



# Prakash Steelage Ltd.

**MANUFACTURER OF STAINLESS STEEL WELDED PIPES, TUBES & U-TUBES**

An ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007, PED Certified Company

September 06, 2021

To,  
**The BSE Limited**  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

To,  
**The National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1,  
G Block, Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051

Sub.: Annual Report for the financial year 2020-21 and Notice of 30<sup>th</sup> Annual General Meeting.

Ref.: Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Scrip Code: 533239 (BSE); PRAKASHSTL (NSE)**

Dear Sir/Madam,

Pursuant to Regulation 34 (1) read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the following documents for the Financial Year 2020-21:

1. Notice of 30<sup>th</sup> Annual General Meeting to be held on Tuesday, September 28, 2021 at 3.00 p.m. through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), to transact the business mentioned in the Notice convening the said AGM.
2. Annual Report FY: 2020-21 alongwith Annexure-I.

This is for your information and record.

Thanking you,  
Yours faithfully,  
**For Prakash Steelage Limited**

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**Hemant P. Kanugo**  
Executive Director  
DIN: 00309894

## ANNEXURE I

### Statement on Impact of Audit Qualifications

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021. [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs In lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs In lakhs)
	1.	Turnover /Total income	2,537.71	2,537.71
	2.	Total Expenditure	2,799.53	2,799.53
	3.	Net Profit/(Loss) before Exceptional Item and Tax	(261.82)	(261.82)
	4.	Earnings Per Share	2.90	2.90
	5.	Total Assets	2,984.83	2,984.83
	6.	Total Liabilities	2,984.83	2,984.83
	7.	Net Worth	(21,767.25)	(21,767.25)
	8.	Any other financial item(s) (as felt appropriate by the management) Exceptional items	4736.94	4736.94
II.	<p><b><u>Audit Qualification:</u></b></p> <p><b>A. Details of Audit Qualification:</b> 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 year ended March, 2021 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.</p> <p><b>B. Type of Audit Qualification :</b> Qualified Opinion</p> <p><b>C. Frequency of qualification:</b> Appeared Fifth time</p> <p><b>D. Management's View:</b> Due to adverse condition in steel industries on account of drastic fall in the prices of steel the Company has been suffering losses since couple of years which is impacting the net worth of the Company. Loan account had been classified as NPA by the consortium of the banks and 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 year on borrowings, to the extent the same have remained unpaid.</p>			

III.

**Audit Qualification:**

- A. **Details of Audit Qualification:** The Company has accumulated losses resulting in erosion of Net worth. These conditions may cast doubt about the company's ability to continue as a going concern. However, the statement of audited financial results of the Company has been prepared on a going concern basis.
- B. **Type of Audit Qualification :** Qualified Opinion
- C. **Frequency of qualification:** Appeared Fifth time
- D. **Management's View:** The erosion of net worth of the Company should not be constituted as doubt on the continuity of the Company as going concern. The steel industries in on the revival path. The Company is in the process of coming out of the crisis through business restructuring and financial arrangement. Further, three lenders have sanctioned One Time Settlement (OTS) for an overall amount of INR 90.00 Crores, subject to the conditions of timely payment of the agreed OTS amount and other standard terms as mentioned in the OTS sanction letters. Company has already paid INR 50,61,54,142 to the lenders against the above OTS sanction on 31st March, 2021.

**Signatories:**

- **CEO/Managing Director**



- **CFO**



- **Audit Committee Chairman**



- **Statutory Auditor**



**Place:** Mumbai

**Date:** 25<sup>th</sup> June, 2021



**PRAKASH STEELAGE LIMITED**



**30<sup>TH</sup> ANNUAL REPORT  
2020 – 21**

Manufacturers & Exporters of Stainless Steel Welded Pipes & Tubes



### Board of Directors

#### **Prakash C. Kanugo**

Chairman & Managing Director

#### **Ashok M. Seth**

Executive Director & CFO

#### **Hemant P. Kanugo**

Executive Director

#### **A. Prakashchandra Hegde**

Independent Director

#### **Himanshu J. Thaker**

Independent Director

#### **Neetta K. Bokaria**

Independent Director

### Company Secretary & Compliance Officer

#### **Leela S. Bisht**

(upto 31<sup>st</sup> March, 2021)

#### **Smita Singh**

(Appointed w.e.f. 9<sup>th</sup> April, 2021)

### Bankers

Bank of Baroda

Bank of India

Union Bank of India

### Statutory Auditors

M/s. Pipara & Co. LLP

Chartered Accountants

### Secretarial Auditors

M/s. S. Anantha & Ved LLP

Company Secretaries

### Internal Auditors

M/s. Luniya & Co.

Chartered Accountants

### Registered Office

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

Tel. : 022 66134500

Fax : 022 66134599

Email : [investorgrievances@prakashsteelage.com](mailto:investorgrievances@prakashsteelage.com)

Website : [www.prakashsteelage.com](http://www.prakashsteelage.com)

### Corporate Identification Number

L27106MH1991PLC061595

### Registrar & Share Transfer Agents

Bigshare Services Private Limited

1<sup>st</sup> Floor, Bharat Tin Works Bldg.,

Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (East), Mumbai-400 059.

Tel. : +91-022-62638204

Fax : +91-022-62638299

Email : [ujata@bigshareonline.com](mailto:ujata@bigshareonline.com)

Website : [www.bigshareonline.com](http://www.bigshareonline.com)

### Manufacturing Unit

Survey No. 46/1, Parjai Road,

Village : Kherdi, Silvassa - 396 230,

Union Territory Dadra & Nagar Haveli (India)



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## NOTICE of 30<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 30<sup>th</sup> (Thirtieth) Annual General Meeting (“AGM”) of the Members of **Prakash Steelage Limited** (the company) will be held on Tuesday, 28<sup>th</sup> September, 2021 at 3.00 p.m. through Video Conferencing (‘VC’)/Other Audio-Visual Means (‘OAVM’), to transact the following business:

### ORDINARY BUSINESS :

#### Item No. 1: Adoption of Financial Statements:

To receive consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, along with the Reports of the Board of Directors and Auditors thereon.

To consider and if deemed fit, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2021 along with the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted.”

#### Item No. 2: Re-appointment of Mr. Prakash C. Kanugo (DIN: 00286366) as a Director liable to retire by rotation:

To appoint a Director in place of Mr. Prakash C. Kanugo (DIN: 00286366), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if deemed fit, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions if any, under the Companies Act, 2013 and the rules made thereunder, Mr. Prakash C. Kanugo (DIN: 00286366), who retires by rotation at this meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### SPECIAL BUSINESS :

#### Item No. 3 : Ratification / Approval of Related Party Transactions during Financial Year 2019-20:

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board & its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) and in terms of Regulation 23 of the SEBI (LODR), consent of the members of the Company be and is hereby accorded to ratify and approve the following contracts and/or arrangements entered into by the Company with the following related parties during the Financial Year 2019-20 viz.

Name of the Related Party	Relationship	Nature of Contract and Value not exceeding of (Rupees)
Seth Iron & Steel Private Limited	Enterprise over which directors and/or their relatives has significant influence	Purchase Rs. 6,85,44,803/-

**RESOLVED FURTHER THAT** the transactions entered with the above Related Parties for the aggregate value exceeding 10% of the total turnover of the Company during the Financial Year 2019-20, due to reduction in the Turnover consequent to Covid-19 Pandemic crisis be and are hereby ratified and approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle any question, difficulty or doubt that may arise and to do all such acts, deeds, things, as may be deemed necessary, proper and desirable and to finalise any



documents and writings related thereto to give effect to this resolution”.

