2009	11.00 A.M.	Nil

The following Special Resolution passed by the members during the last three General Meetings

Sr. No.	General Meetings	Particular of Resolutions
1	6 <sup>th</sup> Annual General Meeting held on 29 <sup>th</sup> September, 2012	<ul style="list-style-type: none"> <li>• Appointment of Satyajit Das as Executive Director (Whole Time Director)</li> <li>• Approval of RMS ESOS 2010 plan</li> </ul>
2	5 <sup>th</sup> Annual General Meeting held on 30 <sup>th</sup> September, 2011	NIL
3	4 <sup>th</sup> Annual General Meeting held on 24 <sup>th</sup> August, 2010	<ul style="list-style-type: none"> <li>• Appointment of Mr. Anil Agrawal as Managing Director</li> <li>• Further Issue of Equity shares through IPO</li> <li>• Increase Borrowing Powers of the Board</li> <li>• Change of Place of Keeping Register of member, annual returns etc.</li> <li>• Approval for the RMS ESOP scheme 2010</li> <li>• Further issue of equity shares (185000 shares)</li> </ul>
4	2008-09 3 <sup>rd</sup> AGM held on	<b>NIL</b>

- Following resolutions were conducted by Postal Ballot during May-June 2012 and same were taken as passed pursuant to Scrutinizer's report dated 8<sup>th</sup> June 2012

Item No.	Business in Brief (Ordinary/Special)
1.	Ordinary Resolution: Variation in utilization of IPO proceeds for purposes other than as stated in Prospectus dated July 05, 2011 pursuant to Section 61 of the Companies Act, 1956.
2.	Special Resolution: Inter-Corporate Loans and Investments etc, in excess of limits stipulated in Section 372A of the Companies Act, 1956.
3.	Special Resolution: Alteration of Object Clause of the Memorandum of Association of the Company pursuant to Section 17 of the Companies Act, 1956.
4.	Special Resolution: Commencement of new business activity
5.	Ordinary Resolution: Borrowing in excess of paid up capital and free reserves pursuant to Section 293 (1)(d) of Companies Act, 1956.
6.	Ordinary Resolution: Creation of charge on Company's properties pursuant to Section 293(1)(a) of Companies Act, 1956

#### 5. **DISCLOSURES:**

- There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large during the F.Y. 2012-2013. The details of transaction between the Company and the related parties are given for information under Note No (2-35) to the financial statement in the Annual report.
- The Company had complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No pecuniary structures have been imposed on the Company by any of the above mentioned authorities.
- In the preparation of financial statements the Company follows Accounting Standards as prescribed under section 211 (3C) of the Companies Act, 1956.
- The Company has complied with all the mandatory requirements and has disclosed information relating to extend of compliance with non mandatory requirements.
- The details in respect of Directors seeking appointment/re-appointment as the case may be are provided as part of the notice convening the ensuing Annual General Meeting.

## 6. MEANS OF COMMUNICATION

In compliance with the requirements of Clause 41 of the Listing Agreement, the Company regularly intimates quarterly Un-audited financial results to the Stock Exchanges immediately after they are approved by the Board / Committee of Directors. Further coverage is given for the benefit of the shareholders and investors by publication of the financial results in English daily newspaper and Marathi daily newspaper. The financial results are posted on the website –www.readymadesteel.com. The official news releases and presentations made to institutional investors/analysts are also posted on the web-site of the Company

## 7. GENERAL SHAREHOLDERS INFORMATION

- a. Date and Time of AGM** : Saturday, 28<sup>th</sup> September, 2013 at 11:00 A.M
- b. Venue** : Country Club Andheri A / 723, Opp Kia Park, Veera Desai Road, Prathmesh Complex Andheri (West), Mumbai- 400 053.
- c. Financial Year** : 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013
- d. Financial Calendar (Provisional) for 1<sup>st</sup> April, 2013 – 31<sup>st</sup> March, 2014**
- 1<sup>st</sup> Quarterly Result : On or before 14<sup>th</sup> August, 2013.
- 2<sup>nd</sup> Quarterly Result : On or before 14<sup>th</sup> November, 2013.
- 3<sup>rd</sup> Quarterly Result : On or before 14<sup>th</sup> February, 2014.
- 4<sup>th</sup> Quarterly Result : On or before 14<sup>th</sup> June, 2014
- e. Book Closure dates** : 21/09/2013 to 29/09/2013 (both days inclusive)
- g. Listing on Stock Exchanges** : 1.The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 023
- h. Listing Fees** : Listing fees of BSE have been paid.
- i. Stock Code (BSE)** : 533482
- j. ISIN No.** : **INE524L01018** (For dematerialization of shares)
- k. Registered Office** : 203, Joshi Chambers, Ahmedabad Street, Carnac Bunder, Mumbai- 400 009
- l. Market Price Data** : **NA**
- m. Distribution of shareholding** : **as on 31<sup>st</sup> March, 2013.**

No. of Equity Shares Held	No of Shareholders	% of shareholders	No. of shares	% of shareholding
1 to 5000	921	80.37	107345	0.92
5001 to 10000	84	7.33	68257	0.58
10001 to 20000	26	2.27	41000	0.35
20001 to 30000	7	0.61	18235	0.15
30001 to 40000	3	0.26	10032	0.09
40001 to 50000	7	0.61	34011	0.29
50001 to 100000	20	1.75	155361	1.33
100001 to 999999999	78	6.81	11284112	96.29
Total	1146		11718353	100.00

**n. Categories of Shareholding as on 31<sup>st</sup> March, 2013**

<b>SHAREHOLDING PATTERN</b>		
<b>Category of Shareholders</b>	<b>No. of shares held</b>	<b>%</b>
Promoters and Promoters Group	7551200	64.44
Bodies Corporate	1635417	13.96
Foreign Institutional Investors	109820	0.94
Indian public	2340280	19.97
Clearing Members	79658	0.68
Non Resident Indians	1978	0.02
<b>GRAND TOTAL</b>	<b>11718353</b>	<b>100</b>

**o. Registrar and Share Transfer :** Bigshare Services Pvt. Ltd.

**Agents** (Common agency E-2/3, Ansa Industrial Estate, for Demat and Share Transfer) Sakivihar Road, Saki Naka, Andheri(E), Mumbai-400 072 Tel: 022-2847 0652 Fax: 022-2847 5207 Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)

**p. Dematerialization of Equity shares :** 95.01% (NSDL and CDSL)

**q. Out-standing GDRs/ADRs/  
Warrants or any Convertible  
Instruments** : NIL

**r. Plant Location** : Village – Vanwathe, Khopoli,  
Pen Road, Taluka- Khalapur, Dist. Raigad- 410 203

**s. Address for correspondence** : **with the Company**  
**READYMADE STEEL INDIA LIMITED,**  
203, Joshi Chambers, Ahmedabad Street, Carnac Bunder,  
Mumbai- 400 009.

**With the Registrar and Share Transfer Agent:**

Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai-400 072.  
Tel: 022-2847 0652

**u. Designated e-mail ID for registering  
complaints by the investor.** : [investor@readymadesteel.com](mailto:investor@readymadesteel.com)

**8. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:**

The extent of compliance with non mandatory requirements as are under

**(1) Shareholder Rights**

Details of significant event if any are put up on the Company's website.

The Company's annual, half yearly and quarterly results henceforth would be published in English and Marathi newspapers. The same would be also made available on the website of the Company and stock exchanges.

**(2) Audit qualifications**

During the period under review, there is no reservation, qualification and adverse remark in the Auditors Report for the financial year under review. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

**(3) Whistle Blower Policy**

The Company has adopted the Whistle Blower Policy pursuant to which employees of the Company can raise their concerns relating to the unethical behavior, actual or suspected fraud, violation of the Company's code of conduct/ethics policy, malpractices or any other activity or event which is against the interest of the Company or Society as a whole.

### **Compliance with Code of Conduct**

I hereby certify that all the Board Members and Senior Management personnel have affirmed their compliance with the code of conduct as laid down by the Board for the Financial year ended 31<sup>st</sup> March 2013

Place: Mumbai  
Date: 29.05.2013

Anil Agrawal  
Managing Director

### **Certificate from Auditors Regarding Compliance of Conditions of Corporate Governance**

To the Members of **READYMADE STEEL INDIA LIMITED**

We have examined the compliance of conditions of Corporate Governance by **READYMADE STEEL INDIA LIMITED**, for the year ended on 31<sup>st</sup> March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MKPS & Associates**  
**Chartered Accountants**

Narendra Khandal  
Partner

Membership No. 065025

Place: Mumbai  
Date: 29.05.2013

### **Certification by Chief Financial Officer/ MD**

As the Chief Financial Officer of the Company and as required by the clause 49 of the Listing Agreement, I hereby certify the following that:

- A) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2013 and that to the best of my knowledge, information and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- B) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C) I accept the responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify those deficiencies.
- D) I have indicated to the auditors and the Audit Committee that:
  - (i) No significant changes in internal control over financial reporting have taken place during the year.
  - (ii) There have been no significant changes in the accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - (iii) There were no frauds during the year.

