



# Prakash Steelage Ltd.

Manufacturer & Exporters of Stainless Steel Welded, Pipes, Tubes & U-Tubes  
An ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007, PED Certified Company

February 13, 2020

To,  
The Manager,  
**BSE Limited,**  
Dept. of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

To,  
The Manager,  
**National Stock Exchange of India Limited,**  
Corporate Communication Department,  
Exchange Plaza, Bandra - Kurla Complex,  
Bandra (E), Mumbai - 400 051.

Dear Sir/Madam,

Scrip Code: 533239; Symbol: PRAKASHSTL

Sub.: Outcome of the Board Meeting of Prakash Steelage Limited ("the Company") held today i.e. Thursday, February 13, 2020.

Ref.: 1. Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

2. Notice of the Board Meeting of the Company dated February 6, 2020

Please be informed that the Board of Directors of the Company (BM04/2019-20) at its meeting held today i.e. Thursday, February 13, 2020, at the registered office of the Company, has *inter alia* considered and approved the Un-audited Financial Results (Standalone) of the Company along with the Limited Review Report issued by the Statutory Auditors of the Company, for the quarter and nine months ended December 31, 2019.

The meeting commenced at 12.00 'Noon and concluded at 3: 30 p.m.

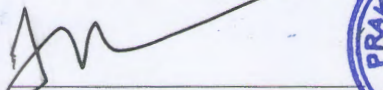
The above information is also hosted on the website of the Company. ([www.prakashsteelage.com](http://www.prakashsteelage.com))

Kindly take the same on your record.

Thanking You,

Yours faithfully,

For Prakash Steelage Limited

  
Hemant P. Kanugo  
(DIN: 00309894)  
Executive Director



Address: 101, 1<sup>st</sup> Floor, Shatrunjay Apartment,  
28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004

Encl.: 1. Un-audited Financial Results (Standalone) of the Company along with the Limited Review Report issued by the Statutory Auditors of the Company, for the quarter and nine months ended December 31, 2019.

Page 1 of 3

Registered Office :

101, Shatrunjay Apartment, 1st Floor, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004. (India)

Tel.: +91-22-66134500, Fax : +91-22-66134599, Email : [marketing@prakashsteelage.com](mailto:marketing@prakashsteelage.com), Web : [www.prakashsteelage.com](http://www.prakashsteelage.com)

**Independent Auditor's Review Report on interim financial Results of Prakash Steelage Limited for the quarter ended 31<sup>st</sup> December, 2019 pursuant to the Regulation 33 of the SEBI [Listing Obligation and Disclosure Requirements] Regulations, 2015**

**The Board of Director's  
Prakash Steelage Limited,  
101, Shatrunjay Apartment,  
1st Floor, 28, Sindhi Lane,  
Nanubhai Desai Road,  
Mumbai-400004**

We have reviewed the unaudited financial results of Prakash Steelage Limited (the "Company") for the quarter and nine month ended 31<sup>st</sup> December, 2019 which are included in the accompanying 'Un-audited Financial Results for the Quarter and nine month ended 31<sup>st</sup> December, 2019, The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"),

1. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
2. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.



Contd.....2

**Mumbai Office :**

#3, 13th Floor, Trade Link,  
E Wing, A Block Kamala Mills,  
Senapati Bapat Marg,  
Lower Parel,  
Mumbai - 400013 India.

**Corporate Office :**

Pipara Corporate House,  
Near Gruh Finance,  
Netaji Marg, Law Garden,  
Ahmedabad-380006.  
Gujarat India.

**Surat Office :**

D-612, International  
Trade Centre,  
Majura Gate  
Surat - 395 003  
Gujarat, India.

**Delhi Office :**

G-36, One Internet,  
Connaught Place,  
New Delhi-110001.  
India.

**Contact :**

T: 91 22 24 92 88 99  
F: 91 79 40 37 03 76  
E: madrecha@pipara.com  
E: naman@pipara.com  
www.pipara.com

3. Based on our review conducted as above, nothing has come to our attention except those mentioned below that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to,
- The Company has accumulated losses resulting in erosion of Net worth and has incurred net cash losses in the previous Financial Years. These conditions cast serious doubt about the company's ability to continue as a going concern. However, the statement of unaudited financial results of the Company has been prepared on a going concern basis. (Refer note no. -4)
  - The account of the company with its Consortium Banks has turned Non Performing Asset on various dates in the previous Financial Years. In view of uncertainty, the company has not provided interest including penal interest and other dues for the quarter ended December, 2019 on its borrowings, to the extent the same have remained unpaid. The impact of the same on the loss for the year and its consequent effect on the Liabilities and Reserve and Surplus is not ascertainable. (Refer note no. - 5)
  - Note no. 6 of statement of the unaudited financial results stating that the company has submitted its proposal to the consortium banks towards settlement of its borrowing through the Assets Reconstruction Company (ARC) route/ OTS. This proposal is under the active consideration by the consortium banks. Meanwhile the bankers have taken symbolic possession of the collaterals of the company comprising of the factory land, factory building, office building and Plant and Machinery located at Silvasa.
  - Note no. 7 of statement of unaudited financial results stating that during the quarter ended 31<sup>st</sup> December, 2019, Company has made provision for doubtful debts of amounting to Rs. 2,91,81,532. The company is planning to initiate legal actions to recover the said debts.

Our conclusion is not modified in respect of these matters.



**For Pipara & Company LLP**  
FRN: 107929W/W100219

A handwritten signature in blue ink, appearing to be "Bhawik Madrecha".

