

RMSTM
ReadyMade Steel



**6th ANNUAL REPORT
2011-12**

READYMADE STEEL INDIA LIMITED



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6TH ANNUAL GENERAL MEETING

Date : September 29th, 2012
Time : 10.00 a.m.
Place : Country Club Andheri, A/723, Opp Kia Park, Veera Desai Road, Prathmesh Complex, Andheri West, Mumbai – 400 053

CORPORATE INFORMATION

BOARD OF DIRECTORS:

MR. ANIL AGRAWAL	Chairman & Managing Director
SMT. KRISHNA DEVI AGRAWAL	Director (upto 5 th September, 2012)
MR. MAHESH KUMAR GARG	Director
MR. ABHIJIT RANADE	Director
MR. SANDEEP MITTAL	Director
MR SATYAJIT DAS	Director (w.e.f. 14.08.2012)

MANAGEMENT

MS. BINAL PINGALE	Company Secretary (w.e.f. 15.05.2012) (Compliance Officer)
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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

CHAIRMAN'S SPEECH

Dear Shareholders,

On behalf of the Board, I am pleased to report that your Company has significantly exceeded expectations and registered a robust financial performance in 2011-12 against a challenging economic environment marked with reduced demand, rising input costs, rising inflation & interest rates and volatile exchange rates .

During the year 2011-12, amidst negative economic scenario, your Company performed exceedingly well with turnover of ₹ 7749.43 lacs and net profit after tax Rs 226.30.

Your Company has always looked beyond immediate opportunities to create businesses with long-term prospects and relevance. With this philosophy in mind, your Company has been able to grow its business both in India and internationally during the past year.

Your Company is moving in line with the strategies drawn by the board for the purpose of long term sustainable growth. During the year under review, your Company successfully completed its IPO and within a year of listing the Company has deployed the issue proceeds towards expansion of facility at Khopoli and took the opportunity to grow both internationally and inorganically through usage of balance IPO proceeds.

I am delighted to inform you that, your Company completed the acquisition of KH Foges Pte. Ltd. in Singapore through its wholly owned subsidiary Readymade Steel Singapore Pte. Ltd. in July 2012. KH Foges is a leading specialist contractor in foundation engineering works in Singapore established in the year 2004 with a total income of approx. S\$80mn (INR 350cr) and Net Profit of approx. S\$4.6 mn (INR 20 Cr) respectively for the year ended December 2011. KHF with a current order book of S\$75mn (INR 335 Cr.), expects to grow at a robust rate of 20-25% in the current year. KHF is supported by a strong team of 250 personnel in Singapore.

This acquisition 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. The acquisition is value accretive to the shareholders of RMS and is expected to result in increased business strength and improved financial performance.

Overall it has been a very challenging year. But I am sure that the investments we made in creating longer term value for our business will stand us in good stead.

I express my sincere appreciation to my colleagues on the Board the Management Team all the employees, customers, vendors and bankers and above all the stakeholders of the company for their continued support who have played a catalytic role in ensuing success for overall development of the company.

I hope to receive continued support from all concerned and assure you of my constant endeavor to create long term value for the Company's stakeholders.

Yours sincerely

Anil Agrawal
Chairman

NOTICE

NOTICE is hereby given that the **Sixth 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 29th Day of September, 2012 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2012 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. Mahesh Kumar Garg, 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. 065025 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, 2013”

SPECIAL BUSINESS:

4. To appoint Mr. Satyajit Das as a Whole-time Director designated as Executive Director and in this regard to consider & if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**
“**RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Satyajit Das, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 125 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company.
“**RESOLVED FURTHER THAT** in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Satyajit Das as a Whole time Director designated as Executive Director of the Company, for a period of 3 (three) years with effect from September 29, 2012 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.
“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution”.
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
“**RESOLVED THAT** pursuant to the provisions of Sections 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as the ‘**Act**’), Articles of Association of the Company, provisions of the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 2009, as amended (the ‘**Guidelines**’), the special resolution passed at the Annual General Meeting held on September 29, 2010, including amendments thereto, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘**Board**’ which expression shall be deemed to include any committee/s thereof), the consent of the members of the Company be and is hereby accorded to the Board to reserve, create, offer, issue and allot at any time to or for the benefit of Directors (other than the Promoter) and / or of such person(s) who are in permanent employment of the Company (collectively referred to as the ‘**Employees**’), of the Company, and or Company’s subsidiary companies (if any), and/ or Company’s holding company (if any) (collectively referred to as the ‘**Group**’), under a scheme already in existence, titled as ‘RMS ESOS 2010’ (the ‘**Plan**’) such number of equity linked instruments (including options)

(hereinafter collectively referred to as the 'Securities') of the Company which together with Securities already granted under the Plan and which have not been lapsed / cancelled, as the case may be, could give rise to the issue of Equity Shares not exceeding 116,000 in number, at such price, in one or more tranches and on such terms and conditions of the Plan, as may be fixed or determined by the Board in accordance with the Guidelines or other provisions of the law as may be prevailing at that time and RMS ESOS 2010' of the Company, is and are hereby ratified, approved and adopted."

"RESOLVED FURTHER THAT the Securities may be allotted, directly to such eligible employees in accordance with a scheme framed in that behalf."

"RESOLVED FURTHER THAT as required, the Company shall conform to the accounting policies as contained in the Guidelines."

"RESOLVED FURTHER THAT the Board (which expression shall be deemed to include a Compensation Committee duly constituted in accordance with the Guidelines), subject to the Guidelines and the Plan, shall be authorised to evolve, decide upon and bring into effect the Plan, quantum of the options to be granted per employee, the exercise period, the vesting period, instances where such options shall lapse and to grant such number of options, to such Employees of the Group, at par or at such other price, at such time and on such terms and conditions as set out in the Plan and as the Compensation Committee may in its absolute discretion think fit and make any modifications, changes, variations, alterations or revisions in the Plan, provided the same are not detrimental to the interest of the Employees, from time to time or to suspend, withdraw or revive the Plan from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose on behalf of the Company and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

"RESOLVED FURTHER THAT the Board acting through itself or a committee thereof, be authorised to issue and allot such number of Equity Shares of the Company, to such employees of the Group, upon the conversion of the options granted under such Plan, at such price and on such terms and conditions as set out in the Plan and as determined by the Compensation Committee and to take necessary steps for listing of such Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then exists equity Shares of the Company."

By Order of the Board
For Readymade Steel India Limited

Place: Mumbai
Dated: 5th September, 2012

Binal Pingale
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE MEMBER OF THE COMPANY.**
2. The proxy form, in order to be effective, must be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
3. The register of members and the share transfer books of the Company will remain closed from 22/09/2012 to 29/09/2012 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report to the Meeting.
5. Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.
6. (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.

7. The ISIN No. of the Company is INE524L01018.
8. 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.
9. 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.
10. 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.
11. 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.

By Order of the Board
For Readymade Steel India Limited

Place: Mumbai
Dated: 5th September, 2012

Binal Pingale
Company Secretary

ANNEXURE TO NOTICE

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

Item No. 2

Details of Director seeking re-election at the Sixth Annual General Meeting

Re-election of Mr. Mahesh Kumar Garg

Mr. Mahesh Kumar Garg, aged 63 years, is a Non-Executive and Independent Director of the Company since August 25, 2010. He holds a bachelor's degree in Electrical and Mechanical Engineering with LLB from the Delhi University. He is from the Central Power Engineering Services, Batch of 1973. He has worked with the Central Government for more than 35 years in Group A and higher positions. He received the President's gold medal for meritorious and outstanding services while on deputation with Delhi Vidyut Board.

Mr. Mahesh Kumar Garg holds 1000 number of equity shares in company

Item No. 4

The Board at its meeting held on August 14, 2012 appointed Mr. Satyajit Das as additional director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 125 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Satyajit Das would hold office up to the date of the ensuing Annual General Meeting.

The Company has received notices in writing from two member's alongwith deposit of ₹ 500/- each for proposing the respective candidature of Mr. Satyajit Das for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Satyajit Das is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Mr. Satyajit Das, in terms of the Companies(Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming their eligibility for such appointment.

Further, the Board has appointed Mr. Satyajit Das as an Executive Director, subject to the approval of Members at general meeting of the Company, for a period of three years with effect from September 29th, 2012.

It is proposed to seek Members' approval for the appointment of and remuneration payable to Mr. Satyajit Das as Whole time Director, designated as an Executive Director, in terms of the applicable provisions of the Act.

Mr. Satyajit Das, aged 59 years, has completed bachelor's degree in arts. He joined our company in December 2010. He has vast experience in sales and marketing in steel industry. His association with the company would supplement long term growth prospective of the company

The terms and conditions of the appointment and remuneration are as under:

- A. Name and Designation: Mr. Satyajit Das, Executive Director.
- B. Period: From 29th September, 2012 to 28th September, 2015
- C. Remuneration:

By way of Salary, Conveyance and other allowances, etc hereinafter referred as Remuneration subject to a ceiling of ₹ 2400000/- per annum or such other amount as Board may determine.