Place: Mumbai  
Date: 29.05.2013

## INDEPENDENT AUDITOR'S REPORT

To the Members of ReadyMade Steel India Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of ReadyMade Steel India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For MKPS & Associates**  
**Chartered Accountants**  
**Firm's Regn. No. 302014E**

**CA Narendra Khandal**  
**Partner**  
**M No. 065025**  
**Mumbai 29<sup>th</sup> May , 2013**

## **ANNEXURE TO AUDITORS' REPORT**

Annexure referred to in the auditors' report to the members of Readymade Steel India Limited, on the accounts for the year ended on **March 31, 2013**

- 1) a) As explained to us, the Company is in the process of updating the details of additions in its fixed assets register so as to reflect the full particulars, including quantitative details and situation of fixed assets.  
b) As explained to us, the assets have been physically verified by the management during the year. There were no material discrepancy on such verification.
- 2) a) The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.  
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.  
c) As explained to us, the Company has been maintaining records of inventories. In our opinion, the maintenance of records are prima facie reasonable in relation to the size and nature of business of the company.
- 3) As explained to us, during the period under audit the company has not given or taken loan or advances to party covered under the register maintained pursuant to section 301 of the Companies Act, 1956. Hence, the reporting requirements under this clause are not applicable.
- 4) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchases of inventory, fixed Assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- 5) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
b) In our opinion, and according to the explanations given to us, the Company has not entered into any contracts or arrangements exceeding Rs. 5.00 Lakh in respect of any party in pursuance of contracts or arrangements entered in the register to be maintained under section 301 of the Companies Act, 1956 except for the contracts for sale / purchase which, as explained, are at the prevailing market prices
- 6) The company has not accepted public deposits to which the provisions of section 58A and 58AA of the companies act apply.
- 7) The company has an internal audit system which is generally commensurate with the nature and size of its business.
- 8) As explained to us the company is not required to maintain cost records under Section 209 (1) (d) of the Companies Act, 1956.
- 9) a) The company is *generally* regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, Income tax, Sales Tax, Wealth tax, Custom duty, Excise Duty, Cess and other material statutory dues applicable to it.  
b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income tax, wealth tax, sales tax, custom duties and excise duties, which have remained outstanding as at 31st March 2013 for a period of more than six months from the date they become payable.  
c) According to the information and explanations given to us, there are no disputed statutory dues which have not been deposited by the company.
- 10) There are no accumulated losses of the company and company has not incurred cash losses during the period covered by our audit and the immediately preceding financial year.
- 11) The Company has taken various facility from their banks / FI for the purpose of its business. During the year there have been delay in payment of interest / instalment on these loans.
- 12) The Company has not granted any secured loans or advances to any person against security by way of pledge of shares or securities.
- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.

- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15) The Company has not given any Guarantee on behalf of the others to any bank or Financial Institution.
- 16) In our opinion, the term loans, taken from the bankers, have been prima-facie applied for the purpose for which they were raised.
- 17) According to information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- 18) a) During the year under audit the company not allotted any shares on preferential basis.  
b) During the year 2011-12 the company has raised money by issue of shares by public issue. The utilisation of the same has been disclosed in the Notes on Accounts and the same has been verified by us and the same has been prima-facie found to be in order.
- 19) During the course of our audit and on the basis of our test check, we did not come across any case of fraud on or by the company noticed or reported during the period under audit.

**For MKPS & Associates**  
**Chartered Accountants**  
**Firm Regn. No. 302014E**

**CA. Narendra Khandal**  
**PARTNER**  
**M No. 065025**  
**Place : Mumbai**  
**Date : 29<sup>th</sup> May, 2013**

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As at 31.03.2013		As at 31.03.2012	
		Amount in (Rs.)	Amount in (Rs.)	Amount in (Rs.)	Amount in (Rs.)
<b>I. EQUITY &amp; LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
a) Share Capital	2.1	117,183,530		117,183,530	
b) Reserves & Surplus	2.2	409,899,960	527,083,490	395,967,507	513,151,037
Share Application Money			55,000		-
<b>(2) Non Current Liabilities</b>					
a) Long term borrowings	2.3	99,042,100		124,148,797	
b) Deferred Tax Liabilities	2.4	6,980,077		9,812,307	
c) Other Long term liabilities	2.5	547,740		264,606	
d) Long - term provisions	2.6	346,527	106,916,445	233,431	134,459,141
<b>(3) Current Liabilities</b>					
a) Short Term Borrowings	2.7	124,978,793		51,159,863	
b) Trade Payables	2.8	112,476,797		75,142,294	
c) Other Current Liabilities	2.9	211,039,478		99,515,899	
d) Short-term provisions	2.10	1,778,734	450,273,802	5,784,877	231,602,933
<b>TOTAL</b>			<b>1,084,328,736</b>		<b>879,213,110</b>
<b>II. ASSETS</b>					
<b>(1) Non - Current Assets</b>					
a) Fixed Assets					
i) Tangible Fixed Assets	2.11	162,646,531		155,240,753	
ii) Capital Work in Progress	2.12	23,511,968	186,158,499	23,284,438	178,525,191
b) Non Current Investment (in equity of subsidiaries)		296,341,621		-	
c) Long Term Loans and Advances	2.13	29,089,152		37,784,175	
d) Other non-current assets	2.14	8,633,197	334,063,970	9,933,300	47,717,475
<b>(2) Current Assets</b>					
a) Inventories	2.15	121,810,926		133,328,354	
b) Trade Receivables	2.16	319,908,825		347,248,161	
c) Cash and Cash Equivalents	2.17	3,755,570		53,975,513	
d) Short Term Loans and Advances	2.18	57,707,246		22,367,418	
e) Other Current Assets	2.19	60,923,699	564,106,267	96,050,998	652,970,444
<b>TOTAL</b>			<b>1,084,328,736</b>		<b>879,213,110</b>
Significant Accounting Policies	1		0		(0)

In terms of our report of even date

For MKPS & Associates  
CHARTERED ACCOUNTANTS  
FRN : 302014E

For and on behalf of the Board of Directors  
Readymade Steel India Ltd.

Anil Agrawal  
DIRECTOR

Satyajit Das  
DIRECTOR

CA Narendra Khandal  
PARTNER  
M No. 065025

Binal Khosla  
Company Secretary

Mumbai  
Date: 29<sup>th</sup> May, 2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Amount in (Rs.)

	Note No.	2012-13	2011-12
I. Revenue from Operations	2.20	507,936,302	774,942,645
II. Other income	2.21	9,225,561	8,761,118
<b>III. Total Revenue (I + II)</b>		<b>517,161,862</b>	<b>783,703,763</b>
<b>IV. Expenses</b>			
Cost of materials consumed			
Purchases of Stock-in-Trade and other direct exp	2.22	416,830,320	766,100,912
Changes in inventories of finished goods work-in-progress and Stock-in-Trade. (Increase)/ Decrease		11,517,428	(99,030,900)
Employee benefits expense	2.23	10,965,001	14,921,559
Finance costs	2.24	32,836,542	28,368,070
Depreciation		8,163,755	16,173,852
Other Expenses	2.25	27,958,594	28,425,331
<b>Total Expenses</b>		<b>508,271,639</b>	<b>754,958,825</b>
V. Profit before exceptional and extraordinary items and tax		8,890,223	28,744,938
EBITD		49,890,520	73,286,860
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		8,890,223	28,744,938
VIII. Extraordinary Items		-	-
IX. Profit before tax		8,890,223	28,744,938
X. Tax expense:			
(1) Current tax		1,778,734	5,784,877
(2) Deferred tax		(2,832,230)	329,785
XI. Profit for the year after tax		9,943,719	22,630,276
Earnings Per Share			
Basic		0.85	2.10
Diluted		0.85	2.10

In terms of our report of even date

For MKPS & Associates  
CHARTERED ACCOUNTANTS  
FRN : 302014E

CA Narendra Khandal  
PARTNER  
M No. 065025

Mumbai  
Date: 29<sup>th</sup> May, 2013

For and on behalf of the Board of Directors  
Readymade Steel India Ltd.

Anil Agrawal  
DIRECTOR

Satyajit Das  
DIRECTOR

Binal Khosla  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Amount in (Rs.)	
STATEMENT OF CASH FLOW	FY 2012-13	FY 2011-12
<b>Cash flow from Operating Activities</b>		
Net Profit before tax and adjustment of extraordinary items net of prior year adjustment	8,890,223	28,744,938
<b>Adjustments for</b>		
Depreciation	8,163,755	16,173,852
Preliminary expenses	-	-
(Profit) / loss on sale of assets	308,508	-
Exchange Loss	671,053	
Interest received	(3,208,111)	(3,124,992)
Interest & Finance charges	32,165,489	28,368,070
Deffered Tax	2,832,230	-
Provisions	113,096	-
<b>Operating Profit before working capital changes</b>	<b>49,936,242</b>	<b>70,161,868</b>
<b>Working Capital Changes / Adjustments for</b>		
Inventories	11,517,428	(99,030,900)
Receivables	27,339,336	(10,232,322)
Loans & Advances and Other Current Assets	9,782,596	(109,169,296)
Trade Payables and Other current liabilities	143,731,654	(174,553,405)
<b>Cash generated from operations</b>	<b>192,371,015</b>	<b>(392,985,923)</b>
<b>Direct Taxes paid</b>		
<b>Net cash from (used in) operating activities (A)</b>	<b>242,307,257</b>	<b>(322,824,055)</b>
<b>Cash flow From Investing Activities</b>		
Purchase of Fixed Assets	(16,372,238)	(29,562,150)
Sale of Fixed Assets	266,667	
Investments Made	(296,341,621)	
Interest received	3,208,111	(3,124,992)
Non-current liabilities	283,134	
<b>Net Cash from (used in) investing activities</b>	<b>(308,955,947)</b>	<b>(32,687,142)</b>
<b>Cash flow From Financing Activities</b>		
Proceed from issue of share Capital & Share Premium	55,000	398,887,524
Proceed from Borrowings	48,712,233	11,901,546
Interest and finance charges	(32,165,489)	(28,368,070)
Preliminary expenses	(172,997)	(31,870,256)
<b>Net cash from financing activities</b>	<b>16,428,747</b>	<b>350,550,743</b>
<b>Total Cash Inflow( 1+2+3)</b>	<b>(50,219,943)</b>	<b>(4,960,454)</b>
<b>Net Increase/Decrease in cash or cash Equivalent</b>	<b>(50,219,943)</b>	<b>(4,960,454)</b>
<b>Cash &amp; Cash Equivalent at the beginning of the Year</b>	<b>53,975,513</b>	<b>58,935,967</b>
<b>Cash and Cash Equivalent at the end of the year</b>	<b>3,755,570</b>	<b>53,975,513</b>

In terms of our report of even date

For MKPS & Associates  
CHARTERED ACCOUNTANTS  
FRN : 302014E

For and on behalf of the Board of Directors  
Readymade Steel India Ltd.