#### Item No. 4: Approval of Related Party Transactions :

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board & its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) and in terms of Regulation 23 of the SEBI (LODR), consent of the members of the Company be and is hereby accorded to approve the following contracts and/or arrangements entered into/proposed to be entered into by the Company with the following related parties w.e.f. 01<sup>st</sup> October, 2021 to 31<sup>st</sup> March, 2026 viz.

Name of the Related Party	Relationship	Nature of Contract and Value not exceeding of (Rupees) per annum
Seth Iron and Steel Private Limited	Enterprises over which any of director/relative of director can exercise control or significance influence	i) Purchase of materials - Rs. 10 Crore ii) Sale of materials - Rs. 10 Crore
Seth Steelage Private Limited	Enterprises over which any of director/relative of director can exercise control or significance influence	i) Purchase of materials - Rs. 10 Crore ii) Sale of materials - Rs. 10 Crore
Prakash Stainless Pvt. Ltd.	Enterprises over which any of director/relative of director can exercise control or significance influence	i) Purchase of materials - Rs. 10 Crore ii) Sale of materials - Rs. 10 Crore
AMS Trading & Tech Steel & Metal Cluster Private Limited	Enterprises over which any of director/relative of director can exercise control or significance influence	i) Purchase of materials - Rs. 10 Crore ii) Sale of materials - Rs. 10 Crore
Prakash Integrated High Tech Steel & Metal Cluster Private Limited	Enterprises over which any of director/relative of director can exercise control or significance influence	i) Purchase of materials - Rs. 10 Crore ii) Sale of materials - Rs. 10 Crore
Sunrise Metal Industries	Enterprises over which any of director/relative of director can exercise control or significance influence	i) Purchase of materials - Rs. 10 Crore ii) Sale of materials - Rs. 10 Crore
Sun International Inc.	Enterprises over which any of director/relative of director can exercise control or significance influence	i) Purchase of materials - Rs. 10 Crore ii) Sale of materials - Rs. 10 Crore
V. K. International	Enterprises over which any of director/relative of director can exercise control or significance influence	i) Purchase of materials - Rs. 10 Crore ii) Sale of materials - Rs. 10 Crore
Mr. Prakash C. Kanugo	Chairman & Managing Director / Promoter	Lease of property/(ies) Rs. 5 Lakh
Mrs. Babita P. Kanugo	Wife of Mr. Prakash C. Kanugo	Lease of property/(ies) Rs. 20 Lakh
Mrs. Neha Kamal Kanugo	Daughter-in-law of Mr. Prakash C. Kanugo	Lease of property/(ies) Rs. 10 Lakh





**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle any question, difficulty or doubt that may arise and to do all such acts, deeds, things, as may be deemed necessary, proper and desirable and to finalise any documents and writings related thereto to give effect to this resolution".

**For and on Behalf of the Board of Directors  
Prakash Steelage Limited**

**Date : 12<sup>th</sup> August, 2021  
Place : Mumbai**

**Sd/-  
Prakash C. Kanugo  
Chairman & Managing Director  
DIN: 00286366**



## NOTES

### 1. **Explanatory Statement under Section 102 of the Companies Act (“the Act”):**

An Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the Special Business to be transacted under Item No. 3 and 4 of the Notice is annexed hereto.

### 2. **General Meeting through Video Conferencing or other audio visual means (OVAM):**

In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to 'Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) read with General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – COVID-19 pandemic' ('SEBI Circular') permitted the holding of the AGM through VC or OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars & SEBI Circular, the 30<sup>th</sup> Annual General Meeting of the Company is being held through VC/OAVM on Tuesday, 28<sup>th</sup> day of September, 2021 at 03.00 p.m. (IST). The deemed venue for the AGM shall be the Registered Office of the Company.

### 3. **Closure of Register of Members and Share Transfer Books:**

The Register of Members of the Company and Share Transfer Books shall remain closed from Wednesday, September 22, 2021 to Tuesday, September 28, 2021 (both days inclusive).

### 4. **Appointment of Proxy:**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS SENT HERewith. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS AND SEBI CIRCULAR THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ROUTE MAP AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**

### 5. **Authorised Representative:**

Institutional/Corporate members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to gains108@yahoo.com with a copy marked to helpdesk.evoting@cdslindia.com.

### 6. **A brief Resume of Director as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India:**

The relevant details as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India of the person seeking re-appointment as Director under Item No. 2 of the Notice, is also annexed herewith as 'Annexure–A'.



## **7. Electronic Copy of Annual Report and Notice of Annual General Meeting:**

In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 30<sup>th</sup> AGM has been uploaded on the website of the Company at [www.prakashsteelage.com](http://www.prakashsteelage.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the Annual General Meeting).

The Members can join the Annual General Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Annual General Meeting through VC/OAVM will be made available to at least 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the Annual General Meeting without restriction on the account of first come first served basis.

Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

Since the AGM will be held through VC/ OAVM and there is no physical venue of the AGM, the route map of the venue of the AGM is not annexed hereto.

Pursuant to Section 113 of the Act, Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, by e-mail before e-voting / attending AGM, to [cs@prakashsteelage.com](mailto:cs@prakashsteelage.com).

For receiving all communication (including Annual Report) from the Company electronically, Members are requested to register / update their email addresses with the relevant Depository Participant.

In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

Members are requested to intimate immediately the change of address or demise of any Member, if any, to the Company's Registrar and Transfer Agents to prevent frauds.

## **8. Change(s)/Modification(s) in personal information:**

Members are requested to notify immediately any change in their address / Bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical shares folios to the Registrars and Share Transfer Agent of the Company, **M/s. Bigshare Services Private Limited, 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartment, Makwana Road, Marol, Andheri (East), Mumbai – 400 059.**

Non-Resident Indian Members are requested to inform M/s. Bigshare Services Private Limited, immediately of:

- a. Change in their residential status on return to India for permanent settlement.
- b. Particulars of their bank account maintained in India with complete name, branch, account type, account no. and address of the Bank with PIN Code No, if not furnished earlier.

## **9. Inspection of Register and Documents:**

The Registers required to be maintained under the Companies Act, 2013 including the Register of Directors and Key Managerial Personnel and their Shareholding in the Company under Section 170 of the Companies Act, 2013 and the



Register of Contracts maintained by the Company under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

All documents referred to in the Notice and the Explanatory Statement shall also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., Tuesday, September 28, 2021. Members seeking to [cs@prakashsteelage.com](mailto:cs@prakashsteelage.com) inspect such documents can send an e-mail to mentioning their names, folio numbers / demat account numbers and contact numbers

All other relevant documents referred to in the accompanying Notice and Statement pursuant to Section 102(1) of the Act will be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days, from the date hereof up to the date of the Annual General Meeting.

Members desiring any information/queries as regards to the accounts of the Company are requested to forward their queries at the Corporate Office Address or mail at [cs@prakashsteelage.com](mailto:cs@prakashsteelage.com) at least 10 days before the Annual General Meeting, so as to enable the Management of the Company to furnish the information /replies/ clarification at the Annual General Meeting.