In addition to the salary payable, the Executive Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent, payment of insurance premium towards domestic medical insurance policy and reimbursement of expenses for utilities such as gas, electricity, water, furnishing, repairs and other allowances, leave travel allowance for self and his family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Remuneration Committee and Board of Directors and the Executive Director from time to time. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Company shall provide Company maintained car, reimbursement of Mobile phones expenses & outgoings, telefax and other communication facilities.

D. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary, perquisites and allowances as specified above, as per relevant applicable provisions of law including Schedule XIII of the Companies Act, 1956.

Mr. Satyajit Das satisfy all the conditions set out in Part-I of Schedule XIII to the Act for being eligible for the appointment. The above may be treated as an abstract of the terms of appointment Mr. Satyajit Das under Section 302 of the Act.

Mr. Satyajit Das are interested in the Resolutions as set at Item No. 4 of the Notice which pertain to their respective appointment and remuneration payable to him. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the Resolution.

The Board commends the Resolutions as set out at Item No.4 of the Notice for your approval.

Item No.5

The Scheme of Employee Stock Option Scheme (ESOS) for the Employees of the Company was approved by the Members of the Company by passing Special Resolution in Annual General Meeting as on September 29, 2010. Subsequently, company's equity shares got listed with the stock exchange, pursuant to Initial Public Offer (IPO), during 2011.

In view of the above and for transparency and best corporate governance practices, it is deemed appropriate to seek fresh approval of the members in supersession of the earlier resolution passed by the members for grant of stock options.

The Company has formulated an ESOS, in 2010 in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, to facilitate aligning the interests of the employees with those of the Company and its Shareholders and to create a common sense of ownership amongst them. ESOS will also act as an effective tool to attract, reward, motivate and retain the best talent in the industry.

The Salient Features of the RMS ESOS 2010 are:

Total number of Options that could be issued under ESOS: the total number of options granted under the scheme shall not exceed 116,000.

Eligibility for grant of options:

- (a) Persons employed on a full time and permanent basis by the Company in India or outside India, and/ or its holding/subsidiary company(ies) as are in the permanent employment of the Company or holding company, whether Indian or foreign nationals and shall include all directors, whether whole time or not but shall exclude (i) an employee who is a Promoter or belongs to the Promoter Group (ii) a director who either by himself or through its relative or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and (iii) an employee as defined in (i) and (ii) of the above of the subsidiary (ies) or of the holding company (ies) or of the holding company(ies) in or out of India, in such grade and with such experience/association with the Company, as may be decided by the Board/Committee,
- (b) Such other persons, as may from time to time, be allowed under prevailing laws and regulations and as may be approved by the Board for this purpose.

Above persons are referred herein collectively as the "Eligible Employees"

Vesting, requirements of vesting and maximum period of vesting: The vesting period under each Plan shall commence on the expiry of one year from the Grant Date and may extend up to five years or three years or such further or other period as the Board/Committee may determine, from the Grant Date.

The options may vest in one or more tranches, subject to the terms and conditions as may be stipulated by the Board/ Committee, which may include satisfactory performance of the eligible employees and their continued employment/association with the Company, as the case may be, unless such employment/association is discontinued on account of death, permanent/total incapacity/ disability or on retirement. In the event of death of an employee while in employment, all the option granted to him till such date shall vest in the legal heirs or nominees of the deceased employee. In case the employee suffers a permanent incapacity while in employment, all the option granted to him as on the date of permanent incapacitation shall vest in him on that day.

If the Eligible Employees voluntarily terminates employment/association with the Company/holding company/subsidiaries companies, as the case may be, the options to the extent not vested shall lapse/expire and be forfeited forthwith. However, this shall not be applicable to the eligible employees who has resigned or who may resign from time to time to join companies, approved by the Board /Committee, that have been established or promoted or set up (whether solely or jointly with any other entity) by the Company.

Exercise price: The exercise price per option shall be as per year-wise pricing schedule mentioned below for the categories of the management personnel.

Year	2012	2013	2014	2015	2016
Price	10	20	20	50	50

Further, the Board/Committee may determine on the date(s) of grant of option(s) in accordance with the applicable Guidelines. Different Exercise Prices may apply to different categories of eligible employees. The Remuneration Compensation Committee is authorized to re-price the options which are not exercised, whether or not they have been vested, if ESOS were rendered unattractive due to fall in the price of the shares in the market.

Exercise period and process of exercise: The exercise period shall commence from the date of vesting and expire at the end of five years or three years from the date of vesting, from the Grant Date, whichever is later as may be stipulated in the respective Plants) or such other period as may be decided by the Board/Committee.

The options would be exercisable by submitting the requisite application form/exercise notice to the Company or such other person as the Company may prescribe, subject to conditions for payment of Exercise Price in the manner prescribed by the Board/Committee.

Appraisal process: The Board/ Committee shall determine the eligibility criteria for the Eligible Employees under the ESOS based on their evaluation on various parameters, such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential, etc, and such other factors as may be deemed appropriate by it.

Maximum number of options to be issued per employee and in aggregate: The maximum number of options/securities granted to any single eligible employee (including any non executive or independent Director) during any one year shall be less than 1 % of the issued and paid up equity share capital of the Company, at the time of grant of an option.

Disclosure and accounting policies: The Company shall comply with the disclosure and accounting policies prescribed by Securities and Exchange Board of India (SEBI) and any other appropriate authority, from time to time,

Method of valuation: The Company shall use the intrinsic value method for valuation of the Options. The intrinsic value means excess of the market price of shares under ESOS over the exercise price of the Options (including upfront payment, if any). The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised, had the fair value of the Options been recognised, shall be disclosed in the Directors' Report and the impact of such difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The Board may, in its absolute discretion, provide for an appropriate ESOS to be operated through any ESOS Trust, which shall be governed and operated in terms of the provisions stipulated therein.

The Board/Committee shall have the absolute authority to vary or modify the terms of ESOS in accordance with the regulations and guidelines prescribed by SEBI or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interests of the employees/Directors (including whole-time Directors).

The Options to be granted under the Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

The Board of Directors accordingly recommends the resolution set out at Item No. 6, of the accompanying notice for the approval of the Members.

None of the Directors and Manager of the Company is, in any way, concerned or interested in the resolutions, except to the extent of the Options that may be offered to them under the Scheme.

By Order of the Board
For Readymade Steel India Limited

Place: Mumbai
Dated: 5th September, 2012

Binal Pingale
Company Secretary

DIRECTORS' REPORT

Dear Members,
Readymade Steel India Limited

Your Directors have immense pleasure in presenting the **6th Annual Report** and Audited Accounts of your Company for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

The brief highlights of financial results of the Company for the Financial Year 2011-12 as compared to the previous financial year 2011-12 are as under:

	(₹ in Lacs)	
	Year Ended 31/03/2012	Year Ended 31/03/2011
Sales	7749.43	10,105.48
Other Income	87.61	1.78
Profit/ (Loss) before Tax	287.45	374.23
Provision for taxation		
Current Tax	57.85	79.76
Deferred Tax	3.30	66.70
Profit/(Loss) After Tax	226.30	227.77
Add: Balance brought forward	311.24	83.47
Add/(Less): Taxation of earlier years		
Less: Provision for gratuity	-	1.20
Balance carried to Balance Sheet	537.54	311.24

DIVIDEND

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

OPERATIONS

Despite the recessionary trends which continued globally as well as domestically, your company performed satisfactorily and has achieved aggregate turnover of ₹ 7749.43 lacs against ₹ 10,105.48 lacs in the previous year. The Company has earned profit after tax and exceptional item of ₹ 226.30 lacs in 2011-2012 as compared to Rs. 227.77 lacs in the previous year. Your Directors are confident that the company will strive hard to deliver improved performance in the current year on the basis of certain strategic initiatives taken by it.

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. Mahesh Kumar Garg, 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.

Further the Board at its meeting held on August 14, 2012 appointed Mr. Satyajit Das as an additional director of the Company. In terms of the provisions of Section 260 of the Act, Mr. Satyajit Das would hold office up to the date of the ensuing Annual General Meeting. Your Board recommend appointment of Mr. Satyajit Das as Whole time Director, (Designated as Executive Director), at general meeting of the Company, for a period of three years with effect from September 29th, 2012.

Your Board takes on record sincere contribution of Smt. Krishna Devi Agrawal for her valuable advices from time to time to Company management, who has tendered her resignation as Director of the Company with effect from 5th September, 2012.

EMPLOYEE STOCK OPTIONS:

The Board of Directors of our Company introduced RMS Employee Stock Option Plan 2010 ("**RMS ESOS 2010**"). The purpose of ESOS 2010 is to attract, retain, reward, create a sense of partnership/ownership and motivate employees to contribute to the growth and profitability of our Company and its Subsidiaries.