Anil Agrawal  
DIRECTOR

Satyajit Das  
DIRECTOR

CA Narendra Khandal  
PARTNER  
M No. 065025

Binal Kholsla  
Company Secretary

Mumbai  
Date: 29<sup>th</sup> May, 2013

## NOTES TO THE FINANCIAL STATEMENTS

### Note No. 1: Significant Accounting Policies:

**(a) Basis of Accounting**

The Financial Statements have been prepared and presented under the historical cost convention on accrual basis of accounting principles generally accepted in India (GAAP) and comply in material respect with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India and notified under the Companies Accounting Statndard Rules, to the extant applicable and with the relevant provisions of the Companies Act, 1956 except accounting for tax demands and Bonus which are accounted for on Cash Basis.

**(b) Use of estimates**

The preparation of Financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of Assets and Liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of the revenue and expenses for the year. Actual result could differ from these estimates is recognised prospectively in the current and future periods.

**(c) Fixed Assets**

Fixed Assets are capitalised at acquisition cost and any cost directly attributable to bringing the assets to their working condition for the intended use.

**(d)** Depreciation on fixed assets is provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

**(e) Inventories**

Inventories comprising of saleable stock are valued at cost or net realisable value, which ever is lower.

Consumbale stock are valued at Cost

**(f) Revenue Recognition**

Revenue is recognised when the property in the goods is transferred in favor of the customer, which normally coincides with the date of physical delivery. In case of transit sales where goods are transferred by transfer of the documents of title, revenue is recognised on the transfer of the document of title.

Interest on Fixed Deposits is recognised on accrual basis.

Income from sale of Scrap is accounted on cash basis.

**(g) Foreign currency transactions**

Transactions in foreign currencies are accounted at the prevailing exchange rates. Year end balances of payables are translated at applicable year end rates and resultant translation differences are recognised in the Profit and Loss account.

**(h) Retirement Benefits**

Gratuity expenses are accounted for on accrual basis. Provident fund contribution are charged in the year / period the same are incurred.

**(i) Borrowing Costs**

Interest/Finance Cost on loans specifically borrowed for and expansion of projects, upto the point when the project is ready for start of commercial production is charged to the capital cost of the projects concerned. All other borrowing costs are charged to revenue.

**(j) Impairment of Assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

## NOTES TO THE FINANCIAL STATEMENTS

**(k) Prior period and extraordinary items**

The nature and amount of prior period items and extraordinary items are separately disclosed in the statement of profit and loss in a manner that their impact on current profit and loss account can be perceived.

**(m) Income Tax expenses**

Income Tax expense comprise of current tax and deferred tax charge or credit.

**Current Tax**

The current charge for Income taxes is calculated in accordance with the relevant tax regulations applicable to Company.

**Deferred Tax**

Deferred Tax charge or credit reflects the tax effects of timing difference between accounting income and taxable income for the period. The deferred tax charges or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and is written -up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realised in future.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable rights to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

**(n) Earnings per Share**

The basic Earnings Per Share (EPS) is computed by dividing the annualised net profit after tax for the period by the weighted average number of equity shares outstanding as at the end of the period. For the purpose of calculating diluted earnings per share, net profit after tax for the period and the weighted average number of outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

**(o) Provisions, Contingent liability and Assets**

Provisions are recognized in terms of Accounting Standard-29 "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, where there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are neither recognised nor disclosed.

- (p)** The company has incurred expenses on account of Preliminary and pre-operative expenses, other than issue expenses. The benefit of these expenses are likely to be availed by the company over a period. Hence the same are not charged off fully but are amortised over the period of benefits.
- (q)** Investment in equity of subsidiaries are accounted for as long term investments and are carried at cost

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2013		As at 31.03.2012	
	Numbers	Rs.	Numbers	Rs.
<b>2.1 SHARE CAPITAL</b>				
Authorized Capital 1,50,00,000 Equity Shares of Rs. 10 each (1,50,00,000 equity share of Rs. 10 each)	<b>15,000,000</b>	<b>150,000,000</b>	<b>15,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed &amp; Paid up</b> 1,17,18,353 Equity Shares of Rs. 10 each (1,17,18,353 Equity share of Rs. 10 Each)	11,718,353	117,183,530	11,718,353	117,183,530
	<b>11,718,353</b>	<b>117,183,530</b>	<b>11,718,353</b>	<b>117,183,530</b>
a) Reconciliation of the number of shares outstanding as at the beginning and at the end of the year				
Shares outstanding as at the beginning of the year	11,718,353	117,183,530	7,929,700	79,297,000
Shares issued during the year	-	-	3,788,653	37,886,530
<b>Shares outstanding as at the end of the year</b>	<b>11,718,353</b>	<b>117,183,530</b>	<b>11,718,353</b>	<b>117,183,530</b>
b) Shares reserved for issue under options	The maximum number of options reserved under ESOS 2010 is 116,000.			
c) <b>Shareholders holding more than 5% shares</b>				
Name of the shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Anil Agrawal	5265000	44.93	5265000	44.93
Kridhan Infrastructure (P) Ltd	2276200	19.42	2276200	19.42
e) Rights and Preference attached	The company has only one class of equity shares having par value of Rs.10 per share.Each share holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.			

**2.2 RESERVES AND SURPLUS**

Amount in (Rs.)

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Securities Premium Account</b>				
Opening Balance as the beginning of the year	385,343,494		24,342,500	
Add: Additions during the year	-		361,000,994	
Less: Issue Expenses adjusted	39,141,646			
<b>Closing Balance as at the year end</b>		<b>346,201,848</b>		<b>385,343,494</b>
<b>Issue and Other Expenses</b>				
Opening Balance	(43,130,379)		(11,260,123)	
Add: (Incurred)/ Adjusted during the year	3,988,733		(31,870,256)	
Less: Adjusted against Securities Premium	39,141,646			
<b>Closing Balance as at the year end</b>		<b>-</b>		<b>(43,130,379)</b>
<b>Statement of Profit and Loss Account</b>				
Opening Balance as the beginning of the year	53,754,393		31,124,117	
Add: Additions during the year from Statement of Profit & Loss	9,943,719		22,630,276	
Less: Utilised during the year	-		-	
<b>Closing Balance as at the year end</b>		<b>63,698,112</b>		<b>53,754,393</b>
<b>Total Reserves &amp; Surplus</b>		<b>409,899,960</b>		<b>395,967,507</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 2.3 LONG TERM BORROWINGS

Amount in (Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
Secured Term Loans from:		
- Banks (including interest due)	97,366,361	122,094,705
- Financial Institution(s) (including interest due)	1,675,739	2,054,092
<b>Total Long Term Borrowings</b>	<b>99,042,100</b>	<b>124,148,797</b>

#### a) Security Details

- i) The Term Loan facility from Banks are along with interest are secured (incl additional security) by EM of Factory, Land and Building of the plant of the company at Khopoli
- ii) Further secured by Personal Guarantee of Anil Agarwal and Smt. Krishna Devi Agarwal

#### b) Repayment Schedule

The term loans are repayable in 72 EMI commencing from April 2009

### 2.4 DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Deferred Tax Liability</b>				
Timing Difference on account of difference in depreciation and Gratuity	6,980,077		9,812,307	
<b>Deferred Tax Asset</b>	-		-	
<b>Deferred Tax Liability</b>		<b>6,980,077</b>		<b>9,812,307</b>

### 2.5 OTHER LONG TERM LIABILITIES

Particulars	As at 31.03.2013		As at 31.03.2012	
a) Trade Payables				
=- to related parties			-	
=- to others			-	
b) Others	547,740		264,606	
<b>Other Long Term Liabilities</b>		<b>547,740</b>		<b>264,606</b>

### 2.6 OTHER LONG TERM PROVISIONS

Particulars	As at 31.03.2013		As at 31.03.2012	
Provision for Employee benefits	346,527		233,431	
<b>Other Long Term Provisions</b>		<b>346,527</b>		<b>233,431</b>

### 2.7 SHORT TERM BORROWINGS

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Secured</b>				
Working Capital facilities from Bank	124,978,793		51,159,863	
<b>Short Term Borrowings</b>		<b>124,978,793</b>		<b>51,159,863</b>

(Secured by Equitable Mortgage of the Factory Land & Building Situated at Village Vanwathe, Khopli, Taluka, Khalapur, Raigad, Maharashtra. Further, secured by charge on Plant & Machinerries of the company)

## NOTES TO THE FINANCIAL STATEMENTS

Amount in (Rs.)

	As at 31.03.2013		As at 31.03.2012	
<b>2.8 TRADE PAYABLES</b>				
a) Total outstanding dues to Micro Enterprises and Small Enterprises (Refer footnote below)	-		-	
b) Total outstanding other than (a) above :				
- to related parties	-		-	
- to others	112,476,797		75,142,294	
<b>Trade Payables</b>		<b>112,476,797</b>		<b>75,142,294</b>

There is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This information and the information given above has been determined based on the details regarding the status of the suppliers obtained by the Company. This has been relied upon by the auditors.