#### **10. Unclaimed Dividend & Share Application Money:**

The Company has transferred from time to time the unpaid or unclaimed dividends declared up to financial years 2012-13, and the underlying shares of the Company in respect of such shareholders up to financial years 2012-13, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has displayed the details of unpaid and unclaimed dividends lying with the Company as on 23<sup>rd</sup> December, 2020 (date of the previous Annual General Meeting) on the website of the Company viz. [www.prakashsteelage.com](http://www.prakashsteelage.com). The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned Members/investors are advised to visit the website [iepf.gov.in](http://iepf.gov.in) for lodging claim.

Members for refund of shares from the IEPF Authority who wish to claim dividend, which remain unclaimed, are requested to correspond with the Registrar and Share Transfer Agent, M/s. Bigshare Services Private Limited, at their address.

The Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 125 of the Companies Act, 2013, be transferred to the Investors Education and Protection Fund. The details of the un-encashed /unclaimed above-mentioned Dividend are as under:

<b>Dividend for the Financial Year</b>	<b>Unclaimed / Un-encashed Dividend as on 31<sup>st</sup> March, 2021 (in Rs.)</b>	<b>Due date of transfer to Investor Education and Protection Fund</b>
2014 - 15	16,518.50/-	29 <sup>th</sup> October, 2022

The Company had declared Dividend at 22<sup>nd</sup> Annual General Meeting held on 14th August, 2013 the amount lying in the Company's Refund Account as on 31st March, 2020 was Rs.20,014/- and after the due date the Company had transferred the balance unclaimed / unpaid dividend amount to IEPF account.

The Company had declared Dividend at 23<sup>rd</sup> Annual General Meeting held on 26<sup>th</sup> September, 2014, the amount lying in the Company's Refund Account as on 31 March, 2021 was Rs. 1,20,275/-.

The Members who have not claimed dividend for Financial Year 2013-14, the underlying Shares of such members will be transferred to IEPF account, the notice for claiming the shares has already been dispatched to the respective Shareholders.

#### **11. Members are requested to quote their Ledger Folio Number / Client ID Number in all their future correspondence.**



**12. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar [ujata@bigshareonline.com](mailto:ujata@bigshareonline.com) in case the shares are held in physical form, quoting their folio number.**

### **13. Voting**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to members to exercise their vote on the resolutions proposed to be passed at the 30th Annual General Meeting by electronic means to all Members in proportion to their shareholding as at the close of business hours on Tuesday, 21<sup>st</sup> September 2021. All the businesses contained in this Notice may be transacted through abovementioned e-voting facilities, being provided by Central Depository Services Limited (CDSL). Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the AGM by email and holds shares as on the cut-off date i.e. Tuesday, 21<sup>st</sup> September 2021, may obtain the User ID and password by sending a request to the Company's email address [cs@prakashsteelage.com](mailto:cs@prakashsteelage.com). However, if such Member is already registered with CDSL for remote e-Voting then he/she can use his/her existing user ID and password for casting vote.

The members, whose names appear in the Register of Members/list of Beneficial Owners as on Tuesday, September 21, 2021 i.e. the cut-off date, shall be entitled to vote on the resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the Annual General Meeting (i.e. remote e-voting). The remote e-voting period will commence on Saturday, September 25, 2021 at 9.00 a.m. and will end on Monday, September 27, 2021 at 5.00 p.m.

Only those Members who will be present in the 30<sup>th</sup> AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 30<sup>th</sup> AGM

The members who have cast their votes through remote e-voting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

The Company has appointed M/s. S. Anantha & Ved LLP, Company Secretaries, (LLPIN - AAH-8229) to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through electronic voting system provided during the AGM and remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, within 48 hours of conclusion of the AGM, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith. The resolution(s) shall be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.

The results declared along with the scrutinizer's report shall be placed on the website of the Company i.e. [www.prakashsteelage.com](http://www.prakashsteelage.com) and on the website of CDSL immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited.

The members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter:

### **14. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- i. The voting period begins on Saturday, September 25, 2021 at 09.00 A.M. and ends on Monday, September 27, 2021 at 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in



dematerialized form, as on the cut-off date of Tuesday, September 21, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
<b>Individual Shareholders holdings securities in Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslinda.com/myeasi/Registration/EasiRegistration">https://web.cdslinda.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<b>Individual Shareholders holdings securities in Demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at</li> </ol>



Type of Shareholders	Login Method
	<p><a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

*Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.*

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login Type	Helpdesk details
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 022-23058542-43.
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- iv. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

The Company has entered into an arrangement with Central Depository Services (India) Limited ('CDSL') for facilitating remote e-voting for 30<sup>th</sup> Annual General Meeting.

• E-Voting to commence	: Saturday, 25 <sup>th</sup> September, 2021 at 9.00 a.m.
• E-Voting to end	: Monday, 27 <sup>th</sup> September, 2021 at 5.00 p.m.
• URL	: <a href="http://www.evotingindia.com">www.evotingindia.com</a>



1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
2. Click on “Shareholders” module.
3. Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
<b>PAN*</b>	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</li> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.</li> </ul>
<b>Dividend Bank details or Date of Birth (DOB)</b>	<ul style="list-style-type: none"> <li>• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat or in the company records in order to login.</li> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- v. After entering these details appropriately, click on “SUBMIT” tab.
- vi. Shareholders holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- viii. Click on the EVSN for the relevant “Prakash Steelage Limited” on which you choose to vote.
- ix. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xi. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.





xiv. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**xv. Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@prakashsteelage.com](mailto:cs@prakashsteelage.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**15. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- i. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote evoting.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- iii. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- iv. Members are encouraged to join the Meeting through Laptops / I-Pads for better experience.
- v. Further, Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
- vi. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vii. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance at least 3 (three) days prior to Meeting i.e. on or before Saturday, 25th September, 2021 mentioning their name, demat account number/folio number, email id, mobile number at [investors@prakashsteelage.com](mailto:investors@prakashsteelage.com). The Members who do not wish to speak during the AGM but have queries may send their queries in advance at least 5 (five) days prior to Meeting i.e. on or before Thursday, 23<sup>rd</sup> September 2021 mentioning their name, demat account number/folio number, email id, mobile number at [cs@prakashsteelage.com](mailto:cs@prakashsteelage.com). These queries will be replied to by the Company suitably by email.
- viii. Those Shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the Meeting.
- ix. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- x. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**16. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.



2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

### General Instructions

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under the “Help” section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [ujata@bigshareonline.com](mailto:ujata@bigshareonline.com). However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on [www.evotingindia.com](http://www.evotingindia.com).

### APPEAL TO MEMBERS

The Company would like to appeal to its members to hold their shares in Dematerialized (Demat) form. Managing your investment in securities is simple and easy in Demat / Electronic form and it has many advantages over managing it in physical form as there is no scope of loss, misplacement, theft or deterioration of securities in Demat form. The members may get in touch with the M/s. Bigshare Services Private Limited at ([investor@bigshareonline.com](mailto:investor@bigshareonline.com)), our Registrar and Transfer Agent or the Company Secretary at ([cs@prakashsteelage.com](mailto:cs@prakashsteelage.com)) for any query relating to Demat.