As per scheme of ESOS, 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.

As good Corporate Governance practices your Company has sought, your consent through ratification of ESOS 2010 plan, to facilitate execution of ESOS 2010, post listing of equity shares on Stock Exchange.

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

INVESTMENT IN KH FOGES PTE. LTD, SINGAPORE

On July 12, 2012, Company had successfully accomplished its acquisition of 90% stake in KH Foges Pte. Limited through Readymade Steel Singapore Pte. Limited, a wholly owned subsidiary company.

Other relevant details about the transaction are available in Management Discussion and Analysis section of the Annual Report.

As the holding subsidiary relationship has come into existence in the current financial year, the consolidation of results of the subsidiary would be carried out in the current year, as required.

JOINT VENTURE WITH CABR, CHINA

During the year under review your Company has entered into a technical collaboration with China Academy of Building Research (CABR) Technology Co., Ltd, China, to facilitate manufacturing and marketing of mechanical splicing system & couplers in India as well as specified territories abroad.

Other relevant details about the transaction are available in Management Discussion and Analysis section of the Annual Report.

SUBSIDIARY COMPANY IN HONGKONG

Your Company has established “Readymade Steel Hong Kong Limited” a wholly owned subsidiary company in Hong Kong as a move towards overseas market penetration.

In view of there being no material transaction in respect of Joint Venture or subsidiary company at Singapore/Hong Kong during the financial year under review, no consolidation of financial statement been carried out by the management.

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.

HUMAN RESOURCE

Maintenance of a cordial and supportive environment is a pre-requisite for the smooth functioning of any organization. This requires the management and the employees to fully understand and respect each other. On an ongoing basis the management identifies and implements necessary measures to maintain a positive climate and improve performance levels.

Your Directors also wishes to place on record their appreciation for the dedication and commitment displayed by all executives, officers and staff at all levels of the company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Directors’ Report.

CORPORATE GOVERNANCE

The Company is committed to uphold the highest standards of Corporate Governance and adhere to the requirements set out by Clause 49 of the Listing Agreement with Stock Exchange.

Reports on Corporate Governance along with the Certificate from the Auditors’ regarding the compliance of Corporate Governance conditions are made part of this Annual Report.

INSURANCE

All insurable assets of the Company including inventories, warehouse premises etc. are adequately insured.

BANKS

Your Directors wish to place on record their appreciation for the support from Company's bankers namely Union Bank of India.

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 2011-2012 and Profit of the Company for that the year ended on 31st March, 2012;
- 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.

DEMATERIALIZATION & NOMINATION:

Your Company has tied up with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable the shareholders to trade and hold shares in an electronic/dematerialized form. In the best interest of all members, they are advised to register nomination with respective DP or RTA, immediately.

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 31st March, 2012.

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 ₹ 60, 00,000/- or more per annum during the year ended 31st March, 2012 or ₹ 5, 00,000/- or more per month during any part of the said year.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for the co-operation and assistance received from the Customers, Bankers, Regulatory bodies, Stakeholders including financial Institutions and other business associates who have extended their valuable sustained support and encouragement during the year under review.

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

Place: Mumbai
Date: 5th September, 2012.

Anil Agrawal
Managing Director

Satyajit Das
Director

MANAGEMENT DISCUSSION AND ANALYSIS

FY2011-12: A Glance and Outlook

Financial year 2012 has been challenging for the Indian economy in the midst of global uncertainty and a host of domestic issues that hampered the growth of the Indian economy and dampened investor sentiments. According to Ministry of Statistics and Programme Implementation (MOSPI), Indian economy is estimated to grow at 6.9 percent in 2011-12 as compared to the growth rate of 8.4 percent in 2010-11. MOSPI expects slow growth in the sectors of agriculture, forestry and fishing (2.5 per cent), manufacturing (3.9 per cent) and construction (4.8 per cent). The growth in the mining and quarrying sector is estimated to be negative (-2.2 per cent).

The manufacturing sector is likely to show a growth of 3.9 per cent in GDP during during 2011-12 as against the growth of 7.6 per cent during 2010-11. The construction sector is likely to show a growth rate of 4.8 per cent during 2011-12 as against growth of 8 per cent in the previous year. The key indicators of construction sector, namely, cement production and steel consumption have registered growth rates of 5.3 per cent and 4.4 per cent, respectively during April-December, 2011-12.

Your Company

Established in 2006, Readymade Steel India Ltd is one of the pioneers in introducing the concept of ready-to-use steel for the construction industry in India. The company supplies ready-to-use steel used in construction activities to the growing infrastructure industry. Readymade Steel India Ltd's products are used by project contractors, real estate developers, etc.

Readymade Steel India Ltd's product range includes factory fabricated reinforcement steel bars cut into various shapes and sizes like cranked bars, stirrups, verticals, column/beam cages etc. as well as pre-fabricated beam cages. RMS' product range is used in construction activities in various sectors like roads, power plants, ports, airports, housing, bridges, metros, monorails etc. These product offerings are aimed at overcoming the time and space constraints of construction activities of the clients.

New Strategic Initiatives

Technical Collaboration with CABR Technology Co., Ltd, China

During the year under review, your company entered into a technical collaboration with China Academy of Building Research (CABR) Technology Co., Ltd, China, to facilitate manufacturing and marketing of mechanical splicing system & couplers in India as well as specified territories abroad.

Mechanical splicing system & couplers are widely used in the infrastructure sector such as buildings, bridges, hydraulic structures and nuclear power plants. CABR has won many national patents for its products. As per internal assessment, there is a huge and growing demand for the couplers and other similar products by the construction industry in India and under-penetrated neighbouring countries.

This reinforces your company's commitment towards bringing world class construction technologies to cater to the growing needs of the infrastructure sector in India.

Established in 1953, CABR, (China Academy of Building Research) is primarily engaged in the business of R&D of new building technologies. As a pioneer company in the building and construction sector in China, CABR caters to the needs of building and construction sector nationwide, putting forward solutions for the key technical problems met in engineering based on applied research and development, providing technical development and consulting services, and undertaking building design and construction activities.

Acquisition of Singapore based KH Foges Pte. Ltd.

During the year under review company initiated the process of identifying opportunities for inorganic growth and diversification of product and service portfolio coupled with geographical de-risking. The quest for this multifaceted search lead to acquisition of KH Foges Pte. Ltd., Singapore (KHF). The acquisition is value accretive to the shareholders of RMS and is expected to result in increased business strength and improved financial performance. The acquisition is significant considering the robust demand outlook in Singapore and growing demand for ground engineering solutions in India

The acquisition would result in diversifying the product and service portfolio of RMS complementing the vision of creating a complete infrastructure solutions company. At RMS, this acquisition is viewed as a step towards integration, diversification and value creation. It would assist your company to cast its mark in highly specialised segment of foundation engineering. The acquisition would help your company to provide more construction solutions in the value chain to address the construction industry's concern to ensure speedy turnaround time and maintain the edge with competitive costs.

KH Foges is a leading specialist contractor in foundation engineering works in Singapore established in the year 2004 with a total income of approx. S\$80mn (INR 350cr) and Net Profit of approx. S\$4.6 mn (INR 20 Cr) respectively for the year ended December 2011. KHF with a current order book of S\$75mn (INR 335 Cr.), expects to grow at a robust rate of 20-25% in the current year. KHF is supported by a strong team of 250 personnel in Singapore.

KH Foges provides a host of construction services, in Piling, Civil Engineering, Foundation, and Geotechnical Engineering Works which are briefly described hereunder

Bored Cast-in Place Concrete Piles

Concrete piles, bored and cast-in place, enable the economical installation of larger diameter piles and permit pile construction through particularly stiff or hard soil. 'Dry' and 'Wet' boring methods are used, depending on ground conditions.

Contiguous and Secant Pile Walls

The Pile walls are used to resist vertical loads, in addition to moments and horizontal forces commonly found in basement construction. Contiguous pile walls are constructed with bored piles having small gaps in between them. The size of this gap is determined by the nature of the soil to minimize "soil flow" into the excavation.

Driven Piles

Driven piles are prefabricated piles driven into the ground using a hydraulic hammer or a diesel pile driving rig.

Soldier Piles/King Posts

Soldier piles, or king posts, are constructed of wide flange steel H sections with spacing 2-4m apart, driven in before excavation. In basement wall construction, timber lagging is installed behind the steel H sections to shore up the cut soil face.

Financial Statement of KH Foges are included in Annual Report for benefits of member.

REVIEW OF OPERATIONS

During the year 2011-2012 your Company reported Sales of ₹ 7749.4lacs and earned profit after tax and exceptional item of ₹ 226.30 lacs.