### 2.9 OTHER CURRENT LIABILITIES

	As at 31.03.2013		As at 31.03.2012	
Other Payables:				
- Statutory Dues	3,113,720		4,899,152	
- Creditors for Capital Expenditure	4,166,413		3,037,834	
- Creditors for Revenue Expenditure	3,278,242		12,507,126	
- Others	200,481,102		79,071,788	
<b>Other Current Liabilities</b>		<b>211,039,478</b>		<b>99,515,899</b>

### 2.10 SHORT TERM PROVISIONS

	As at 31.03.2013		As at 31.03.2012	
Provision for Tax		1,778,734		5,784,877
Less: Adjustments for earlier years				
<b>Short Term Provisions</b>		<b>1,778,734</b>		<b>5,784,877</b>

**Note No. 2.11 and 2.12**

Rs.

Name of the Asset	Rate of Deprn.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01-04-12	Addition	Deduction	As on 31-03-13	As on 01-04-12	For the year	Adjustment	Profit on sale	As on 31-03-13	As on 31-03-12
Land & Land Development	0.00%	23,228,776	-	-	23,228,776	-	-	-	-	23,228,776	23,228,776
Factory Building	3.34%	11,416,550	-	-	11,416,550	1,714,709	381,313	-	2,096,021	9,320,529	9,701,841
Plant & Machineries	4.75%	121,417,380	14,038,629	-	135,456,009	11,847,654	5,989,542	-	17,837,196	117,618,813	109,569,727
Computer & Accessories	16.21%	6,358,890	255,466	-	6,614,356	1,331,306	1,059,000	-	2,390,306	4,224,050	5,027,585
Furnitures & Fixtures	6.33%	4,346,087	31,367	-	4,377,454	678,977	276,685	-	955,662	3,421,792	3,667,110
Vehicles	9.50%	4,593,555	1,819,246	722,631	5,690,170	580,226	455,600	(308,506)	888,369	4,801,801	4,013,329
Temporary Structure	100%	-	-	-	-	-	-	-	-	-	-
<b>Trade Mark</b>	4.75%	34,000	-	-	34,000	1,615	1,615	-	3,230	30,770	32,385
Capital Work in Progress		171,395,239	16,144,708	722,631	186,817,316	16,154,486	8,163,755	-	24,170,785	162,646,531	155,240,753
		23,284,438	227,530	-	23,511,968	-	-	-	-	23,511,968	23,284,438
<b>Total</b>		<u>194,679,677</u>	<u>16,372,238</u>	<u>722,631</u>	<u>210,329,284</u>	<u>16,154,486</u>	<u>8,163,755</u>	<u>-</u>	<u>24,170,785</u>	<u>186,158,499</u>	<u>178,525,191</u>
<b>Previous Year Figures</b>		<u>165117527</u>	<u>39,175,191</u>	<u>9,613,041</u>	<u>194,679,677</u>	<u>8799391.77</u>	<u>16173852.4</u>	<u>-</u>	<u>16,154,486</u>	<u>178,525,191</u>	<u>156,318,135</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 2.13 LONG TERM ADVANCES

Amount in Rs.

Particulars	As at 31.03.2013		As at 31.03.2012	
Capital Advances	29,089,152		37,784,175	
<b>Long Term Advances</b>		<b>29,089,152</b>		<b>37,784,175</b>
<b>2.14 OTHER NON CURRENT ASSETS</b>				
Retention Money, Deposits, Credit Receivable and Others	8,633,197		9,933,300	
<b>Other Non Current Assets</b>		<b>8,633,197</b>		<b>9,933,300</b>
<b>2.15 INVENTORIES</b>				
<i>(As certified, verified and valued by the management)</i>				
Consumables & General Stores	-		261,172	
Stock in Hand	121810926.5		133,067,182	
<b>Inventories</b>		<b>121,810,926</b>		<b>133,328,354</b>
<b>2.16 TRADE RECEIVABLES</b>				
<b>Unsecured, Considered Good</b>				
Over six months from Due date	152,076,024			
Others	167,832,801		347,248,161	
<i>Out of which due from related parties</i>	<i>18221641</i>		-	
<b>Trade Receivables</b>		<b>319,908,825</b>		<b>347,248,161</b>
<b>2.17 CASH AND CASH EQUIVALENT</b>				
Cash on Hand	607,361		2616673.84	
Balance with Bank in current account(s)	347,529		448,834	
Fixed Deposit including Accrued interest	2,800,680	3,755,570	50,910,005	53,975,513
<b>Cash and Cash Equivalent</b>		<b>3,755,570</b>		<b>53,975,513</b>
<b>2.18 SHORT TERM LOANS AND ADVANCES</b>				
<b>Unsecured, Considered Good</b>				
ICD Given	15,063,801		15,245,775	
Unsecured Loan given (Blue Diamond Construction)	1,673,425			
Staff Advances	1,297,311		1,168,641	
Security Deposits	1,743,000		1,743,000	
Others	37,929,709		4,210,002	
<b>Short Term Loans and Advances</b>		<b>57,707,246</b>		<b>22,367,418</b>

## NOTES TO THE FINANCIAL STATEMENTS

Amount in Rs.

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>2.19 OTHER CURRENT ASSETS</b>				
VAT Paid (pending scrutiny)	-		2,225,359	
Prepaid Expenses	129,454		127,113	
Advance to Suppliers	57,307,614		82,216,020	
TDS, Advance Tax and other tax credits available	3,486,631		4,456,840	
Expenses for Acquisition	-		7,025,666	
<b>Other Current Assets</b>		<b>60,923,699</b>		<b>96,050,998</b>
<b>2.20 REVENUE FROM OPERATIONS</b>				
Sale of Goods		470,871,403		702,734,904
Income from Services		37,064,899		72,207,741
<b>Revenue from Operations</b>		<b>507,936,302</b>		<b>774,942,645</b>
<b>2.21 OTHER INCOME</b>				
Other Operating Income		6,017,449.77		2,621,498
Non Operating Income		3,208,111		6,139,620
<b>Other Income</b>		<b>9,225,561</b>		<b>8,761,118</b>
<b>2.22 PURCHASES</b>				
Traded Inventory		416,134,342		762,667,690
Consumable & Stores		695,978		2,592,927
Direct Costs		-		840,295
<b>Purchases</b>		<b>416,830,320</b>		<b>766,100,912</b>
<b>2.23 EMPLOYEE COSTS</b>				
Salaries and Wages	10,565,521		13,721,880	
Employee welfare and other expenses including Bonus	399,480		1,199,679	
<b>Employee Costs</b>		<b>10,965,001</b>		<b>14,921,559</b>
<b>2.24 FINANCEC COSTS</b>				
Interest & Discounting Charges paid to Bank(s) and FI	30,630,703		26,647,551	
Interest paid to Others	920,606		265,299	
Other Charges	1,285,233		1,455,220	
<b>Finance Cost</b>		<b>32,836,542</b>		<b>28,368,070</b>

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>2.25 OTHER EXPENSES</b>				
Factory Expenses	13,626,868		18,867,412	
Administrative, Selling and Other Expenses	14,331,726		9,557,919	
<b>Employee Costs</b>		<b>27,958,594</b>		<b>28,425,331</b>

- 2.26 Fixed Assets, Stocks and Cash balance were physically verified by the management. The Certification of the same given by the management has been relied upon by the auditors.
- 2.27 The current assets, loans and advances have the values at least equal to the amount at which they are stated in the Balance sheet on their realisation in ordinary course of business. Provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
- 2.28 Balances of Current assets and current liabilities are subject to confirmation and consequential adjustment, if any.
- 2.29 In absence of none of the parties are registered as micro, small or medium as defined under the Micro Small & Medium Enterprise Development Act 2002, the relevant information has been considered as NIL. Hence, the required disclosures under the MSMED Act are not given.
- 2.30 In view of the nature of the business of the company being as per the specification of the customers, the quantitative details are given to the extent available and are not of comparable items.

**2.31 LICENSED AND INSTALLED CAPACITIES AND PRODUCTION:**

Class of products	Licensed Capacity	Installed Capacity
Cutting and beinding of steel products	27000	27000

**2.32 PURCHASE OF INVENTORY**

	Value Rs. in Lacs
Imports	127.70
	(Nil)
Indigenous	4,033.65
	(7,626.68)

**Quantitative Details of Sales / Purchase / Processed of principal items**

	Qty. In tonnes
Opening Stock	3,272.40
Purchases / Inwards	9,518.70
	12,791.10
Sales / Outwards	9,946.61
<b>Closing Stock</b>	<b>2,844.49</b>

**2.34 Segment Reporting**

The company operates in only one segment. Hence, there are no other reportable segment as per AS - 17 issued by ICAI.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.35 Related Party Transaction (AS 18)