Non-Resident Indian Members are requested to inform M/s. Bigshare Services Private Limited, immediately of:

- Change in their residential status on return to India for permanent settlement.
- Particulars of their bank account maintained in India with complete name, branch, account type, account number IFSC, MICR Code and address of the bank with pin code number, if not furnished earlier.

Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities / capital market to furnish Income Tax Permanent Account Number (PAN). Accordingly all the shareholders are requested to submit their Permanent Account Number along with photocopy of both the sides of the PAN Card duly attested. Shareholders holding shares in electronic form are requested to furnish their PAN to their Depository Participant with whom they maintain their account along with documents as required by them.

Shareholders holding shares in physical form are requested to submit photocopy of the PAN Card of all the holders including joint holders duly attested by Notary Public/Gazette Officer/Bank Manager under their official seal and with full name and address either to the Company’s Registered Office or at the office of its Registrar at the address mentioned above.

**For and on Behalf of the Board of Directors  
Prakash Steelage Limited**

**Sd/-  
Prakash C. Kanugo  
Chairman & Managing Director  
DIN:00286366**

**Date : 12<sup>th</sup> August, 2021**

**Place : Mumbai**

**Registered Office:**

101, 1<sup>st</sup> Floor, Shatrunjay Apartment, 28,  
Sindhi Lane, Nanubhai Desai Road, Mumbai – 400 004  
CIN: L27106MH1991PLC061595 || Tel.: 022 6613 4500 || Fax: 022 6613 4599  
Website : [www.prakashsteelage.com](http://www.prakashsteelage.com) || E-Mail: [investorsgrievances@prakashsteelage.com](mailto:investorsgrievances@prakashsteelage.com)



## **The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013**

### **Item No. 3 & 4**

#### **To approve Transactions with Related Parties under Section 188 of the Companies Act, 2013:**

The Company had entered into Contracts / arrangements / transactions with the Related Parties mentioned in the resolution during the Financial Year 2019-20. These Contracts / arrangements / transactions are in the ordinary course of business and at arm's length basis. With reduction in the turnover 2019-20, due to economic slowdown and impact of Covid-19 in the last 5 months of Financial Year 2019-20, the aggregate value of the Contracts / arrangements / transactions with the Related Parties mentioned in the resolution crossed 10% of the threshold limit, especially on account of the purchase from a Related Party viz. Seth Iron & Steel Private Limited for an aggregate amount of Rs. 6,85,44,803/- during the Financial Year 2019-20. Hence, the approval of the members could not be obtained earlier as required under Regulation 23 of the SEBI LODR Regulations, 2015.

The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 exempts from the requirement of approval of the shareholders, with respect to transaction(s) entered into by a Company with its related parties, in the ordinary course of business and done on arm's length basis.

However, as per Regulation 23 of SEBI (LODR) all the material related party transactions require shareholders' approval and a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Therefore, keeping in view the intent of the Companies Act, 2013, Listing Regulations and for better Corporate Governance, the Company seeks ratification / approval of the shareholders for the transaction(s)/ arrangement(s) entered into with the related Parties viz. Seth Iron & Steel Private Limited for an aggregate amount of Rs. 6,85,44,803/- during the Financial Year 2019-20.

With respect to the proposed Contracts / arrangements / transactions with the Related Parties with effect from 01<sup>st</sup> October, 2021 till 31<sup>st</sup> March, 2026, based on the advice of the Audit Committee as an abundant precaution, the approval of the Members of the Company is being sought to avoid a situation like the one happened in 2019-20.

The concerned promoters and their relatives who are directly and / or indirectly concerned or interested financially or otherwise, in these proposed resolutions shall not participate in passing of these resolutions as proposed under item no. 3 & 4 of the Notice convening the Annual General Meeting of the Company.

Although, the said transaction is not 'material' in nature, the consent of the shareholders through resolution is sought as an abundant caution.

Therefore, keeping in view the intent of the Companies Act, 2013, Listing Regulations and for better Corporate Governance, the Company seeks approval of the shareholders for the transaction(s)/ arrangement(s) entered into with the related Parties.

The key details regarding the transaction(s)/arrangement(s) and all the prescribed disclosures as required pursuant to Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014, are given here-in-below for the kind perusal of members:-



a.	<b>Name of the Related Party</b>	Seth Iron & Steel Private Limited
b.	<b>Name of the Director/ KMP who is related</b>	Mr. Ashok M. Seth
c.	<b>Nature of relationship</b>	Mr. Ashok M. Seth, Executive Director & CFO of the Company is a Director and Member of the Related Party.
d.	<b>Nature, material terms, monetary value and particulars of the contract or arrangements</b>	Purchase from Related Party, Prevailing market price. Various transactions aggregating to Rs. 6,85,44,803/- (Ordinary course of business at arm's length basis)

**Any other information relevant or important for the Board to take a decision on the proposed transactions:**

The Board of Directors of the Company has approved this item in the Board Meeting, on the recommendation of the Audit Committee held on August 12, 2021 and recommends the resolution as set out in the accompanying Notice under Sr. No. 3 & 4 for the approval of members of the Company as Special Resolutions.

Members are hereby informed that pursuant to second proviso of Section 188 of the Companies Act, 2013, no member of the Company shall vote on resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party in the context of the proposed contract for which these Special Resolutions are being proposed.

All the material documents referred to in the accompanying Notice shall be open for inspection by the Members at the Registered Office of the Company during office hours on all working days except Saturdays, Sundays and Public Holidays between 11.00 a.m. and 1.00 p.m. till last date of receipt of the postal ballot.

None of the Directors or Key Managerial Personnel of the Company or their relatives except those Directors of the Company and their relatives / their group companies / entities as tabled below, are concerned or interested, financially or otherwise, in the Resolutions and the following persons, belonging to the Promoter / Promoter Group shall not participate and / or vote in passing of both the resolutions :

<b>Name of the Related Party</b>	<b>Relationship Director/Promoter</b>	<b>No. of Equity Shares of Re. 1/- each held in the Company</b>	<b>Percentage (%) to paid-up share capital</b>
Prakash Chhaganlal Kanugo	Promoter	3,53,35,000	20.19
AMS Trading And Investment Private Limited	Promoter Group	7,13,333	0.41
Seth Iron and Steel Private Limited	Promoter Group	1,25,00,000	7.14
Kirti Prakash Kanugo	Promoter Group	58,30,740	3.33
Hemant Prakash Kanugo	Promoter Group	56,17,530	3.21
Kamal Prakash Kanugo	Promoter Group	55,77,520	3.19
Vimal Prakash Kanugo	Promoter Group	50,51,590	2.89
Ashok Mafatlal Seth	Promoter	45,34,000	2.59
Babita Prakash Kanugo	Promoter Group	30,00,750	1.71
Prakash Chhaganlal Kanugo (HUF)	Promoter Group	26,04,370	1.49
Seth Steelage Private Limited	Promoter Group	11,08,740	0.63
Seth Ashok Mafatlal (HUF)	Promoter Group	5,00,000	0.29
Dheliben Mafatlal Seth	Promoter Group	5,00,000	0.29
Mafatlal Chogamal Seth	Promoter Group	5,00,000	0.29
Mafatlal Chogamal Seth (HUF)	Promoter Group	5,00,000	0.29
Nirmal Ashok Seth	Promoter Group	4,50,000	0.26
	<b>Total</b>	<b>8,43,23,573</b>	<b>48.18</b>