The performance has been relatively stable as compared to last year partially due to overall economic slowdown and also because of the fact that your company decided to give high priority towards safety and conservation of resources amidst challenging market environment. As such, your company focussed on orders with decent margins from reputed customers while looking at the proposals involving high working capital and high credit demand from customers with a caution. The results at EBIDTA and PAT level are testimony to this conscious policy. During the year under review the company earned EBIDTA of ₹ 732.87 lacs against ₹ 561.69 lacs in 2010-11. The EBIDTA margins have jumped to 9.35% in current year from 5.56% in 2010-11. During the year under review, depreciation of the new facility at Khopoli impacted the financials (which increased by more than 350%) and the company reported PAT of ₹ 226.30 lacs in 2011-12, marginally lower than the PAT of ₹ 227.76 lacs reported last year.

Opportunities, Threats and Future Outlook:

The biggest opportunity before infrastructure sector is that there is enormous scope for infrastructure development across the length and breadth of the country. The benefits of public private partnership in infrastructure development are now visible in the form of large projects which have been successfully completed. Landmark ones which have been completed as per international standards are Yamuna Expressway, new Airports at Bangaluru and Hyderabad etc. India is one of the very few economies in the world which is growing at a commendable speed and promises a huge opportunity for core industries like steel, cement, construction etc. The transition of economy in the next decade offers tremendous opportunity for companies involved in core sector as well as service providers in the core sector.

Domestic slowdown is one of the major threats for the economy today casting its shadow on all the sectors of economy including construction and infrastructure, where your company operates. Global economic uncertainty and volatility in financial markets especially due to Euro Zone crisis, slowdown in USA etc. are other challenges with which the Indian economy and Indian Corporates need to deal with. While the domestic slowdown can be addressed to a large extent locally however the global situation is very complex and it seems that it will take some time before the international markets attain state of more stability and investor confidence.

Despite the current economic environment, we are optimistic that the long term growth trajectory of India marked by high paced GDP growth is intact and infrastructure sector will lead the economic development and revival of GDP growth. Having this long term belief in place while being equally aware and prepared for the current challenging economic environment, your company is focussing on long term value addition, conservation of resources and is cautiously optimistic approach towards the domestic growth.



OUTLOOK:

The business outlook for the current year is optimistic as the results of the acquisition of KH Foges Pte. Ltd., Singapore will start reflecting in the financials of your company and the newly acquired subsidiary is expected to report a strong performance in the current year. We expect a stable performance in domestic ready to use steel products business category and is dependent on the pace of economic revival.

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 statues 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 in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

ReadyMade Steel is committed to conducting its business based on the established standards of corporate governance. 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:

The Board of Directors of the Company has an optimum combination of Executive and Non – Executive Directors. The number of Non – Executive Directors is not less than 50% of the Board of the Directors.

The present Board of Directors of the Company comprises of one Executive Chairman and 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, 2012.

The particulars of Directors, their category, relationship interse, number of shares held, attendance and other directorship, membership/chairmanship of the Board of Directors / Committees are furnished below:

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	-	6	Yes
Mr. Satyajit Das (Appointed as an Additional Director w.e.f. 14/08/2012)	Executive Director	Nil	-	-	NA
Smt. Krishna Devi Agrawal (Resigned w.e.f. 05/09/2012)	Promoter Group / Non-Executive	Nil	-	6	No
Mr. Sandeep Mittal	Independent / Non-Executive Director	Nil	-	5	Yes
Mr. Mahesh Kumar Garg	Independent / Non-Executive Director	1	-	6	Yes
Mr. Abhijit Ranade	Independent/ Non- Executive Director	Nil	-	1	No

* 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.

Mr. Anil Agrawal, Chairman & Managing Director is son of Smt. Krishna Devi Agrawal.

Annual General Meeting (AGM) for the financial year 2010-11 was held on 30th September, 2011.

Six Board Meetings were held during the financial year 2011-12 on the following dates:

03/05/2011	07/07/2011	25/07/2011
03/09/2011	14/11/2011	14/02/2012

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 has laid down a code of Conduct for all the Board Members and Senior Management of the Company. The code of Conduct is posted on the company's web site .

The Declaration by the Managing Director affirming the compliance of the Code of Conduct by all the Board Members and Senior Management personnel is annexed separately in the Annual Report.

Board procedure

The Board meets atleast once in a quarter to inter alia, to review the quarterly performance and the financial results. The Board meetings are generally scheduled well in advance and the notice of each Board meeting is given in writing to directors of the Company. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in advance.

The information as specified in annexure IA to clause 49 of the listing Agreement is regularly placed before / made available to the Board, wherever applicable.

The Board periodically reviews compliance reports of various laws applicable to the Company.

I) AUDIT COMMITTEE

The Audit Committee was constituted by the Board of Directors at their meeting held on August 25, 2010, in line with the provisions of clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956. The Committee was, thereafter reconstituted on September 30, 2010. The Committee comprises of:

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

Composition and Attendance at Meeting

The Audit Committee has three members, namely non-executive- Independent Director as Chairman, non-executive independent director as member and Managing Director as member.

The Statutory Auditors & legal consultants of the Company were invitees to meeting of the Audit Committee.

The Company Secretary of the Company has acted as the secretary to the Committee.

The Internal Auditor of the Company reports to the Audit Committee with regards to the audit programme, observations and recommendations in respect of different areas of operations of the Company.

The Audit Committee generally meets once in a quarter to inter-alia, to review the quarterly performance and the financial results.

The Audit Committee met 3 times during the year on 03/09/2011, 14/11/2011 and 14/02/2012 and has been attended by the Chairman and members of the Committee.

The terms of reference/scope/role of the Audit Committee as follows:

- (a) Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- (c) Approving payment to statutory auditors for any other services rendered by the statutory auditors;

- (d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the report of the Board in terms of clause (2AA) of Section 217 of the Companies Act;
 - ii. Changes, if any, in accounting policies and practices along with reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report;
- (e) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (h) Discussing with the internal auditors any significant findings and follow up there on;
- (i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (j) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors as the case may be;
- (l) To Review the functioning of the Whistle Blower mechanism.
- (m) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

All the members of the Audit Committee are finance literate and do possess sound knowledge of accounts, finance, audit and taxation.

The minutes of the Audit Committee meeting form part of documents placed before the meeting of the Board of Directors. In addition the Chairman of the Audit Committee appraises the Board members about the significant discussion at Audit Committee meetings.

II) REMUNERATION COMMITTEE

The Remuneration-cum-Compensation Committee was constituted by our Board of Directors at its meeting held on August 25, 2010. The Remuneration-cum-Compensation Committee was thereafter re-constituted by our Board of Directors at its meeting held on September 30, 2010.

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) Terms of Reference

The Remuneration-cum-Compensation Committee of the Company reviews, assesses and recommends the performance of managerial personnel on a periodical basis and also reviews their remuneration package and recommends suitable revision to the Board.

ii) Composition and Attendance at Meeting

The Remuneration-cum-Compensation Committee comprises of two Non-Executive- Independent Directors and Managing Director as Member.

Mr. Mahesh Kumar Garg, Non - Executive Independent Director of the Company is the Chairman of the Committee.

The remuneration committee held on 14/02/2012 has been attended by the Chairman and members of the Committee

iii) 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.

The role of the Remuneration-cum-Compensation Committee has been defined to include the following:

- (a) The Remuneration Committee recommends to the board the compensation terms of the executive director(s).
- (b) Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOS, Pension Rights and any compensation payment;
- (c) To grant options, to vest the options and to exercise the options under the RMS ESOS 2010;
- (d) Considering approving and recommending to the Board the changes in designation and increase in salary of the executive director(s)
- (e) Ensure the remuneration policy is good enough to attract, retain and motivate employees.
- (f) Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

A. Non Executive Director's Remuneration

The Non-Executive Directors are paid sitting fee of ₹ 5000/- for every meeting of the Board or any Committee attended by them.

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

Name of Director	Category	Sitting Fees (₹)
Mr. Mahesh Kumar Garg	Independent /Non Executive Director, Chairman	30000
Mr. Sandeep Mittal	Independent/ Non Executive director	30000
Mr. Abhijit Ranade	Independent/ Non Executive director	5000
Smt. Krishna Devi Agrawal	Non Independent/ Non Executive director	15000

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.

1. The Company does not have policy of paying commission on profits to Non - Executive director of the Company.
2. Presently, the Company has devised ESOS Plan for employees and non promoter directors of the Company.

III) SHAREHOLDER'S GRIEVANCE COMMITTEE/ SHARE TRANSFER COMMITTEE

i) Terms of reference

The terms of reference of the Committee include redressing Shareholders complaints 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. Smt. Krishna Devi Agrawal – Member

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

Mr. Umakanta Das, Company Secretary of the Company is Compliance Officer of the Company till 31/01/2012 and subsequently Mr. Amit Surase was appointed as Company Secretary and Compliance officer of the Company.

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

During the year under review no compliant (s) have been received by the Company from Investor (s) & no Complaints were pending at the beginning of the year.