Sr. No.	Name of the Party	Relationship	Nature of Transaction	Volume of Transaction during the period 01-04-12 to 31-03-13	Amount outstanding as on 31-03-13
1	Anil Agrawal	KMP	Shares Alloted	Nil (Nil)	52650000 (52650000)
2	Kridhan Infrastructures (P) Ltd	KMP intrested concern	Shares Alloted	Nil (Nil)	22762000 (22762000)
3	Krishna Devi Agrawal	KMP	Shares Alloted	Nil (Nil)	100000 (100000)
4	Krishna Trading Corporation	KMP intrested concern	Purchases	Nil (336068)	Nil (Nil )
5	Kridhan Infrsolutions (P) Ltd	KMP intrested concern	Sales, Job work and Hire Charges	63992632 (18848201)	18221641 (Nil)
6	Kridhan Infrsolutions (P) Ltd	KMP intrested concern	Purchases	47809792 (7254363)	Nil (Nil)
7	Kridhan Infrsolutions (P) Ltd	KMP intrested concern	Loan and other Misc Transactions	43840955 (Nil)	Nil (Nil)
8	Kridhan Infrastructures (P) Ltd	KMP intrested concern	Loan repaid and Misc Transaction	43840955 (Nil)	Nil (Nil)
9	Readymade Steel Singapore PTE Ltd	Subsidiary Company	Investment made	296341621 (Nil)	296341621 (Nil)
10	Readymade Steel Singapore PTE Ltd	Subsidiary Company	Funds remitted for equity investment and others	315051103 (Nil)	594048 (Nil)
11	Readymade Steel Singapore PTE Ltd	Subsidiary Company	Refund of Funds remitted for equity investment and others	18115434	Nil (Nil)
12	Readymade Steel Hongkong Ltd	Subsidiary Company	Expenses made	388636 (Nil)	388636 (Nil)
13	Kridhan Petrochemicals (P) Ltd.	KMP intrested concern	Purchases & Misc	30434 (146166)	Nil (Nil)

### 2.36 Earnings per Share (EPS)

The Computation of EPS is set out below :

Particulars	For the year ended 31st March, 2013 Basic & Diluted	For the year ended 31st March, 2012 Basic & Diluted
<b>Earnings</b>		
Net Profit for the year	9,943,719	22,630,276
<b>Shares</b>		
Number of Shares at the beginning of the year	11718353	7929700
Equity Shares allotted during the year	0	3788653
Total number of Equity Shares outstanding during the year	11718353	11718353
Weighted average number of equity shares outstanding during the year - Basic	11718353	11718353
Weighted average number of equity shares outstanding during the year - Diluted	11718353	11718353
Face Value	10	10
<b>Earnings per share Basic</b>	<b>0.85</b>	<b>2.10</b>
<b>Earnings per share Diluted</b>	<b>0.85</b>	<b>2.10</b>

## NOTES TO THE FINANCIAL STATEMENTS

2.37 The company has accounted for liability on account of Employee retirement benefits on accrual basis but the same is not on actuarial basis as the amount of the same is not material. However, the actuarial valuation for the same shall be done in the coming year.

2.38 Statement of Utilisation of IPO Proceeds

	Rs. <i>In Lacs</i>
Amount Received from IPO	<b>3,474.53</b>
Capital Expenditure including acquisition expenses	2,856.67
Issue Expenses	382.61
Margin Money	115.00
General Corporate Purpose Expenses	120.25
<b>Total</b>	<b>3,474.53</b>
<b>Unutilised Amount retained in business</b>	<b>-</b>

2.39 The company has two subsidiaries Readymade Steel Singapore Pte Ltd. and Readymade Steel Hongkong Ltd. The company has made long term investment in the equity of these companies. There are no material transaction in Readymade Steel Hongkong Ltd. however, there has been considerable business in Readymade Steel Singapore Pte Ltd. which has acquired KH Foges Pte Ltd., a leading foundation engineering company in Singapore. The company has invested significant amount in Readymade Steel Singapore Pte Ltd. as long term equity investments for these activities.

<b>2.40 Contingent liabilities not provided for:</b>	<b>Amount in Rs. Lacs</b>
Corporate Guarantees issued to parties	35.57 (69.92)
Income tax and VAT liabilities in respect of pending / ongoing assessments	Not Ascertainable

2.41 Long term borrowings include the instalments due and payable within one year amounting to Rs. 420 Lacs

2.42 Previous year figures have been regrouped, rearranged and reclassified wherever necessary to conform to current years presentation.

**In terms of our report of even date**

**For MKPS & Associates  
CHARTERED ACCOUNTANTS  
FRN : 302014E**

**For and on behalf of the Board of Directors  
Readymade Steel India Ltd.**

**Anil Agrawal  
DIRECTOR**

**Satyajit Das  
DIRECTOR**

**CA Narendra Khandal  
PARTNER  
M No. 065025**

**Binal Khosla  
Company Secretary**

**Mumbai  
Date: 29<sup>th</sup> May, 2013**

## **AUDITOR'S REPORT TO READYMADE STEEL INDIA LIMITED**

We have audited the accompanying statement of consolidated financial results of Readymade Steel India Limited for the year ended March 31, 2013 and its subsidiaries (including step down subsidiaries), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to express an opinion on the results based on our audit of the related consolidated financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining on test basis, evidence supporting the amounts and disclosures 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our report.

The statement reflects the Group's share of Assets (Net) of Rs. 24711.98 Lacs, Revenues of Rs. 41835.74 Lacs and Profit after tax of Rs. 3618.43 Lacs relating to its subsidiaries including step down subsidiaries whose results have been audited by other auditors under the respective local laws and whose reports have been considered by us in submitting our report.

Further, the statement also reflects the Group's share of Assets (Net) of Rs. 25.16 Lacs, Other income of Rs. 0.23 Lacs and Profit after tax of Rs. 0.06 Lacs relating to one subsidiary whose results have not been audited / reviewed by us or by other auditors and the same have been consolidated solely as per financial statements provided by the management

Based on our audit conducted as above nothing has come to our attention that causes us to believe that the accompanying statement of audited consolidated financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For MKPS & Associates**  
**Chartered Accountants**  
**Firm's Regn. No. 302014E**

**CA Narendra Khandal**  
**Partner**  
**M No. 065025**  
**Mumbai May 29, 2013**

**CONSOLIDATED BALANCE SHEETS AS AT 31ST MARCH 2013**

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2013		As at 31.03.2012	
<b>I. EQUITY &amp; LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
a) Share Capital	2.1	117,183,530		117,183,530	
b) Reserves & Surplus	2.2	629,078,000	746,261,530	395,967,507	513,151,037
Share Application Money			55,000		-
<b>Minority Interest</b>			120,559,713		
<b>(2) Non Current Liabilities</b>					
a) Long term borrowings	2.3	806,771,695		124,148,797	
b) Deferred Tax Liabilities	2.4	77,365,772		9,812,307	
c) Other Long term liabilities	2.5	565,065		264,606	
d) Long - term provisions	2.6	346,527	885,049,060	233,431	134,459,141
<b>(3) Current Liabilities</b>					
a) Short Term Borrowings	2.7	323,242,562		51,159,863	
b) Trade Payables	2.8	378,209,337		75,142,294	
c) Other Current Liabilities	2.9	767,360,577		99,515,899	
d) Short-term provisions	2.10	49,865,315	1,518,677,791	5,784,877	231,602,933
<b>TOTAL</b>			<b>3,270,603,094</b>		<b>879,213,110</b>
<b>II. ASSETS</b>					
<b>(1) Non - Current Assets</b>					
a) Fixed Assets					
i) Tangible Fixed Assets	2.11	1,212,435,411		155,240,753	
ii) Capital Work in Progress	2.12	23,511,968	1,235,947,379	23,284,438	178,525,191
b) Goodwill on consolidation			45,599,955		
b) Non Current Investment		19,627,387		-	
b) Long Term Loans and Advances	2.13	29,089,152		37,784,175	
c) Other non-current assets	2.14	8,633,197	57,349,736	9,933,300	47,717,475
<b>(2) Current Assets</b>					
a) Inventories	2.15	123,184,376		133,328,354	
b) Trade Receivables	2.16	457,471,534		347,248,161	
c) Cash and Cash Equivalents	2.17	126,498,840		53,975,513	
d) Short Term Loans and Advances	2.18	56,731,246		22,367,418	
e) Other Current Assets	2.19	1,167,820,027	1,931,706,024	96,050,998	652,970,444
<b>TOTAL</b>			<b>3,270,603,094</b>		<b>879,213,110</b>
Significant Accounting Policies	1		(0)		(0)

In terms of our report of even date

For MKPS & Associates  
CHARTERED ACCOUNTANTS  
FRN : 302014E

CA Narendra Khandal  
PARTNER  
M No. 065025  
Mumbai  
Date: 29/05/3013

For and on behalf of the Board of Directors

Anil Agrawal      Satyajit Das  
Director              Director

Binal Khosla  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

(Amount in Rs.)

Particulars	Note No.	2012-13	2011-12
I. Revenue from Operations	2.20	4,691,510,040	774,942,645
II. Other income	2.21	109,974,771	8,761,118
<b>III. Total Revenue (I + II)</b>		<b>4,801,484,811</b>	<b>783,703,763</b>
<b>IV. Expenses</b>			
Cost of materials consumed			
Purchases of Stock-in-Trade and other direct exp	2.22	2,177,354,123	766,100,912
Changes in inventories of finished goods work-in-progress and Stock-in-Trade. (Increase)/ Decrease		11,517,428	(99,030,900)
Employee benefits expense	2.23	290,580,207	14,921,559
Finance costs	2.24	76,637,812	28,368,070
Depreciation		154,153,222	16,173,852
Other Expenses	2.25	1,676,853,292	28,425,331
<b>Total Expenses</b>		<b>4,387,096,084</b>	<b>754,958,825</b>
V. Profit before exceptional and extraordinary items and tax		414,388,727	28,744,938
EBITD		645,179,761	73,286,860
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		414,388,727	28,744,938
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax</b>		<b>414,388,727</b>	<b>28,744,938</b>
<b>X. Tax expense:</b>			
(1) Current tax		45,428,940	5,784,877
(2) Deferred tax		(2,832,230)	329,785
<b>XI. Profit for the year after tax</b>		<b>371,792,017</b>	<b>22,630,276</b>
Minority Interest		28,665,328	-
<b>Profit after Minority Interest</b>		<b>343,126,689</b>	<b>22,630,276</b>
Earnings Per Share			
Basic		29.28	2.10
Diluted		29.28	2.10