## Annexure - A

**Details of Directors seeking appointment / re-appointment at the 30th Annual General Meeting [Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SS-2]**

<b>Name of the Director</b>	Mr. Prakash C. Kanugo
<b>Designation</b>	Chairman & Managing Director
<b>Directorship Identification Number</b>	00286366
<b>Date of Birth</b>	2 <sup>nd</sup> July, 1953
<b>Date of Appointment / Re-appointment</b>	1 <sup>st</sup> October, 2018
<b>Qualifications</b>	Metric
<b>Expertise in specific functional areas</b>	He has more than 25 year of experience in trading of Stainless Steel products.
<b>Brief Resume of the Director</b>	Mr. Prakash C. Kanugo (65 years) is the Chairman and Managing Director of the Company. He has experience in trading and manufacturing of Stainless Steel pipe and tubes. He is one person who is responsible for successfully managing and expanding the business of Prakash Steelage Limited.
<b>Disclosure of relationships between directors inter se</b>	Mr. Hemant P. Kanugo, Director of the Company, is son of Mr. Prakash C. Kanugo
<b>Number of Board meetings of the Company attend during the year</b>	6 (Six)
<b>Directorships in other Companies and membership / Chairmanship of Committees of other Boards</b>	<b>Directorships in other Companies are as follows:</b> 1. PCK METALS PRIVATE LIMITED 2. PRAKASH STAINLESS PRIVATE LIMITED 3. SHREE JAIN SWETAMBER KHARTARGUTCH SANGH MUMBAI 4. MUMBAI VAISH SEVA SANSTHAN
<b>Chairperson/Member of the Committees of Directors of the Company</b>	<b>Chairman:</b> Audit Committee Stakeholder Relationship Committee Corporate Social Responsibility Committee  <b>Member:</b> Nomination and Remuneration Committee
<b>Shareholding in the Company as on the date Of appointment/ re-appointment as required under Regulation36(3)(e)</b>	i) In his Name 3,53,35,000 ( 20.19%) Equity Shares of Rs.10/- each ii) As Karta of HUF 26,04,370 ( 1.49%) Equity Shares of Rs.10/- each



## LETTER FROM THE CHAIRMAN

Dear Members,

I would like to extend my warm welcome to you all, to the 30<sup>th</sup> Annual General Meeting of the Company.

As you are all aware that Financial Year 2020 - 21, was a very challenging year for the global economy and the steel industry in particular. These unfavorable conditions inevitably affected our results adversely during last couple of years. In addition, to this pandemic caused by Covid-19 has downgrade the performance and financial performance of the Company.

On the operational front, the Company on standalone basis has recorded net revenue of Rs. 2446.62 as compared to Rs. 3250.44 Lakhs of previous year. The Company has incurred a loss before tax and exceptional item Rs. 306.50 Lakhs as compared to previous year's profit before tax and exceptional item of Rs. 231.90 Lakhs. The Company has gained net profit after tax Rs. 5075.93 Lakhs (This was due to an exceptional gain by way of sale of shares in Tubacex Prakash India Pvt. Ltd. and reversal of Income Tax Expenses) as compared to previous year's net loss after tax of Rs. 23.80 Lakhs. The Earning Per Share (EPS) stood at Rs. 2.90.

Despite of the adverse situations, the Company continues to work and to strive towards making permanent structural changes that will allow the company not just to survive, but to grow in the future.

We are facing serious challenges, but we will not be bowed down from achieving our principal objective i.e. to earn a preeminent position in manufacturing high grade stainless steel products in India.

We are committed and determined to make the Company once again profitable, competitive and capable to achieve even greater success in the future.

I would like to express my sincere appreciation to our shareholders for the support and confidence reposed in us, and all other stakeholders and Government agencies, our bankers for the continuing commitment and support in your Company. We look forward for your continued support in this crucial time with the Company.

For **Prakash Steelage Limited**  
Sd/-  
**Prakash C. Kanugo**  
**Chairman & Managing Director**  
**DIN: 00286366**



## BOARD'S REPORT

To  
The Members  
Prakash Steelage Limited

The Board of Directors presents the 30<sup>th</sup> (Thirtieth) Annual Report on the Business and Operations of your Company together with the Audited Financial Statements (Standalone) for the year ended 31<sup>st</sup> March, 2021.

### FINANCIAL SUMMARY AND HIGHLIGHTS

The financial highlights of the Company (Standalone) for the year ended 31<sup>st</sup> March, 2021 are summarized below :  
(Rs. in Lakhs)

Particulars	Year Ended	
	31.03.2021	31.03.2020
Total Revenue	2,537.71	3,325.92
<b>Less: Expenses</b>	2,692.51	2891.99
<b>Less: Depreciation</b>	151.70	202.03
<b>Profit / Loss Before Exceptional Item</b>	(306.50)	231.90
<b>Add/ (Less) : Exceptional Item</b>	4,736.95	316.06
<b>Profit / (Loss) Before Tax (PBT)</b>	4,430.45	(84.16)
<b>Less : Tax</b>	(645.49)	(60.36)
<b>Profit / (Loss) After Tax (PAT)</b>	<b>5,075.94</b>	(23.80)

### FINANCIAL PERFORMANCE / OVERVIEW

During the year under review, the total revenue for the year ended March 31, 2021 is Rs. 2,537.71 Lakh as compared to Rs.3,325.92 Lakh in the previous year on Standalone basis. The Company incurred a loss of (Rs. 306.50) Lakhs before exceptional item for the year against the profit of Rs. 231.90 Lakhs in the previous year.

The Company is in the process of coming out of the crisis through business restructuring and financial arrangement. Further, lenders have sanctioned One Time Settlement (OTS) for an overall amount of INR 90.00 Crores. The Company has already paid INR 50.62 crores on 31<sup>st</sup>March, 2021, leaving the balance of Rs. 39.38 crores to be paid in coming months.

### COVID-19 PANDEMIC / STATE OF AFFAIRS OF THE COMPANY

The Company's manufacturing and sales operations were hit substantially due to the nation-wide stringent lockdown imposed by the Government of India towards the end of March 2020 which brought the economic activities to a standstill resulting adverse impact on revenue growth and profitability of the Company in the first quarter of FY 2021.

The restriction in movement have led to depression in market and decrease in manpower requirement which further resulted in idling of work force. With the gradual lifting of the lockdown, the Company restarted its operations in a phased manner by prioritizing the safety and security of employees, customers and other stakeholders.

The Company has gained net Profit After Tax Rs. 5075.93 Lakhs (This was due to an exceptional gain bay way of sale of shares in Tubacex Prakash India Pvt. Ltd. and reversal of Income Tax Expenses)as compared to previous year's net loss after tax of Rs. 23.80 Lakhs.

Work from Home policy and the Government guidance on social distancing enabled us to successfully conduct Board Meetings, Annual General Meeting and stakeholders meetings via virtual mode.

Despite the second and third wave of Covid, the economic activities have started recovering with the gradual relaxation in mobility restrictions. The Company is closely monitoring the market trend and behavior and taking appropriate steps for revival of the operations and performance of the Company.



## **DIVIDEND AND RESERVES**

Your Directors do not recommend any dividend for the Financial Year 2020-21.

Further, your Company has not transferred any amount to its reserves for the Financial Year 2020-21.