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
2010-11 5 th AGM	Country Club, A/723, Opp Kia Park, Veera Desai Road, Prathmesh Complex, Andheri (West), Mumbai – 400 053	30 th September, 2011	04.00 P.M	NIL
2009-10 4 th AGM	203, Joshi Chambers, Ahmedabad Street, Carnac Bunder, Mumbai- 400 009	29 th September, 2010	11.00 A.M.	6
2008-09 3 rd AGM	203, Joshi Chambers, Ahmedabad Street, Carnac Bunder, Mumbai- 400 009	23 rd 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	5 th Annual General Meeting held on 30 th September, 2011	NIL
2	4 th Annual General Meeting held on 24 th August, 2010	<ul style="list-style-type: none"> • Appointment of Mr. Anil Agrawal as Managing Director • Further Issue of Equity shares through IPO • Increase Borrowing Powers of the Board • Change of Place of Keeping Register of member, annual returns etc. • Approval for the RMS ESOS scheme 2010 • Further issue of equity shares (185000 shares)
3	2008-09 3 rd AGM held on	NIL

- During last three financial years, no resolution (s) were passed through Postal Ballot
- Following resolutions were conducted by Postal Ballot during May-June 2012 and same were taken as passed pursuant to Scrutinizer's report dated 8th 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. 2011-2012. The details of transaction between the Company and the related parties are given for information under Note No. 10 under Schedule 26 Significant Accounting Policies 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 strictures have been imposed on the Company by any of the above mentioned authorities.
- The Company has already put in place a system for employees to report to the management about concerns relating to unethical behavior, any fraud or violation of Company's Code of Conduct and the access has been provided upto the higher level of supervision including the Audit Committee.
- 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.
- During the financial year under review, the Company has raised funds through IPO.
- 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.
- The Company has formulated and laid down a procedure on risk assessment and minimization. These procedures have been considered by the Board and a properly defined framework is being laid down to ensure that executive management controls the identified risks.
- Management Discussion and Analysis Report forms part of the Annual Report.

6. MEANS OF COMMUNICATION

The Company would communicate Un-audited and Audited Financial Results, through news papers having wide circulation in regional and English language.

The said financial results would be displayed on the Company's website i.e.

7. GENERAL SHAREHOLDERS INFORMATION

- a. **Date and Time of AGM** : Saturday, 29th September, 2012 at 10:00 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** : 1st April 2011 to 31st March 2012

d. Financial Calendar (Provisional) for 1st April, 2012 – 31st March, 2013

- 1st Quarterly Result : On or before 14th August, 2012.
 2nd Quarterly Result : On or before 14th November, 2012.
 3rd Quarterly Result : On or before 14th February, 2013.
 4th Quarterly Result : On or before 14th June, 2013

e. Book Closure dates : 22/09/2012 to 29/09/2012 (both days inclusive)

g. Listing on Stock Exchanges: 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 31st March, 2012.

No. of Equity Shares Held	No of Shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 5000	1452	84.8627	178222	1.5209
5001 to 10000	122	7.1303	101213	0.8637
10001 to 20000	35	2.0456	56427	0.4815
20001 to 30000	14	0.8182	36321	0.3099
30001 to 40000	5	0.2922	18365	0.1567
40001 to 50000	7	0.4091	33136	0.2828
50001 to 100000	16	0.9351	135855	1.1593
100001 & Above	60	3.5067	11158814	95.2251
Total	1711	100	11718353	100

n. Categories of Shareholding as on 31st March, 2012

SHAREHOLDING PATTERN		
Category of Shareholders	No. of shares held	%
Promoters and Promoters Group	7551200	64.44
Bodies Corporate	2076986	17.73
Indian public	2082875	17.77
Clearing Members	5542	0.05
Non Resident Indians	1750	0.01
GRAND TOTAL	11718353	100

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

p. Dematerialization of Equity shares : 95.45% (NSDL and CDSL)

- q. **Out-standing GDRs/ADRs/
Warrants or any Convertible Instruments** : NIL
- r. **Plant Location** : Village – Vanathe, Khopoli, Village Vanvathe, Taluka
Khalapur, District Raigad
- 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

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) Training of Board Members

The Directors interact with the management in a very free and open manner on information that may be required by them for orientation with the business of the Company.

(4) 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 31st March 2012

Place: Mumbai
Date: 5th September, 2012

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 31st March, 2012, 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: 5th September, 2012

CERTIFICATION BY MANAGING DIRECTOR

As the Managing Director (CFO) 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 31st March 2012 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) The Company's other officers and I are responsible for establishing and maintaining internal controls for financial reporting and we 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: 5th September, 2012

AUDITORS' REPORT TO THE MEMBERS OF READYMADE STEEL INDIA LIMITED.

We have audited the attached Balance Sheet of Readymade Steel India Limited (the Company) as at 31st March 2012 and the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 1) 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.
- 2) As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to information and explanation given to us during the course of our audit, we enclose in the Annexure, our report on the matters specified in paragraph 4 & 5 of the said order to the extent applicable to the company.

We report that :

- (a) We have obtained all the information and the 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 the books;
- (c) the Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet and the Statement of Profit and Loss, read together with the notes thereon, dealt with by this report comply in material respects with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956
- (e) on the basis of the written representations received from the Directors, which have been taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956.
- (g) In our opinion, and to the best of our information and according to the explanations given to us the said accounts, read together with the notes thereon, give the information required by the companies Act, 1956, in the manner so required, and give a true and fair view :
 - (i) In the case of the Balance Sheet, of the state of the Company's affairs as at March 31, 2012;
 - (ii) In the case of the Statement of Profit and Loss, of the profit of the company for the year ended on that date.
 - (iii) In the case of the Cash flow statements of the cash flows for the period ended March 31, 2012

For MKPS & Associates
Chartered Accountants

Narendra Khandal
Partner
Membership No. 065025

Place: Mumbai
Date: 5th September, 2012

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 2 of the auditors' report to the members of Readymade Steel India Limited, on the accounts for the year ended on **March 31, 2012**

- 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.
- 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 ₹ 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 generally commensurate with the nature and size of 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 2011 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. The company has been generally regular in paying the interest and principal amount in respect of the loans taken from the banks / FI.
- 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 has not allotted any shares on preferential basis.
b) During the year 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 verified.
- 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**

Narendra Khandal
Partner
Membership No. 065025

Place: Mumbai
Date: 5th September, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Schedule No.	As at 31.03.2012		As at 31.03.2011	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
I. EQUITY & LIABILITIES					
(1) Shareholders' funds					
a) Share Capital	1	117,183,530		79,297,000	
b) Reserves & Surplus	2	<u>395,967,507</u>	513,151,037	<u>44,206,494</u>	123,503,494
(2) Non Current Liabilities					
a) Long term borrowings	3	124,148,797		119,360,065	
b) Deferred Tax Liabilities	4	9,812,307		9,482,522	
c) Other Long term liabilities	5	264,606		465,403	
d) Long - term provisions	6	<u>233,431</u>	134,459,141	<u>233,431</u>	129,541,421
(3) Current Liabilities					
a) Short Term Borrowings	7	51,159,863		44,047,049	
b) Trade Payables	8	75,142,294		212,988,408	
c) Other Current Liabilities	9	99,515,899		101,218,867	
d) Short-term provisions	10	<u>5,784,877</u>	<u>231,602,933</u>	<u>7,873,630</u>	<u>366,127,953</u>
TOTAL			<u>879,213,110</u>		<u>619,172,868</u>
II. ASSETS					
(1) Non - Current Assets					
a) Fixed Assets					
i) Tangible Fixed Assets	11	155,240,753		147,436,328	
ii) Intangible Fixed Assets		-		-	
iii) Capital Work in Progress	12	<u>23,284,438</u>	178,525,191	<u>8,881,807</u>	156,318,136
b) Long Term Loans and Advances	13	37,784,175		15,149,292	
c) Other non-current assets	14	<u>9,933,300</u>	47,717,475	-	15,149,292
(2) Current Assets					
a) Inventories	15	133,328,354		34,297,454	
b) Trade Receivables	16	347,248,161		337,015,839	
c) Cash and Cash Equivalents	17	53,975,513		58,935,967	
d) Short Term Loans and Advances	18	22,367,418		4,587,716	
e) Other Current Assets	19	<u>96,050,998</u>	<u>652,970,444</u>	<u>4,661,404</u>	<u>439,498,380</u>
TOTAL			<u>879,213,110</u>		<u>610,965,808</u>
Significant Accounting Policies	26		<u>1</u>		<u>(8,207,060)</u>