In terms of our report of even date

For MKPS & Associates  
CHARTERED ACCOUNTANTS  
FRN : 302014E

CA Narendra Khandal  
PARTNER  
M No. 065025

Mumbai  
Date: 29/05/3013

For and on behalf of the Board of Directors

Anil Agrawal      Satyajit Das  
Director              Director

Binal Khosla  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Amount in (Rs.)	
STATEMENT OF CASH FLOW	FY 2012-13	FY 2011-12
<b>Cash flow from Operating Activities</b>		
Net Profit before tax and adjustment of extraordinary items net of prior year adjustment	414,388,727	28,744,938
<b>Adjustments for</b>		
Depreciation	154,153,222	16,173,852
Preliminary expenses	-	-
Profit / (loss) on sale of assets	308,508	-
Exchange Loss	671,053	-
Interest received	(3,208,111)	(3,124,992)
Deferred Tax	67,553,465	-
Interest & Finance charges	75,966,759	28,368,070
Provisions	44,193,534	-
<b>Operating Profit before working capital changes</b>	<b>754,027,158</b>	<b>70,161,868</b>
<b>Working Capital Changes / Adjustments for</b>		
Inventories	10,143,978	(99,030,900)
Receivables	(110,223,373)	(10,232,322)
Loans & Advances and Other Current Assets	(1,090,200,000)	(109,169,296)
Trade Payables and Other current liabilities	970,911,721	(174,553,405)
<b>Cash generated from operations</b>	<b>(219,367,673)</b>	<b>(392,985,923)</b>
<b>Direct Taxes paid (other than Advance payments)</b>	-	-
<b>Net cash from (used in) operating activities (A)</b>	<b>534,659,484</b>	<b>(322,824,055)</b>
<b>Cash flow From Investing Activities</b>		
Purchase of Fixed Assets	1,530,492,286	(29,562,150)
Sale of Fixed Assets	266,667	-
Investments Made	19,627,387	-
Interest received	3,208,111	(3,124,992)
<b>Net Cash from (used in) investing activities</b>	<b>(1,507,390,122)</b>	<b>(32,687,142)</b>
<b>Cash flow From Financing Activities</b>		
Proceed from issue of share Capital & Share Premium	55,000	398,887,524
Proceed from Borrowings	954,705,597	11,901,547
Interest and finance charges	(75,966,759)	(28,368,070)
Preliminary expenses	-	(31,870,256)
Other long term liabilities	300,459	-
Minority Interest	120,559,713	-
Goodwill on consolidation	45,599,955	-
<b>Net cash from financing activities</b>	<b>1,045,253,965</b>	<b>350,550,744</b>
<b>Total Cash Inflow( 1+2+3)</b>	<b>72,523,328</b>	<b>(4,960,453)</b>
<b>Net Increase/Decrease in cash or cash Equivalent</b>	<b>72,523,328</b>	<b>(4,960,453)</b>
<b>Cash &amp; Cash Equivalent at the beginning of the Year</b>	<b>53,975,513</b>	<b>58,935,967</b>
<b>Cash and Cash Equivalent at the end of the year</b>	<b>126,498,840</b>	<b>53,975,513</b>

Note : In view of the subsidiary relationship being established during the current year, the figures of previous year pertains to the stand alone financials of the company.

In terms of our report of even date

For MKPS & Associates  
CHARTERED ACCOUNTANTS  
FRN : 302014E

CA Narendra Khandal  
PARTNER  
M No. 065025  
Mumbai  
Date: 29/05/2013

For and on behalf of the Board of Directors

Anil Agrawal  
Director

Satyajit Das  
Director

Binal Khosla  
Company Secretary

#### **Note No. 1.1 : Basis of Presentation**

The consolidated financial statements of ReadyMade Steel Limited ('RMS' or 'the Company') and its subsidiary companies (collectively known as "The Group") have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the notified Accounting Standards issued by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### **Note No. 1.2 : Significant Accounting Policies on Consolidated Financial Statements**

##### **Principles of consolidation**

- i) The consolidated financial statements of the Group have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 (as amended).
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- iii) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating all intra group transactions.
- iv) The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. The goodwill / Capital Reserve is being recognised on net basis.
- v) Minority interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of the equity interest of minority as on the date of investment, the movement in equity pertaining to minority interest and their share in profit /loss.
- vi) The following 100% subsidiary companies have been considered for the purpose of consolidated financial statements:
  - i) ReadyMade Steel India Limited
  - ii) ReadyMade Steel Singapore PTE Limited
  - iii) ReadyMade Steel Hongkong Limited

##### **(a) Basis of Accounting**

The Financial Statements have been prepared and presented under the historical cost convention on accrual basis of accounting principles generally accepted in India (GAAP) and comply in material respect with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India and notified under the Companies Accounting Standard Rules, to the extent applicable and with the relevant provisions of the Companies Act, 1956 except accounting for tax demands and Bonus which are accounted for on Cash Basis.

##### **(b) Use of estimates**

The preparation of Financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of Assets and Liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of the revenue and expenses for the year. Actual result could differ from these estimates is recognised prospectively in the current and future periods.

**(c) Fixed Assets**

Fixed Assets are capitalised at acquisition cost and any cost directly attributable to bringing the assets to their working condition for the intended use.

**(d)** Depreciation on fixed assets is provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

**(e) Inventories**

Inventories comprising of saleable stock are valued at cost or net realisable value, whichever is lower.

Consumable stock are valued at Cost

**(f) Revenue Recognition**

Revenue is recognised when the property in the goods is transferred in favor of the customer, which normally coincides with the date of physical delivery. In case of transit sales where goods are transferred by transfer of the documents of title, revenue is recognised on the transfer of the document of title.

Interest on Fixed Deposits is recognised on accrual basis.

Income from sale of Scrap is accounted on cash basis.

**(g) Foreign currency transactions**

Transactions in foreign currencies are accounted at the prevailing exchange rates. Year end balances of payables are translated at applicable year end rates and resultant translation differences are recognised in the Statement of Profit and Loss.

**(h) Retirement Benefits**

Gratuity expenses are accounted for on accrual basis. Provident fund contribution are charged in the year / period the same are incurred.

**(i) Borrowing Costs**

Interest/Finance Cost on loans specifically borrowed for and expansion of projects, upto the point when the project is ready for start of commercial production is charged to the capital cost of the projects concerned. All other borrowing costs are charged to revenue.

**(j) Impairment of Assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

**(k) Prior period and extraordinary items**

The nature and amount of prior period items and extraordinary items are separately disclosed in the statement of profit and loss in a manner that their impact on current profit and loss account can be perceived.

**(m) Income Tax expenses**

Income Tax expense comprise of current tax and deferred tax charge or credit.

**Current Tax**

The current charge for Income taxes is calculated in accordance with the relevant tax regulations applicable to Company.

### **Deferred Tax**

Deferred Tax charge or credit reflects the tax effects of timing difference between accounting income and taxable income for the period. The deferred tax charges or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and is written -up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realised in future.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable rights to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### **(n) Earnings per Share**

The basic Earnings Per Share (EPS) is computed by dividing the annualised net profit after tax for the period by the weighted average number of equity shares outstanding as at the end of the period. For the purpose of calculating diluted earnings per share, net profit after tax for the period and the weighted average number of outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

### **(o) Provisions, Contingent liability and Assets**

Provisions are recognized in terms of Accounting Standard-29 "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, where there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are neither recognised nor disclosed.

- (p)** The company has incurred expenses on account of Preliminary and pre-operative expenses, other than issue expenses. The benefit of these expenses are likely to be availed by the company over a period. Hence the same are not charged off fully but are amortised over the period of benefits.

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Numbers	Rs.	Numbers	Rs.
<b>2.1 SHARE CAPITAL</b>				
Authorized Capital				
1,50,00,000 Equity Shares of Rs. 10 each (1,50,00,000 equity share of Rs. 10 each)	<u>15,000,000</u>	<u>150,000,000</u>	<u>15,000,000</u>	<u>150,000,000</u>
<b>Issued, Subscribed &amp; Paid up</b>				
1,17,18,353 Equity Shares of Rs. 10 each (1,17,18,353 Equity share of Rs. 10 Each)	11,718,353	117,183,530	11,718,353	117,183,530
	<u>11,718,353</u>	<u>117,183,530</u>	<u>11,718,353</u>	<u>117,183,530</u>

a) Reconciliation of the number of shares outstanding as at the beginning and at the end of the year

	As at 31.03.2013		As at 31.03.2012	
	Numbers	Rs.	Numbers	Rs.
Shares outstanding as at the beginning of the year	11,718,353	117,183,530	7,929,700	79,297,000
Shares at the issued during the year	-	-	3,788,653	37,886,530
<b>Shares outstanding as at the end of the year</b>	<u>11,718,353</u>	<u>117,183,530</u>	<u>11,718,353</u>	<u>117,183,530</u>

b) Shares reserved for issue under options      The maximum number of options reserved under ESOS 2010 is 116,000.

c) Shareholders holding more than 5% shares

Name of the shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Anil Agrawal	5265000	44.93	5265000	44.93
Kridhan Infrastructure (P) Ltd	2276200	19.42	2276200	19.42

e) Rights and Preference attached      The company has only one class of equity shares having par value of Rs.10 per share. Each share holder of equity shares is entitled to one vote per share.  
In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

### 2.2 RESERVES AND SURPLUS

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Securities Premium Account</b>				
Opening Balance as the beginning of the year	385,343,494		24,342,500	
Add: Additions during the year	-		361,000,994	
Less: Issue Expenses adjusted	39,141,646			
<b>Closing Balance as at the year end</b>		<u>346,201,848</u>		<u>385,343,494</u>
<b>Issue and Other Expenses</b>				