**Bhawik Madrecha**  
Partner

M.No: 163412

**UDIN: 20163412AAAAAE5267**

**Mumbai**  
**13<sup>th</sup> February, 2020**

**PRAKASH STEELAGE LIMITED**

CIN : L27106MH1991PLC061595      Tel. No. : 022 66134500,      Fax No. : 022 66134599  
Registered Office : 101, Shatrunjay Apartment, 1st Floor, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai-400 004  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2019**

(Amount in Lakhs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
<b>1 Income</b>						
a) Revenue from Operations	906.74	889.16	1,383.27	2,442.65	3,347.90	4,299.36
b) Other Income	24.55	(7.24)	0.68	30.24	4.16	2,230.72
<b>Total Income</b>	<b>931.29</b>	<b>881.92</b>	<b>1,383.95</b>	<b>2,472.89</b>	<b>3,352.06</b>	<b>6,530.08</b>
<b>2 Expenses</b>						
a) Cost of materials consumed	404.61	512.93	719.97	1,419.49	1,876.70	2,570.29
b) Purchase of traded goods	43.48	19.61	-	63.10	-	0.40
c) Change in inventories of finished goods, work in progress and stock in trade	(12.68)	42.52	8.14	(63.14)	61.77	132.06
d) Employee benefits expense	54.92	49.98	51.47	153.71	156.55	205.20
e) Finance Costs	2.44	1.13	0.67	4.01	2.47	3.09
f) Depreciation and Amortization	51.16	53.73	59.21	158.19	179.35	236.34
g) Consumption of Stores and Spares	26.05	35.94	25.80	90.82	104.02	131.95
h) Other expenditure	106.85	142.44	304.18	348.06	799.03	985.09
<b>Total Expenses</b>	<b>676.84</b>	<b>858.28</b>	<b>1,169.43</b>	<b>2,174.23</b>	<b>3,179.89</b>	<b>4,264.41</b>
<b>3 Profit/(Loss) before Exceptional Items (1-2)</b>	<b>254.45</b>	<b>23.64</b>	<b>214.51</b>	<b>298.66</b>	<b>172.17</b>	<b>2,265.67</b>
<b>4 Exceptional Item</b>	(291.82)	-	-	(291.82)	-	(886.00)
<b>5 Profit/(Loss) from Ordinary Activities before Tax (3+4)</b>	<b>-37.36</b>	<b>23.64</b>	<b>214.51</b>	<b>6.85</b>	<b>172.17</b>	<b>1,379.67</b>
<b>6 Tax Expense</b>						
Current Tax	-	-	-	-	-	-
Deferred Tax	-	-	-	-	-	5.39
Income Tax for earlier years	(66.02)	-	-	(66.02)	-	-
	(66.02)	-	-	(66.02)	-	5.39
<b>7 Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>28.65</b>	<b>23.64</b>	<b>214.51</b>	<b>72.86</b>	<b>172.17</b>	<b>1,374.28</b>
<b>8 Other Comprehensive Income</b>						
(i) Items that will not be reclassified to profit or loss (net of tax)	(1.56)	(1.56)	(3.03)	(4.67)	(9.09)	(6.22)
<b>9 Total Comprehensive Income (7+8)</b>	<b>27.10</b>	<b>22.08</b>	<b>211.48</b>	<b>68.20</b>	<b>163.08</b>	<b>1,368.06</b>
<b>10 Paid-up Equity Share Capital (Face value of Re.1/- per share)</b>	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00
<b>11 Other equity (excluding revaluation reserve)</b>	-	-	-	-	-	(28,559.51)
<b>12 Reserves Excluding Revaluation Reserves</b>	-	-	-	-	-	-
<b>13 Basic and Diluted Earning per Share (Rs.)</b>	0.02	0.01	0.12	0.04	0.10	0.79

**Notes :**

- The Statement of financial result has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and the recognised accounting practices and policies to the extent applicable.
- The above statement of financial results has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13th February, 2020. They have been subjected to Limited Review by the statutory auditors.
- The company has identified Manufacturing of Stainless Steel Tubes & Pipes business as its primary reportable segment in accordance with the requirement of Ind AS 108, "Operating Segment". Accordingly, no Separate segment information has been provided.
- Even though the net worth of the Company has eroded for past few years, The accounts have been prepared on going concern basis as the steel industry is on the revival path. The Company is in the process of coming out of the crisis through business restructuring and financial arrangement.
- The loan account of the Company with its consortium banks has become Non Performing Assets (NPAs). Company is not generating revenue to service the loans. Hence in view of uncertainty the Company has not provided interest including penal interest and other dues for the period on borrowings, to the extent the same have remained unpaid.
- The company has submitted its proposal to the consortium banks towards settlement of its borrowing through the Assets Reconstruction Company (ARC) route/OTS. This proposal is under active consideration by the consortium banks. Meanwhile the bankers have taken symbolic possession of the collaterals of the company comprising of factory land, factory building, office building and plant & machinery located at Silvassa.
- The company has incurred foreign exchange loss of Rs. 17.52 Lakhs in quarter ended December, 2019 and foreign exchange loss of Rs. 39.32 Lakhs in quarter ended September, 2019; as a consequence the half yearly "other income" is showing negative amount
- Income Tax including deferred tax will be determined and provided for at the end of the financial year.
- Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.

For Prakash Steelage Limited

Ashok M. Seth  
CFO & Executive Director  
DIN : 00309706

Place : Mumbai  
Date : 13.02.2020