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

Mumbai
Date: 5th September, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Schedule No.	2011-12	2010-11
		Amount (₹)	Amount (₹)
I. Revenue from Operations	20	774,942,645	1,010,548,176
II. Other income	21	8,761,118	178,140
III. Total Revenue (I + II)		<u>783,703,763</u>	<u>1,010,726,315</u>
IV. Expenses			
Cost of materials consumed			
Purchases of Stock-in-Trade	22	766,100,912	852,268,045
Changes in inventories of finished goods work-in-progress and Stock-in-Trade. (Increase)/ Decrease		(99,030,900)	37,920,693
Employee benefits expense	23	14,921,559	16,318,940
Finance costs	24	28,368,070	15,293,347
Depreciation		16,173,852	3,453,792
Other Expenses	25	28,425,331	48,048,804
Total Expenses		<u>754,958,825</u>	<u>973,303,621</u>
V. Profit before exceptional and extraordinary items and tax		28,744,937	37,422,695
EBITD		73,286,860	56,169,834
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		28,744,937	37,422,695
VIII. Extraordinary Items			
IX. Profit before tax		28,744,937	37,422,695
X. Tax expense:			
(1) Current tax		5,784,877	7,975,751
(2) Deferred tax		329,785	6,670,100
XI. Profit for the year after tax		22,630,275	22,776,844
Earnings Per Share			
Basic		2.10	2.99
Diluted		2.10	2.99

In terms of our report of even date

For MKPS & Associates
CHARTERED ACCOUNTANTS
FRN : 302014E

CA Narendra Khandal
PARTNER
M No. 065025
Mumbai
Date: 5th September, 2012

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

Anil Agrawal
DIRECTOR

Satyajit Das
DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	FY 2011-12 Amount (₹)	FY 2010-11 Amount (₹)	FY 2009-10 Amount (₹)
Cash flow from Operating Activities			
Net Profit before tax and adjustment of extraordinary items net of prior year adjustment	28,744,937	37,543,031	7,861,783
Adjustments for			
Depreciation	16,173,852	3,453,792	2,924,744
Preliminary expenses	-	45,715	
Profit / (loss) on sale of assets	-	(4,646)	-
Exchange Gain		(10,045)	
Interest received	(3,124,992)	(92,673)	75,041
Interest & Finance charges	28,368,070	15,293,347	9,880,951
Operating Profit before working capital changes	70,161,868	56,228,520	20,742,519
Working Capital Changes / Adjustments for			
Inventories	(99,030,900)	38,408,118	(55,460,774)
Receivables	(10,232,322)	(167,045,022)	(158,152,917)
Loans & Advances and Other Current Assets	(141,737,479)	(25,061,229)	1,168,292
Trade Payables and Other current liabilities	(221,559,582)	135,109,796	141,496,598
Cash generated from operations	(472,560,283)	(18,588,338)	(70,948,801)
Direct Taxes paid (other than Advance payments)	-	-	-
Net cash from (used in) operating activities (A)	(402,398,416)	37,640,183	(50,206,282)
Cash flow From Investing Activities			
Purchase of Fixed Assets	(29,562,150)	(74,329,964)	(6,623,039)
Sale of Fixed Assets		50,000	23,505,000
Interest received	(3,124,992)	92,673	75,041
Net Cash from (used in) investing activities	(32,687,142)	(74,187,291)	16,957,002
Cash flow From Financing Activities			
Proceed from issue of share Capital & Share Premium	470,254,824	28,127,500	32,762,000
Proceed from Borrowings	11,901,547	90,642,296	12,031,233
Interest and finance charges	(28,368,070)	(15,293,347)	(9,880,951)
Preliminary expenses	(31,870,256)	(10,331,545)	
Net cash from financing activities	421,918,044	93,144,904	34,912,282
Total Cash Inflow(1+2+3)	(13,167,513)	56,597,796	1,663,002
Net Increase/Decrease in cash or cash Equivalent	(13,167,513)	56,597,796	1,663,002
Cash & Cash Equivalent at the beginning of the Year	58,935,967	2,338,170	674,512
Cash and Cash Equivalent at the end of the year	53,975,513	58,935,967	2,337,514

In terms of our report of even date

For MKPS & Associates
CHARTERED ACCOUNTANTS
FRN : 302014E

CA Narendra Khandal
PARTNER
M No. 065025

Mumbai
Date: 5th September, 2012

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

Anil Agrawal
DIRECTOR

Satyajit Das
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2012		As at 31.03.2011	
	Numbers	Amount (₹)	Numbers	Amount (₹)
1 SHARE CAPITAL				
Authorized Capital				
15000000 Equity Shares of Rs 10 each (1500000 equity share of ₹ 100 each)	<u>15,000,000</u>	<u>150,000,000</u>	<u>15,000,000</u>	<u>150,000,000</u>
Issued, Subscribed & Paid up				
11718353 Equity Shares of ₹ 10 each (7929700 Equity share of Rs 100 Each)	11,718,353	117,183,530	7,929,700	79,297,000
	<u>11,718,353</u>	<u>117,183,530</u>	<u>7,929,700</u>	<u>79,297,000</u>

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	7,929,700	79,297,000	7,551,200	75,512,000
Shares at the issued during the year	3,788,653	37,886,530	378,500	3,785,000
Shares outstanding as at the end of the year	<u>11,718,353</u>	<u>117,183,530</u>	<u>7,929,700</u>	<u>79,297,000</u>

b) Shares reserved for issue under options The company subject to the approval of the members in the ensuing AGM shall issue ESOS and the maximum number of shares reserved for the same is 116,000.

d) Shareholders holding more than 5% shares

Name of the shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Anil Agarwal	5265000	44.93	5265000	66.40
Kridhan Infrastructure (P) Ltd	2276200	19.42	2276200	28.70

e) Rights and Preference attached The company has only one class of equity shares having par value of ₹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 RESERVES AND SURPLUS

Particulars	As at 31.03.2012		As at 31.03.2011	
Securities Premium Account				
Opening Balance as the beginning of the year	24,342,500		-	
Add: Additions during the year	361,000,994		24,342,500	
Less: Utilised during the year				
Closing Balance as at the year end		<u>385,343,494</u>		<u>24,342,500</u>
Issue and Other Expenses				
Opening Balance	(11,260,123)		(975,000)	
Add: Incurred during the year	(31,870,256)		(10,285,123)	
Closing Balance		(43,130,379)		(11,260,123)
Statement of Profit and Loss Account				
Opening Balance as the beginning of the year	31,124,117		8,347,272	
Add: Additions during the year from Statement of Profit & Loss	22,630,275		22,776,845	
Less: Utilised during the year				
Closing Balance as at the year end		<u>53,754,392</u>		<u>31,124,117</u>
Total Reserves & Surplus		<u>395,967,507</u>		<u>44,206,494</u>

NOTES TO THE FINANCIAL STATEMENTS

3 LONG TERM BORROWINGS	₹	
Particulars	As at 31.03.2012	As at 31.03.2011
Secured Term Loan from Banks	122,094,705	116,364,055
Term Loan from Union Bank of India	99,447,100	115,411,424
Vehicle Loan from Union Bank of India	593,763	952,631
Foreign Currency Term Loan from Union Bank of India	20,000,000	-
Loan from HDFC Bank Ltd	2,053,842	-
Secured Term Loan from Financial Institution(s)	2,054,092	2,996,010
Vehicle Loan from L&T Finance Ltd.	2,054,092	2,996,010
Total Long Term Borrowings	<u>124,148,797</u>	<u>119,360,065</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 having value of 395.00 Lacs		
ii) Further secured by Personal Guarantee of Anil Agrawal and Smt. Krishna Devi Agarwal		
b) Repayment Schedule		
The term loans are repayable in 72 EMI commencing from April 2009		
4 DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liability		
Timing Difference on account of difference in depreciation and Gratuity	9,812,307	9,482,522
Deferred Tax Asset	-	-
Deferred Tax Liability	<u>9,812,307</u>	<u>9,482,522</u>
5 OTHER LONG TERM LIABILITIES		
a) Trade Payables		
-- to related parties	-	-
-- to others	-	-
b) Others	264,606	465,403
Other Long Term Liabilities	<u>264,606</u>	<u>465,403</u>
6 OTHER LONG TERM PROVISIONS		
Provision for Employee benefits	233,431	233,431
Other Long Term Provisions	<u>233,431</u>	<u>233,431</u>
7 SHORT TERM BORROWINGS		
Secured		
Working Capital facilities from Bank	51,159,863	44,047,049
Short Term Borrowings	<u>51,159,863</u>	<u>44,047,049</u>

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

NOTES TO THE FINANCIAL STATEMENTS

8 TRADE PAYABLES	₹	
Particulars	As at 31.03.2012	As at 31.03.2011
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	75,142,294	212,988,408
Trade Payables	<u>75,142,294</u>	<u>212,988,408</u>
<p>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.</p>		
9 OTHER CURRENT LIABILITIES		
Current Liabilities of long term debts		
Interest accrued but not due on borrowings		
Interest accrued and due on borrowings		
Other Payables:		
- Statutory Dues	4,899,152	7,567,148
- Creditors for Capital Expenditure	3,037,834	2,921,500
- Creditors for Revenue Expenditure	12,507,126	17,200,962
- Security Deposit and Retention Money Payable		
- Others	79,071,788	73,529,257
Other Current Liabilities	<u>99,515,899</u>	<u>101,218,867</u>
10 SHORT TERM PROVISIONS		
Provision for Tax	5,784,877	7,975,751
Less: Adjustments for earlier years		- 7,975,751
Suspense		(102,121)
Short Term Provisions	<u>5,784,877</u>	<u>7,873,630</u>