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	As at 31.03.2013		As at 31.03.2012	
Opening Balance	(43,130,379)		(11,260,123)	
Add: (Incurred)/ Adjusted during the year	3,988,733		(31,870,256)	
Less: Adjusted against Securities Premium	39,141,646			
<b>Closing Balance as at the year end</b>		<u>-</u>		<u>(43,130,379)</u>
<b>Statement of Profit and Loss Account / General Reserves</b>				
Opening Balance as the beginning of the year	53,754,393		31,124,117	
Add: Additions during the year	343,126,689		22,630,276	
Less: Considered as part of Minority Interest & Goodwill on consolidation	114,004,930			
Less: Utilised during the year	-		-	
<b>Closing Balance as at the year end</b>		<u>282,876,152</u>		<u>53,754,393</u>
<b>Total Reserves &amp; Surplus</b>		<u>629,078,000</u>		<u>395,967,507</u>

### 2.3 LONG TERM BORROWINGS

Particulars	As at 31.03.2013		As at 31.03.2012	
Secured Term Loans from:				
- Banks (including interest due)		576,690,731		122,094,705
- Financial Institution(s) (including interest due)		1,675,739		2,054,092
Hire Purchase Creditors		228,405,225.39		
<b>Total Long Term Borrowings</b>		<u>806,771,695</u>		<u>124,148,797</u>

#### a) Security Details

- i) The Term Loan facility from Banks are along with interest are secured (incl additional security) by EM of Factory, Land and Building of the plant of the company at Khopoli
- ii) Further secured by Personal Guarantee of Anil Agarwal and Smt. Krishna Devi Agarwal

#### b) Repayment Schedule

The term loans are repayable in 72 EMI commencing from April 2009

### 2.4 DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Deferred Tax Liability</b>				
Timing Difference on account of difference in depreciation and Gratuity	77,365,772		9,812,307	
<b>Deferred Tax Asset</b>	-		-	
<b>Deferred Tax Liability</b>		<u>77,365,772</u>		<u>9,812,307</u>

### 2.5 OTHER LONG TERM LIABILITIES

a) Trade Payables				
=- to related parties			-	
=- to others			-	
b) Others	565,065		264,606	
<b>Other Long Term Liabilities</b>		<u>565,065</u>		<u>264,606</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

	As at 31.03.2013		As at 31.03.2012	
<b>2.6 OTHER LONG TERM PROVISIONS</b>				
Provision for Employee benefits	346,527		233,431	
<b>Other Long Term Provisions</b>		<b>346,527</b>		<b>233,431</b>

### 2.7 SHORT TERM BORROWINGS

	As at 31.03.2013		As at 31.03.2012	
<b>Secured</b>				
Working Capital facilities from Bank		323,242,562		51,159,863
<b>Short Term Borrowings</b>		<b>323,242,562</b>		<b>51,159,863</b>

(Secured by Equitable Mortgage of the Factory Land & Building Situated at Village Vanwathe, Khopli, Taluka, Khalapur, Raigad, Maharashtra. Further, secured by charge on Plant & Machinerries of the company)

### 2.8 TRADE PAYABLES

	As at 31.03.2013		As at 31.03.2012	
a) Total outstanding dues to Micro Enterprises and Small Enterprises (Refer footnote below)	-		-	
b) Total outstanding other than (a) above :				
- to related parties	-		-	
- to others	378,209,337		75,142,294	
<b>Trade Payables</b>		<b>378,209,337</b>		<b>75,142,294</b>

There is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This information and the information given above has been determined based on the details regarding the status of the suppliers obtained by the Company. This has been relied upon by the auditors.

### 2.9 OTHER CURRENT LIABILITIES

	As at 31.03.2013		As at 31.03.2012	
<b>Other Payables:</b>				
- Statutory Dues	3,389,889		4,899,152	
- Creditors for Capital Expenditure	4,166,413		3,037,834	
- Creditors for Revenue Expenditure	3,278,242		12,507,126	
- Hire Purchase Creditors	164,469,543			
- Others	592,056,490		79,071,788	
<b>Other Current Liabilities</b>		<b>767,360,577</b>		<b>99,515,899</b>

### 2.10 SHORT TERM PROVISIONS

	As at 31.03.2013		As at 31.03.2012	
Provision for Tax		49,865,315		5,784,877
Less: Adjustments for earlier years				
<b>Short Term Provisions</b>		<b>49,865,315</b>		<b>5,784,877</b>

Rs..

Note No. 2.11 and 2.12

Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 01-04-12	Addition	Addition on acquisition of subsidiaries	Deduction	As on 31-03-13	As on 01-04-12	Addition on acquisition of subsidiaries	For the year Adjustment	Profit on sale	As on 31-03-13	As on 31-03-12
Land & Land Development	23,228,776	-	-	-	23,228,776	-	-	-	-	23,228,776	23,228,776
Factory Building	11,416,550	-	-	-	11,416,550	1,714,709	381,313	2,096,021	2,096,021	9,320,529	9,701,841
Plant & Machineries	121,417,380	14,038,629	1,133,203,161	-	1,268,659,170	11,847,654	218,766,231	112,207,442	342,821,326	925,837,844	109,569,727
Computer & Accessories	6,358,890	255,466	-	-	6,614,356	1,331,306	1,059,000	2,390,306	2,390,306	4,224,050	5,027,585
Furnitures & Fixtures	4,346,087	31,367	3,764,208	-	8,141,662	678,977	2,397,861	622,304	3,699,142	4,442,520	3,667,110
Vehicles	4,593,555	1,819,246	26,087,660	722,631	31,777,830	580,226	9,568,311	2,965,771	12,966,851	18,810,980	4,013,329
Temporary Structure	-	-	-	-	-	-	-	-	-	-	-
Trade Mark	34,000	-	-	-	34,000	1,615	1,615	1,615	3,230	30,770	32,385
Leaseholds	-	-	94,228,249	-	94,228,249	-	17,118,257	10,823,271	27,941,527	66,286,721	66,286,721
Office Equipments	-	-	9,752,425	-	9,752,425	-	4,895,642	1,908,860	6,804,502	2,947,923	2,947,923
Construction Equipments	-	-	244,102,932	-	244,102,932	-	63,949,647	23,668,430	87,618,077	156,484,855	156,484,855
Containers	-	-	2,981,413	-	2,981,413	-	1,645,753	515,217	2,160,970	820,443	820,443
<b>Total</b>	<b>171,395,239</b>	<b>16,144,708</b>	<b>1,514,120,048</b>	<b>722,631</b>	<b>1,700,937,364</b>	<b>16,154,486</b>	<b>318,341,701</b>	<b>154,153,222</b>	<b>(308,508)</b>	<b>1,212,435,411</b>	<b>155,240,753</b>
Capital Work in Progress	23,284,438	227,530	-	-	23,511,968	-	-	-	-	23,511,968	23,284,438
<b>Total</b>	<b>194,679,677</b>	<b>16,372,238</b>	<b>1,514,120,048</b>	<b>722,631</b>	<b>1,724,449,332</b>	<b>16,154,486</b>	<b>318,341,701</b>	<b>154,153,222</b>	<b>(308,508)</b>	<b>1,235,947,379</b>	<b>178,525,191</b>
<b>Previous Year Figures</b>	<b>165,117,527</b>	<b>39,175,191</b>	<b>1,514,120,048</b>	<b>9,613,041</b>	<b>194,679,677</b>	<b>87,993,917</b>	<b>161,738,524</b>	<b>88,187,586</b>	<b>-</b>	<b>178,525,191</b>	<b>156,318,135</b>

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

### 2.13 LONG TERM ADVANCES

Particulars	As at 31.03.2013		As at 31.03.2012	
Capital Advances	29,089,152		37,784,175	
<b>Long Term Advances</b>		<b>29,089,152</b>		<b>37,784,175</b>
<b>2.14 OTHER NON CURRENT ASSETS</b>				
Retention Money, Deposits, Credit Receivable and Others	8,633,197		9,933,300	
<b>Other Non Current Assets</b>		<b>8,633,197</b>		<b>9,933,300</b>
<b>2.15 INVENTORIES</b> <i>(As certified, verified and valued by the management)</i>				
Consumables & General Stores	-		261,172	
Stock in Hand	123,184,375.87		133,067,182	
<b>Inventories</b>		<b>123,184,376</b>		<b>133,328,354</b>
<b>2.16 TRADE RECEIVABLES</b> <b>Unsecured, Considered Good</b>				
Over six months from Due date	152,076,024			
Others	305,395,510		347,248,161	
<i>Out of which due from related parties</i>	18221641			
<b>Trade Receivables</b>		<b>457,471,534</b>		<b>347,248,161</b>
<b>2.17 CASH AND CASH EQUIVALENT</b>				
Cash on Hand	1,654,290		2616673.84	
Balance with Bank in current account(s)	122,043,870		448,834	
Fixed Deposit including Accrued interest	2,800,680	126,498,840	50,910,005	53,975,513
<b>Cash and Cash Equivalent</b>		<b>126,498,840</b>		<b>53,975,513</b>
<b>2.18 SHORT TERM LOANS AND ADVANCES</b> <b>Unsecured, Considered Good</b>				
ICD Given	15,063,801		15,245,775	
Unsecured Loan given (Blue Diamond Construction)	1,673,425			
Staff Advances	1,297,311		1,168,641	
Security Deposits	1,743,000		1,743,000	
Others	36,953,709		4,210,002	
<b>Short Term Loans and Advances</b>		<b>56,731,246</b>		<b>22,367,418</b>
<b>2.19 OTHER CURRENT ASSETS</b>				
VAT Paid (pending scrutiny)	-		2,225,359	
Prepaid Expenses	129,454		127,113	
Advance to Suppliers	57,307,614		82,216,020	
Unbilled Revenue	1,032,638,197			
Other Current Assets	74,258,130			
TDS, Advance Tax and other tax credits available	3,486,631		4,456,840	
Expenses for Acquisition	-		7,025,666	
<b>Other Current Assets</b>		<b>1,167,820,027</b>		<b>96,050,998</b>