## **FINANCE AND ACCOUNTS**

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31<sup>st</sup> March, 2021 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31<sup>st</sup> March, 2021. Notes to the financial statements adequately cover the Audited Statements and form an integral part of this Report.

## **SHARE CAPITAL**

The paid-up share capital of the Company as on March 31, 2021 stood at Rs.17,50 Crores comprising of 175,000,390 Equity Shares of Re.1/- each. During the year under review, there is no change in the paid-up share capital of the Company.

During the year under review, the Company has not issued shares or convertible securities or shares without differential voting rights nor has granted any employee stock options or sweat equity shares. Further, it has not provided any money to its employees for purchase of its own shares hence the Company has nothing to report in respect of Rule 4(4), Rule 12(9) and Rule 16 of the Companies (Share Capital & Debentures) Rules, 2014.

The Company has not issued any Debentures / debt securities during the year under review.

As on March 31, 2021, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

## **DETAILS OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE**

Consequent to the Company's disinvestment of its shareholdings in "Tubacex Prakash India Private Limited", to Tubacex S.A. on 30<sup>th</sup> March, 2021, further to the Special Resolution passed by the Members at the Extraordinary General Meeting of the Company held through video conferencing on 29<sup>th</sup> March, 2021 approving disinvestment of 32,47,000 (32.47%), "Tubacex Prakash India Private Limited", ceased to be an Associate Company of the Company.

As on March 31, 2021 your Company does not have any Subsidiary, Joint Venture or Associate Company.

## **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place adequate internal financial control with reference to financial statements, some of which are outlined below.

Your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as amended by the Companies (Indian Accounting Standards) Rules, 2016, The Companies (Indian Accounting Standards) Rules, 2017 and that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013, to the extent applicable. These are in accordance with Generally Accepted Accounting Principles (GAAP) in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary. Internal Auditors have been appointed which report on quarterly basis on the operations of the Company. The observations, if any, of the Internal Auditors, are resolved to their satisfaction and are implemented across all the sites.





## EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on at [www.prakashsteelage.com](http://www.prakashsteelage.com).

### NUMBER OF MEETINGS

#### a) Board of Directors

The Board of Directors met Six (6) times in the Financial Year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of the Annual Report. The intervening gap between the consecutive two (2) meetings did not exceed 120 days in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred to as "SEBI (LODR).

#### b) Audit Committee

During the year, Five (5) Audit Committee Meetings were convened and held. The details pertaining to composition of Audit Committee and the attendance of the Audit Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report. The intervening gap between the two (2) meetings did not exceed 120 days in accordance with the provisions of the Companies Act, 2013 and the SEBI (LODR).

#### c) Nomination & Remuneration Committee

During the year, One (1) Nomination and Remuneration Committee Meetings were convened and held. The details pertaining to composition of Nomination and Remuneration Committee and the attendance of the Nomination and Remuneration Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report.

#### d) Stakeholders' Relationship Committee

During the year, One (1) Stakeholders Relationship Committee were convened and held. The details pertaining to composition of Stakeholders Relationship Committee and the attendance of the Stakeholders Relationship Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report.

In terms of requirements of Schedule IV of the Companies Act, 2013 a separate meeting of Independent Directors was also held on March 06, 2021 to review the performance of Non- Independent Directors, the entire Board and quality, quantity and timelines of the flow of information between the Management and the Board.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(3)(c) of the Companies Act, 2013, the Board of Directors confirm that:

- (a) the preparation of the annual accounts of the Company for the year ended March 31, 2021, the applicable accounting standards have been followed, along with proper explanation relating to material departures, if any;
- (b) the accounting policies as mentioned in the notes to the Financial Statements for the year ended March 31, 2021 have been selected and applied consistently and made judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit of the Company for the year ended as on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual financial statements for the year ended March 31, 2021 have been prepared on a 'going concern' basis;
- (e) the internal financial controls laid down by the company are being followed and such internal financial controls are



adequate and are operating effectively; and

- (f) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

#### **DETAILS OF FRAUD REPORTED BY AUDITOR**

No such reporting is done by any auditor of the company under sub section 12 of section 143 of the Act.

#### **STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

Your Company has received declarations from all the Independent Directors viz., Mr. A. Prakashchandra Hegde, Mr. Himanshu J. Thaker and Ms. Neetta K. Bokaria confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 26(5) of the SEBI (LODR).

#### **POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR THEIR PERFORMANCE EVALUATION**

The Board, on the basis of the criteria/manner as recommended by the Nomination & Remuneration Committee of the Board of Directors, evaluates the performance of the Directors pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 framed thereunder along with the corporate governance requirements as laid down by Securities Exchange Board of India ("SEBI") under "SEBI (LODR)".

The performance of the Board and its Committees is evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria as recommended by Nomination & Remuneration Committee of the Board of Directors such as adequacy of the composition of the Board, its Committees, Board culture, execution, effectiveness of board processes, performance and functioning of specific duties, obligations, governance, etc. in accordance with the provisions of Section 134 (3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 framed thereunder and the "SEBI (LODR)".

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman is evaluated, taking into account the views of Executive Directors and Non-Executive Directors and also assessed the flow of information between the Management and the Board to effectively and reasonably perform their duties. The same is discussed in the Board Meeting that follows the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors is also discussed in accordance with the requirement of Regulation 25(3) &(4) of the "SEBI (LODR)".

A brief extract of the Remuneration Policy on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management is provided as **Annexure –I** to this Report.

#### **FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

Pursuant to the provisions of Regulation 25(7) of the "SEBI (LODR)" the Company prepared and pursued the Familiarization Program for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The Familiarisation Programme for Independent Directors of the Company is hosted on Company's website ([www.prakashsteelage.com](http://www.prakashsteelage.com)) during the year under review.

#### **STATUTORY AUDITORS**

At the 27<sup>th</sup> Annual General Meeting of the Company held on September 28, 2018, M/s. Pipara & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 107929W/W-100219) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from conclusion of the 27<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company to be held for the Financial Year 2022-2023. The Statutory Auditors have confirmed their eligibility to continue in the office.

Pursuant to notification of the Companies (Amendment) Act, 2017, on May 7, 2018, the requirement of ratification of appointment of the Statutory Auditors by the members is no longer required. Details of fees paid to the statutory auditors are provided under the Corporate Governance Report.

With respect to all entities in the network firm/network entity of which the statutory auditor is a part: None



## AUDITORS' REPORT

The management reply on the auditor's qualifications is as under:-

### Statement on Impact of Audit Qualifications

**Statement on Impact of Audit Qualifications for the Financial Year ended 31<sup>st</sup> March, 2021**  
**[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(Rs. in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income	2,537.71	2,537.71
	2.	Total Expenditure	2,844.21	2,844.21
	3.	Net Profit / (Loss)	(306.51)	(306.51)
	4.	Earning Per Share	2.90	2.90
	5.	Total Assets	2,984.83	2,984.83
	6.	Total Liabilities	2,984.83	2,984.83
	7.	Net Worth	(21,767.25)	(21,767.25)
	8.	Any other financial item(s) (as felt appropriate by the management) Exception Items	4,736.94	4,736.94

### II. Audit Qualification:

- A. Details of Audit Qualification:** 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 also provided interest including penal interest and other dues for the year ended March, 2021 on 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 & Surplus is not ascertainable.
- B. Type of Audit Qualification: Qualified Opinion**
- C. Frequency of qualification: Appeared Fifth time.**
- D. Management's View:** Due to adverse condition in steel industries on account of drastic fall in the prices of steel, the Company has been suffering losses since couple of years which is impacting the net worth of the Company. The Loan account of the Company with its consortium banks has become non-performing assets (NPA). 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 year on borrowings; to the extent the same have remained unpaid.