NOTES TO THE FINANCIAL STATEMENTS

11 Fixed Assets	Name of the Asset	Rate of Deprn.	As on		As on 31-03-12	As on 04/01/2011	For the year	Adjustment	Profit on sale	As on 31-03-12	As on 31-03-12	As on 31-03-11
			04/01/2011	Addition								
	Land & Land Development	0.00%	21,917,053	1,311,723	23,228,776	-	0			-	23,228,776	21,917,053
	Factory Building	3.34%	11,416,550	19,840,728	11,416,550	1,333,396	381,313			1,714,709	9,701,841	10,083,154
	Plant & Machineries	4.75%	101,576,652	90,567	121,417,380	6,468,754	5,378,900			11,847,654	109,569,727	95,107,898
	Computer & Accessories	16.21%	6,268,323	757,163	6,358,890	305,614	1,025,692			1,331,306	5,027,585	5,962,709
	Furnitures & Fixtures	6.33%	3,588,924	2,772,378	4,346,087	420,803	258,174			678,977	3,667,110	3,168,121
	Vehicles	9.50%	1,821,177	9,613,041	4,593,555	189,173	391,053			580,226	4,013,329	1,632,004
	Temporary Structure	100%	9,613,041	34,000	-	81,652	8,737,107	8,818,759		-	-	9,531,389
	Trade Mark	4.75%	34,000	24,772,560	34,000	-	1,615			1,615	32,385	34,000
	Capital Work in Progress		156,235,720	14,402,631	171,395,239	8,799,392	16,173,852			16,154,486	155,240,753	147,436,328
	Total		8,881,807	39,175,191	23,284,438	-	16,173,852	8,818,759		-	23,284,438	8,881,807
	Previous Year Figures		165,117,527	194,679,677	178,525,191	16,154,486	8,818,759			156,318,135		

NOTES TO THE FINANCIAL STATEMENTS

13	LONG TERM ADVANCES			
	Capital Advances	37,784,175		15,149,292
	<i>Long Term Advances</i>	<u>37,784,175</u>		<u>15,149,292</u>
14	OTHER NON CURRENT ASSETS			
	Retention Money, Deposits, Credit Receivable and Others	9,933,300		8,207,060
	<i>Other Non Current Assets</i>	<u>9,933,300</u>		<u>8,207,060</u>
15	INVENTORIES			
	<i>(As certified and valued by the management)</i>			
	Consumables & General Stores	261,172		261,172
	Stock in Hand	133,067,182		34,036,282
	<i>Inventories</i>	<u>133,328,354</u>		<u>34,297,454</u>
16	TRADE RECEIVABLES			₹
	Particulars	As at 31.03.2012		As at 31.03.2011
	Unsecured, Considered Good Over six months from Due date			
	Others	347,248,161		337,015,839
	<i>Out of which due from related parties</i>			
	<i>Trade Receivables</i>	<u>347,248,161</u>		<u>337,015,839</u>
17	CASH AND CASH EQUIVALENT			
	Cash on Hand	2616673.84		3,556,624
	Balance with Bank in current account(s)	448,834		52,196,437
	<i>Fixed Deposit including Accrued interest</i>	50,910,005	53,975,513	3,182,906
	<i>Cash and Cash Equivalent</i>	<u>53,975,513</u>		<u>58,935,967</u>
18	SHORT TERM LOANS AND ADVANCES			
	Unsecured, Considered Good			
	Related Party	-		-
	ICD Given	15,245,775		
	Staff Advances	1,168,641		1,166,917
	Security Deposits	1,743,000		-
	Others	4,210,002		3,420,799
	<i>Short Term Loans and Advances</i>	<u>22,367,418</u>		<u>4,587,716</u>
19	OTHER CURRENT ASSETS			
	VAT Paid (pending scrutiny)	2,225,359		
	Prepaid Expenses	127,113		71,176
	Advance to Suppliers	82,216,020		9,938
	TDS, Advance Tax and other tax credits available	4,456,840		4,580,290
	Expenses for Acquisition	7,025,666		
	<i>Other Current Assets</i>	<u>96,050,998</u>		<u>4,661,404</u>
20	REVENUE FROM OPERATIONS			
	Sale of Goods	702,734,904		886,944,021
	Income from Services	72,207,741		123,604,155
	<i>Revenue from Operations</i>	<u>774,942,645</u>		<u>1,010,548,176</u>

NOTES TO THE FINANCIAL STATEMENTS

21 OTHER INCOME

Other Operating Income

Discount	105,000	14,427
Others	2,516,498	45,701
<i>BBS Charges</i>	<i>6655.00</i>	
<i>Carriage Outward</i>	<i>452344.00</i>	
<i>Discount Received</i>	<i>29153.75</i>	45,701
<i>Late Payment Charges</i>	<i>1980589.00</i>	
<i>Loading Charges(l)</i>	<i>47756.25</i>	
Non Operating Income	6,139,620	118,012
<i>Misc. Income</i>	<i>204860.00</i>	25,339
<i>Interest on F.D. with Union Bank</i>	<i>3124992.00</i>	92,673
	<i>2809768.00</i>	
Other Income	<u>8,761,118</u>	<u>178,140</u>

22 PURCHASES

Particulars

As at 31.03.2012

As at 31.03.2011

Traded Inventory	762,667,690	846,791,051
Direct Costs	840,295	357,599
Purchases	<u>766,100,912</u>	<u>852,268,045</u>

23 EMPLOYEE COSTS

Salaries and Wages	13,721,880	13,840,370
Employee welfare and other expenses including Bonus	1,199,679	2,478,570
Employee Costs	<u>14,921,559</u>	<u>16,318,940</u>

24 FINANCEC COSTS

Interest & Discounting Charges paid to Bank(s) and FI	26,647,551	14,840,485
Interest paid to Others	265,299	
Other Charges	1,455,220	452,862
Finance Cost	<u>28,368,070</u>	<u>15,293,347</u>

25 OTHER EXPENSES

Factory Expenses	18,867,412	26,413,410
Administrative, Selling and Other Expenses	9,557,919	21,635,394
Employee Costs	<u>28,425,331</u>	<u>48,048,804</u>

26 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 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.

NOTES TO THE FINANCIAL STATEMENTS

(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 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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) Contingent liabilities not provided for; (₹ In lacs)

Counter guarantees in respect of Bank Guarantees given to the parties	Nil
	(147.58)
Corporate Guarantees issued to parties	69.92
	(60.00)
Income tax and sales tax liabilities in respect of pending assessments, remain unprovided.	Not Ascertainable

2 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.

3 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.

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

5 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.

6 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.

7 LICENSED AND INSTALLED CAPACITIES AND PRODUCTION:

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

NOTES TO THE FINANCIAL STATEMENTS

8 PURCHASE OF INVENTORY	Value ₹
Imports	0
	0
Indigenous	762667690.1
	(846791051)
	<u>762667690</u>
	<u>(846791051)</u>

Quantitative Details of Sales / Purchase / Processed

	Qty. In tonnes
Opening Stock	944.79
Purchases / Inwards	18,844.54
	19,789.33
Sales / Outwards	16,516.93
Closing Stock	3,272.40

9 Segment Reporting

The company operates in only one segment. Hence, there are no other reportable segment as per AS - 17 issued by the Institute of Chartered Accountants of India.

10 Related Party Transaction (AS 18)

Sr. No.	Name of the Party	Relationship	Nature of Transaction	Volume of Transaction during the period 01-04-11 to 31-03-12	Amount outstanding as on 31-03-12
1	Anil Agrawal	KMP	Shares Alloted	Nil (52650000)	52650000 (52650000)
2	Kridhan Infrastructures (P) Ltd	KMP interested concern	Shares Alloted	Nil (22762000)	22762000 (22762000)
3	Krishna Devi Agrawal	KMP	Nil	Nil	Nil
4	Krishna Trading Corporation	KMP interested concern	Purchases	336068 (28965159)	Nil (Nil)
5	Krishna Trading Corporation	KMP interested concern	Misc Transaction	Nil (923071)	Nil (Nil)
6	Kridhan Infrsolutions (P) Ltd	KMP interested concern	Sales	18848201 (6455003)	Nil (Nil)
7	Kridhan Infrsolutions (P) Ltd	KMP interested concern	Purchases	7254363 (563220)	Nil (Nil)
8	Kridhan Infrsolutions (P) Ltd	KMP interested concern	Misc Transaction	Nil (400000)	Nil (Nil)
9	Kridhan Infrastructures (P) Ltd	KMP interested concern	Misc Transaction	78313320 (Nil)	Nil (Nil)
10	Easy Accountants (P) Ltd	KMP interested concern	Recd from party	Nil (83511)	Nil (Nil)
11	Kridhan Petrochemicals Pvt. Ltd.	KMP interested concern	Purchases	146166 (Nil)	Nil (Nil)