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

### 2.20 REVENUE FROM OPERATIONS

Particulars	As at 31.03.2013		As at 31.03.2012	
Sale of Goods		470,871,403		702,734,904
Revenue from overseas operations		4,183,573,739		
Income from Services		37,064,899		72,207,741
<b>Revenue from Operations</b>		<b><u>4,691,510,040</u></b>		<b><u>774,942,645</u></b>
<b>2.21 OTHER INCOME</b>				
Other Operating Income		106,766,659.63		2,621,498
Non Operating Income		3,208,111		6,139,620
<b>Other Income</b>		<b><u>109,974,771</u></b>		<b><u>8,761,118</u></b>
<b>2.22 PURCHASES</b>				
Traded Inventory		416,134,342		762,667,690
Consumable & Stores		695,978		2,592,927
For overseas operations		1,760,523,803		
Direct Costs		-		840,295
<b>Purchases</b>		<b><u>2,177,354,123</u></b>		<b><u>766,100,912</u></b>
<b>2.23 EMPLOYEE COSTS</b>				
Salaries and Wages	247,643,897		13,721,880	
Employee welfare and other expenses including Bonus	42,936,310		1,199,679	
<b>Employee Costs</b>		<b><u>290,580,207</u></b>		<b><u>14,921,559</u></b>
<b>2.24 FINANCEC COSTS</b>				
Interest & Discounting Charges paid to Bank(s) and FI	74,431,973		26,647,551	
Interest paid to Others	920,606		265,299	
Other Charges	1,285,233		1,455,220	
<b>Finance Cost</b>		<b><u>76,637,812</u></b>		<b><u>28,368,070</u></b>
<b>2.25 OTHER EXPENSES</b>				
Factory Expenses	13,626,868		18,867,412	
Expenses of Foreign operations	1,648,894,698			
Administrative, Selling and Other Expenses	14,331,726		9,557,919	
<b>Employee Costs</b>		<b><u>1,676,853,292</u></b>		<b><u>28,425,331</u></b>

2.26 Fixed Assets, Stocks and Cash balance were physically verified by the management. The Certification of the same given by the management has been relied upon by the auditors.

2.27 The current assets, loans and advances have the values at least equal to the amount at which they are stated in the Balance sheet on their realisation in ordinary course of business. Provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

2.28 Balances of Current assets and current liabilities are subject to confirmation and consequential adjustment, if any.

2.29 In absence of none of the parties are registered as micro, small or medium as defined under the Micro Small & Medium Enterprise Development Act 2002, the relevant information has been considered as NIL. Hence, the required disclosures under the MSMED Act are not given.

### 2.30 Segment Reporting

The group operates in two domestic segment, within India and outside India. The segment wise breakup is as under:

	Within India	Outside India	Rs. <i>in Lacs</i> Total
Segment Revenue	5,079.36	41,835.74	46,915.10
Segment Results	99.44	3,331.83	3,431.27
Capital Employed	5,271.38	3,397.38	8,668.76

### 2.31 Related Party Transaction (AS 18)

Sr. No.	Name of the Party	Relationship	Nature of Transaction	Volume of Transaction during the period 01-04-12 to 31-03-13	Amount outstanding as on 31-03-13
1	Anil Agrawal	KMP	Shares Alloted	Nil (Nil)	52650000 (52650000)
2	Kridhan Infrastructures (P) Ltd	KMP intrested concern	Shares Alloted	Nil (Nil)	22762000 (22762000)
3	Krishna Devi Agrawal	KMP	Shares Alloted	Nil (Nil)	100000 (100000)
4	Krishna Trading Corporation	KMP intrested concern	Purchases	Nil (336068)	Nil (Nil )
5	Kridhan Infrsolutions (P) Ltd	KMP intrested concern	Sales, Job work and Hire Charges	63992632 (18848201)	18221641 (Nil)
6	Kridhan Infrsolutions (P) Ltd	KMP intrested concern	Purchases	47809792 (7254363)	Nil (Nil)
7	Kridhan Infrsolutions (P) Ltd	KMP intrested concern	Loan and other Misc Transactions	43840955 (Nil)	Nil (Nil)
8	Kridhan Infrastructures (P) Ltd	KMP intrested concern	Loan repaid and Misc Transaction	43840955 (Nil)	Nil (Nil)
9	Readymade Steel Singapore PTE Ltd	Subsidiary Company	Investment made	296341621 (Nil)	296341621 (Nil)
10	Kridhan Petrochemicals (P) Ltd.	KMP intrested concern	Purchases & Misc	30434 (146166)	Nil (Nil)

### 2.32 Earnings per Share (EPS)

The Computation of EPS is set out below :

Particulars	For the year ended 31st March, 2013 Basic & Diluted	For the year ended 31st March, 2012 Basic & Diluted
<b>Earnings</b>		
Net Profit for the year	343,126,689	22,630,276
<b>Shares</b>		
Number of Shares at the beginning of the year	11718353	7929700
Equity Shares allotted during the year	0	3788653
Total number of Equity Shares outstanding during the year	11718353	11718353
Weighted average number of equity shares outstanding during the year - Basic	11718353	11718353
Weighted average number of equity shares outstanding during the year - Diluted	11718353	11718353
Face Value	10	10
<b>Earnings per share Basic</b>	<b>29.28</b>	<b>2.10</b>
<b>Earnings per share Diluted</b>	<b>29.28</b>	<b>2.10</b>

2.33 The company has accounted for liability on account of Employee retirement benefits on accrual basis but the same is not on actuarial basis as the amount of the same is not material. However, the actuarial valuation for the same shall be done in the coming year.

2.34 Long term borrowings from bank include instalment repayable within one year amounting to Rs. 420 Lacs.

2.35 Statement of Utilisation of IPO Proceeds	Rs. <i>In Lacs</i>
Amount Received from IPO	<b>3,474.53</b>
Capital Expenditure including acquisition expenses	2,856.67
Issue Expenses	382.61
Margin Money	115.00
General Corporate Purpose Expenses	120.25
<b>Total</b>	<b>3,474.53</b>
<b>Unutilised Amount</b>	-

2.36 The company has two subsidiaries Readymade Steel Singapore Pte Ltd. and Readymade Steel Hongkong Ltd. The company has made long term investment in the equity of these companies. There are no material transaction in Readymade Steel Hongkong Ltd. however, there has been considerable business in Readymade Steel Singapore Pte Ltd. which has acquired KH Foges Pte Ltd., a leading foundation engineering company in Singapore. The company has invested significant amount in Readymade Steel Singapore Pte Ltd. as long term equity investments for these activities.

2.37 Contingencies and Commitments:	Amount in Rs. Lacs
Corporate Guarantees issued to parties	35.57
Income tax and VAT liabilities in respect of pending / ongoing assessments	(69.92)
	Not Ascertainable

2.38 The subsidiaries were formed / consolidated during the current financial year and hence the previous year figures pertain to standalone company only and are hence not comparable.

**In terms of our report of even date**

**For MKPS & Associates  
CHARTERED ACCOUNTANTS  
FRN : 302014E**

**CA Narendra Khandal  
PARTNER  
M No. 065025  
Mumbai  
Date: 29/05/3013**

**For and on behalf of the Board of Directors**

**Anil Agrawal  
Director**

**Satyajit Das  
Director**

**Binal Khosla  
Company Secretary**

✂

## READYMADE STEEL INDIA LIMITED

**Regd. Office:** 203, Joshi Chambers, Ahmedabad Street, Carnac Bunder, Mumbai- 400 009.

### ATTENDANCE SLIP (To be presented at the entrance)

Regd. Folio No. /Client ID No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

DP ID No. \_\_\_\_\_

I certify that I am a Member/Proxy for the member of the Company.

I hereby record my presence at the SEVENTH ANNUAL GENERAL MEETING of the Company to be held at Country Club Andheri, A/723, Opp Kia Park, Veera Desai Road, Prathmesh Complex, Andheri (West), Mumbai – 400 053 on Saturday, the 28th day of September, 2013 at 11. 00 a.m.

\_\_\_\_\_

Member's/ Proxy's name in BLOCK Letters

\_\_\_\_\_

Signature of Member/Proxy

**NOTE:** Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting.

Members are requested to bring their copy of the Annual Report to the meeting.

----- ✂ ----- TEAR HERE ----- ✂ -----

## READYMADE STEEL INDIA LIMITED

**Regd. Office:** 203, Joshi Chambers, Ahmedabad Street, Carnac Bunder, Mumbai- 400 009.

### PROXY FORM

Reg. Folio No. /Client ID No. \_\_\_\_\_

DP ID No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of the above named Company hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as

my/our proxy to vote for me/us on my/our behalf at the SEVENTH ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 28th day of September, 2013 at 11.00 a.m. and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix  
Rs. 1/-  
Revenue  
Stamp

Signature \_\_\_\_\_

✂ NOTE: This proxy form, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 HOURS BEFORE the meeting.





# BOOK-POST

If Undelivered, Please return to :

**READYMADE STEEL INDIA LIMITED**

203, Joshi Chambers, Ahmedabad Street, Carnac Bunder, Mumbai- 400 009.