### III. Audit Qualification:

- A. Details of Audit Qualification:** The Company has accumulated losses resulting in erosion of Net Worth. These conditions cast serious doubt about the company's ability to continue as a going concern. However, the statement of audited financial results of the Company has been prepared on a going concern basis.
- B. Type of Audit Qualification: Qualified Opinion**
- C. Frequency of qualification: Appeared Fifth time**
- D. Management's View:** The erosion of net worth of the Company should not be constituted as doubt on the continuity of the Company as going concern. The steel industries in on the revival path. The Company is in the process of coming out of the crisis through business restructuring and financial arrangement. Further, three lenders have sanctioned One Time Settlement (OTS) for an overall amount of INR 90.00 Crores, subject to the conditions of timely payment of the agreed OTS amount and other standard terms as mentioned in the OTS sanction letters. Company has already paid INR 50,61,54,142 to the lenders against the above OTS sanction on 31st March, 2021.



### Emphasis of Matter by Auditor and Management reply on that as follows :

- I. Note no. 33 of the Ind AS financial statement stating that as per the sanction of One Time Settlement (OTS) offer by all the consortium banks for Rs. 90 crores, the Company has already paid the first tranche of Rs. 50.62 crores leaving the balance of Rs. 39.38 crores. Further, as on March 31, 2021; the total bank borrowings of above lenders is appearing at Rs. 217.85 crores, against the said outstanding, the bank had approved OTS amount of Rs. 90.00 crores. As per management assessment, the differential portion of borrowing i.e. Rs. 127.85 crores will be accounted as income (remission of bank liability) in the financial year in which the Company will make full and final payment towards the sanctioned OTS amount along with the fulfilment of other conditions mentioned therein and receipt of No-dues certificate from these lenders.

**Management reply:** As per the sanction of our One Time Settlement (OTS) offer by all the consortium banks for Rs. 90 crores, the Company has already paid the first tranche of Rs. 50.62 crores leaving the balance of Rs. 39.38 crores. Further, as on March 31, 2021; the total bank borrowings of above lenders is appearing at Rs. 217.85 crores, against the said outstanding, the bank had approved OTS amount of Rs. 90.00 crores. As per management assessment, the differential portion of borrowing i.e. Rs. 127.85 crores will be accounted as income (remission of bank liability) in the financial year in which the Company will make full and final payment towards the sanctioned OTS amount along with the fulfilment of other conditions mentioned therein and receipt of No-dues certificate from these lenders.

- II. We draw attention to Note 37 of the accompanying Ind AS financial statement, as regards to management's evaluation of uncertainties relating to COVID-19 and its consequential effect on the carrying value of the assets as at March 31, 2021 and the operations of the Company.

**Management Reply:** Company has considered the possible effect that may result from the pandemic relating to COVID- 19 on the carrying amount of receivables and inventory. In developing the assumption relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit report and related information and economic forecaste. The company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID- 19 on the company's financials statements may differ from that estimated as at the date of approval of these financial results.

- III. Note no 8(i) of the Ind AS financial statement stating that, during the quarter ended March, 2021; Company has written off the outstanding receivable balance amounting to INR 46.65 Crores against which the provision for bad and doubtful debts was already made through profit and loss account during the year ended March, 2017. Considering the long outstanding receivable and the decision of the Board of Directors, Company is writing off such receivable.

**Management Reply:** Company has written off the outstanding receivable balance amounting to Rs. 46.65 Crores against which the provision for bad and doubtful debts was already made through profit and loss account during the year ended March, 2017.

- IV. Note no. 35 of the Ind AS financial statement stating that some of the balances of Trade Receivables, Deposits, Loans and Advances, Advance received from customers and Trade payable are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any. The management, however, do not expect any material variation.

**Management Reply:** with respect to the provision made by the Company stipulated by Statutory Auditor as Emphasis of Matter, some of the balances of Trade Receivables, Deposits, Loans & Advances, Advances received from customers, Liability for expenses and Trade Payables are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from.

- V. Note no. 40 of the Ind AS financial statement stating that, during the year; Company has recalculated the deferred tax liability on the basis of balance sheet approach and accordingly, reversed the excess deferred tax liability in the accompanying Ind AS financial statements for year ended March, 2021.



**Management Reply:** During FY 2020-21; Company has recalculated the deferred tax liability on the basis of balance sheet approach and accordingly, reversed the excess deferred tax liability in the accompanying audited financial results for the quarter and year ended March, 2021.

**COST AUDIT OR DISCLOSURE, AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013, IS REQUIRED BY THE COMPANY AND ACCORDINGLY SUCH ACCOUNTS AND RECORDS ARE MADE AND MAINTAINED :**

The Cost Audit or the maintenance of Cost Records as specified by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013 are not applicable to the Company, on account of the reduction in the turn-over of the Company, which is lesser than the threshold limits of Rs.35 Crore for the consecutive two financial years 2019-20 (Rs.32.72 Crore) & 2020-21 (Rs.25.72 Crore).

**INTERNAL AUDITORS**

Your Company has received the consent letter from M/s. Luniya & Co., Chartered Accountants, Mumbai (Firm Registration No. 129787W) dated June 22, 2021, to act as an Internal Auditors of the Company for the Financial Year 2021-22 pursuant to the provisions of Section 138 of the Companies Act, 2013. They have also confirmed their eligibility and willingness to act as Internal Auditors of the Company pursuant to the provisions of the Companies Act, 2013 read with rules framed thereunder.

**SECRETARIAL AUDITORS**

M/s. S. Anantha & Ved LLP, (LLP IN: AAH-8229) Practicing Company Secretary, were appointed as the Secretarial Auditors of the Company, to conduct Secretarial Audit for the year under review, pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the year under review is annexed as '**Annexure II**' to this report.

Necessary explanation to the observations made in the Secretarial Audit Report is given below:

- a) Due to adverse condition in steel industries on account of drastic fall in the prices of steel, the Company has been suffering losses since couple of years which is impacting the net worth of the Company. Loan account had been classified as NPA by the consortium of the banks and 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 year on borrowings, to the extent the same have remained unpaid.
- b) The erosion of net worth of the Company should not be constituted as doubt on the continuity of the Company as going concern. The steel industries in on the revival path. The Company is in the process of coming out of the crisis through business restructuring and financial arrangement.
- c) Due to the Covid -19 Pandemic, the Company yet to receive the signed Cost Audit report in original for the Financial Year under review. The Board has initiated to file the Cost Audit report in due course.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

With respect to loans, guarantees and investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has not given any loan or guarantee to any person nor make any investments in any Company.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013**

All contract(s) / arrangement(s) / transaction(s) entered into by the Company with its related parties were in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR), 2015.

There are no materially significant Related Party Transactions entered into by the Company with promoters, Directors, Key managerial Personnel, which may have potential conflict with the interest of the Company at large.