NOTES TO THE FINANCIAL STATEMENTS

11 Earnings per Share (EPS)

The Computation of EPS is set out below :

Particulars	For the year ended 31st March 2012 Basic & Diluted	For the year ended 31 March, 2011 Basic & Diluted
Earnings		
Net Profit for the year	22630275.4	22897180
Shares		
Number of Shares at the beginning of the year	7927000	7551200
Equity Shares allotted during the year	3788653	375800
Total number of Equity Shares outstanding during the year	11715653	7927000
Weighted average number of equity shares outstanding during the year - Basic	10798127	7668380
Weighted average number of equity shares outstanding during the year - Diluted	10798127	7668380
Face Value	10	10
Earnings per share Basic	2.10	2.99
Earnings per share Diluted	2.10	2.99

Note:

A) Diluted EPS has been calculated by increasing the weighted average shares corresponding to the shares under ESOS

- 12 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.
- 13 Statement of Utilisation of IPO Proceeds

	<i>₹ In Lacs</i>
Amount Received from IPO	3,474.53
Capital Expenditure including capital advances	413.70
Issue Expenses	382.61
Margin Money	115.00
General Corporate Purpose Expenses	120.25
Total	1,031.56
Unutilised Amount retained in business	2,442.97

- 14 During the year the revised Schedule VI of the companies Act, has become applicable. Pursuant to which the company has made the requisite disclosure for the same in compliance thereof. Accordingly, the previous years figures have been regrouped for the purpose of comparison as also for compliance with the requirement of Revised Schedule VI.

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 **Satyajit Das**
DIRECTOR **DIRECTOR**

CA Narendra Khandal
PARTNER
M No. 065025
Mumbai
Date: 5th September, 2012

STATEMENT OF INCOME OF KH FOGES PTE. LTD AS ON 31ST DECEMBER, 2011

	2011	2010
	\$	\$
Revenue and income		
Revenue	79,697,453	48,279,567
Other income	503,384	225,166
	<u>80,200,837</u>	<u>48,504,733</u>
Costs and expenses		
Cost of goods sold	(65,213,314)	(39,615,612)
Staff costs	(4,431,716)	(3,427,607)
Depreciation expense	(2,589,390)	(1,976,533)
Other operating expenses	(2,024,918)	(1,155,013)
	<u>5,941,499</u>	<u>2,329,968</u>
Profit from operations	5,941,499	2,329,968
Finance costs	(394,953)	(332,875)
	<u>5,546,546</u>	<u>1,997,093</u>
Profit before taxation	5,546,546	1,997,093
Taxation	(936,809)	(347,689)
	<u>4,609,737</u>	<u>1,649,404</u>
Profit for the year	4,609,737	1,649,404
Other comprehensive income:		
Foreign currency translation	(6,092)	-
Other comprehensive income for the year, net of year	(6,092)	-
	<u>4,603,645</u>	<u>1,649,404</u>
Total comprehensive income for the year	4,603,645	1,649,404
Profit attributable to:		
Owners of the Company	4,596,930	1,644,780
Non-controlling interests	6,715	4,624
	<u>4,603,645</u>	<u>1,649,404</u>

BALANCE SHEETS OF KH FOGES PTE. LTD AS ON 31ST DECEMBER, 2011

	Group		Company	
	2011 \$	2010 \$	2011 \$	2010 \$
ASSETS				
Non-current assets				
Property, plant and equipment	20,231,628	17,464,887	18,617,348	16,412,461
Investment property	458,667	466,667	458,667	466,667
Investment in subsidiaries	–	–	274,748	124,748
	<u>20,690,295</u>	<u>17,931,554</u>	<u>19,350,763</u>	<u>17,003,876</u>
Current assets				
Amount due from subsidiary	–	–	1,932,373	1,450,718
Prepayments	78,767	54,368	78,767	54,218
Other receivables and deposits	350,051	178,912	245,420	158,206
Trade receivables	12,484,107	9,335,790	12,484,107	9,196,977
Gross amount due from customers for contract work-in-progress	16,421,141	5,847,565	16,421,141	5,847,565
Cash and cash equivalents	1,904,573	415,066	1,638,298	164,970
	<u>31,238,639</u>	<u>15,831,701</u>	<u>32,800,106</u>	<u>16,872,654</u>
Total assets	<u>51,928,934</u>	<u>33,763,255</u>	<u>52,150,869</u>	<u>33,876,530</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	12,784,817	8,153,437	12,773,206	8,149,295
Other payables and accruals	6,084,344	1,552,308	6,078,731	1,463,705
Amount due to subsidiary	–	–	475,434	343,382
Amount due to director	–	104,326	–	104,326
Hire purchase creditors	2,795,948	2,457,073	2,795,948	2,457,073
Loans and borrowings	2,321,297	36,588	2,321,297	36,588
Provision for taxation	592,638	78,198	544,830	46,506
	<u>24,579,044</u>	<u>12,381,930</u>	<u>24,989,446</u>	<u>12,600,875</u>
Net current assets	<u>6,659,595</u>	<u>3,449,771</u>	<u>7,810,660</u>	<u>4,271,779</u>
Non-current liabilities				
Hire purchase creditors	5,059,331	4,075,827	5,059,331	4,075,827
Loans and borrowings	378,680	382,404	378,680	382,404
Deferred tax liabilities	1,367,540	982,400	1,367,540	982,400
	<u>6,805,551</u>	<u>5,440,631</u>	<u>6,805,551</u>	<u>5,440,631</u>
Total liabilities	<u>31,384,595</u>	<u>17,822,561</u>	<u>31,794,997</u>	<u>18,041,506</u>
Net assets	<u>20,544,339</u>	<u>15,940,694</u>	<u>20,355,872</u>	<u>15,835,024</u>
Equity attributable to owners of the Company				
Share capital	5,000,000	5,000,000	5,000,000	5,000,000
Foreign currency translation reserve	(7,679)	(1,587)	–	–
Retained earnings	15,542,194	10,939,172	15,355,872	10,835,024
	<u>20,534,515</u>	<u>15,937,585</u>	<u>20,355,872</u>	<u>15,835,024</u>
Non-controlling interests	9,824	3,109	–	–
	<u>20,544,339</u>	<u>15,940,694</u>	<u>20,355,872</u>	<u>15,835,024</u>
Total equity and liabilities	<u>51,928,934</u>	<u>33,763,255</u>	<u>52,150,869</u>	<u>33,876,530</u>

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
Operating activities		
Profit before taxation	5,546,546	1,997,093
Adjustments for:		
Interest income	(15)	(4,732)
Depreciation of investment property	8,000	13,333
Depreciation of property, plant and equipment	2,581,390	1,963,200
Net loss on disposal of property, plant and equipment	333,063	719
Property, plant and equipment written off	91,468	–
Interest expenses	394,953	332,875
Loss/(gain) on investments	652,568	(30,665)
Foreign exchange difference	(6,092)	–
Operating cash flow before working capital changes	<u>9,601,881</u>	<u>4,271,823</u>
<i>Working capital changes:</i>		
Increase in trade receivables	(13,721,893)	(7,134,545)
Increase in other receivables, prepayments and deposits	(195,538)	(134,933)
Decrease in amount due from related party	–	313,483
Decrease in amount due to holding company	–	(1,534,380)
Increase in trade payables	4,631,380	4,021,769
Increase in other payables and accruals	<u>4,334,275</u>	<u>276,730</u>
Cash flows from operations	<u>4,650,105</u>	<u>79,947</u>
Interest income received	15	4,732
Tax paid	(37,229)	(434,753)
Interest expenses paid	<u>(394,953)</u>	<u>(332,875)</u>
Net cash flow generated from/(used in) operating activities	<u>4,217,938</u>	<u>(682,949)</u>
Cash flows from investing activities:		
Acquisition of subsidiary	(454,807)	226,855
Purchase of property, plant and equipment	(2,209,394)	(2,170,291)
Proceeds from disposal of property, plant and equipment	905,172	137,206
Net cash flow used in investing activities	<u>(1,759,029)</u>	<u>(1,806,230)</u>
Cash flows from financing activities:		
Amount due to director	(104,326)	46,326
Proceeds from/(repayments to)loans and borrowings	2,280,985	(1,360,787)
Repayment of hire purchase obligations	(3,146,061)	(2,042,140)
Issuance of ordinary shares	–	3,500,000
Net cash flow generated from financing activities	<u>(969,402)</u>	<u>143,399</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,489,507</u>	<u>(2,345,780)</u>
Cash and cash equivalents at beginning of the year	415,066	2,760,846
Cash and cash equivalents at end of the year	<u><u>1,904,573</u></u>	<u><u>415,066</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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READYMADE STEEL INDIA LIMITED

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