Accordingly, Form AOC-2 prescribed under the provisions of Section 134(3) (h) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transaction, which are “not at arm’s length basis” and which are “Material and at arm’s length basis” is not provided as an annexure of the Board’s Report.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm’s length.

Your Company has formulated a Policy on Related Party Transactions which is also available on Company’s website at [www.prakashsteelage.com](http://www.prakashsteelage.com).

The Policy intends to ensure that proper reporting approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

The particulars of every contract(s) or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto given as per notes which forms part to financial statement which is provided in this report.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company between the end of the Financial Year as on March 31, 2021 of the Company and date of this report.

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

The details of conservation of energy, technology absorption foreign exchange earnings and outgo are stated in ‘Annexure III’ to this report, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

#### **RISK MANAGEMENT**

The Company has in place a Risk Management System with the Objective to formalize the process of Identification of Potential risk and adopt appropriate risk mitigation measures through a risk management structure which takes care of risk identification, assessment and mitigation. This system is a step by the Company towards strengthening the existing internal controls and updating the same as may be required from time to time. Risk factors and its mitigation are covered extensively in the Management Discussion and Analysis Report forming part of this Report.

Further, the Board has dissolved Risk Management Committee w.e.f. November 12, 2018 as per the Reg. 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 amended on May 9, 2018 which specifies that the Constitution of Risk Management Committee is Mandatory for top 500 Listed Companies.

#### **CORPORATE SOCIAL RESPONSIBILITY (“CSR”) INITIATIVES**

The brief outline of the Corporate Social Responsibility (“CSR”) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in ‘Annexure IV’ of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Details with respect to the composition and scope of the CSR Committee are provided in the Corporate Governance Section which forms part of this Annual Report.

The policy is available on the website of the Company ([www.prakashsteelage.com](http://www.prakashsteelage.com)).



## DEPOSITS

The Company has not accepted any Deposit from public during the year under review within the meaning of the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Prakash C. Kanugo (DIN: 00286366), Managing Director of the Company, will retire by rotation at the ensuing 30<sup>th</sup> Annual General Meeting and being eligible for re-appointment, has offered himself for re-appointment. Necessary resolution for his appointment also forms part of the Notice for the ensuing 30<sup>th</sup> Annual General Meeting of the Company.

Ms. Leela S. Bisht has resigned from the designation of Company Secretary & Compliance Officer of the Company on March 31, 2021.

Further, on the recommendation of the Nomination and Remuneration Committee and approval of Board in their meeting held on April 09, 2021 of the Company, Ms. Smita Singh has been appointed as the Company Secretary & Compliance Officer of the Company.

As required under the provisions of the Companies Act, 2013 and Regulation 36(3) of the SEBI (LODR) Regulations, 2015, brief resume and other details of Director being re-appointed are provided as **Annexure –A** to the Notice of the ensuing 30<sup>th</sup> Annual General Meeting of the Company.

In accordance with Section 2(51) and 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:

1. Mr. Prakash C. Kanugo, Chairman & Managing Director;
2. Mr. Ashok M. Seth, Whole-Time Director & Chief Financial Officer;
3. Ms. Smita Singh, Company Secretary & Compliance Officer.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

Pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## INTERNAL CONTROL SYSTEMS

Your Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014 and Regulation 18(3) of SEBI (LODR) Regulations, 2015.

The Company had entrusted the internal audit to M/s. Luniya&Co., Chartered Accountants, Mumbai (Firm Registration No. 129787W). However, the initial object of the internal audit process is to test and review of controls, independent appraisal of risks, business process and bench marking internal controls with best practices.

The Audit Committee of the Board of Directors actively reviews, the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen them.

The Company has a robust Management Information System, which is an integral part of the control mechanism.

The members of Audit Committee and Statutory Auditors are periodically apprised of the Internal Audit findings and corrective action taken. Internal audit plays a key role in providing assurance to the Board of Directors.



## COMPOSITION OF THE COMMITTEES

<b>Audit Committee</b>	<ol style="list-style-type: none"> <li>1. Mr. A. Prakashchandra Hegde (Chairman)</li> <li>2. Mr. Himanshu J. Thaker (Member)</li> <li>3. Mr. Ashok M. Seth (Member)</li> <li>4. Mrs. Neetta K. Bokaria (Member)</li> </ol>
<b>Nomination &amp; Remuneration Committee</b>	<ol style="list-style-type: none"> <li>1. Mr. Himanshu J. Thaker (Chairman)</li> <li>2. Mr. A. Prakashchandra Hegde (Member)</li> <li>3. Mrs. Neetta K. Bokaria (Member)</li> </ol>
<b>Stakeholders' Relationship Committee</b>	<ol style="list-style-type: none"> <li>1. Mr. A. Prakashchandra Hegde (Chairman)</li> <li>2. Mr. Himanshu J. Thaker (Member)</li> <li>3. Mr. Ashok M. Seth (Member)</li> </ol>
<b>Corporate Social Responsibility Committee</b>	<ol style="list-style-type: none"> <li>1. Mr. A. Prakashchandra Hegde (Chairman)</li> <li>2. Mr. Ashok M. Seth (Member)</li> <li>3. Mr. Hemant P. Kanugo (Member)</li> </ol>
<b>Executive Committee</b>	<ol style="list-style-type: none"> <li>1. Mr. Prakash C. Kanugo (Chairman)</li> <li>2. Mr. Ashok M. Seth (Member)</li> <li>3. Mr. Hemant P. Kanugo (Member)</li> </ol>

The brief details with respect to the constitution, meetings, scope and functions of the above mentioned Committees of the Company have been provided in Corporate Governance section forming part of this Annual Report.

## VIGIL MECHANISM UNDER WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the "SEBI (LODR)", the Board of Directors has on recommendation of its Audit Committee, adopted 'Whistle Blower Policy' at their meeting held on 29<sup>th</sup> May, 2014 for Directors and Employees of the Company, to report concerns about unethical behavior, actual or suspected fraud or violation of your Company's Code of Conduct and to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal. Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

None of the personnel of the Company has been denied access to the Audit Committee of the Board of Directors of the Company. The said policy is hosted on the website of the Company ([www.prakashsteelage.com](http://www.prakashsteelage.com)).

## PARTICULARS OF EMPLOYEES AS PER SECTION 197(12) & RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details of employee remuneration as required under provisions of Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure V** to the Report.

The details of top ten employees of the Company is annexed as **Annexure V-A** to this Report.

None of the Employee has drawn the remuneration more than the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the "SEBI (LODR)" is presented in a separate section of this Annual Report.

## CORPORATE GOVERNANCE

Your Company is committed to follow the best practices of Corporate Governance, including the requirements under the "SEBI (LODR)" and the Board is responsible to ensure the same, from time to time.





The Company has duly complied with the Corporate Governance requirements as set out under Regulation 34(3) and Schedule V of the “SEBI (LODR)”, from time to time and the Secretarial Auditors of the Company viz. M/s. S. Anantha & Ved LLP, Company Secretaries, have, vide their certificate dated June 16, 2021 confirmed that the Company is and has been compliant with the conditions stipulated in the Regulation 34(3) and Schedule V of the “SEBI (LODR)”.

The said certificate is annexed to this report. Further, a separate report on Corporate Governance forms part of this Annual Report.

### **DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company has formulated a Policy known as "The Anti – Sexual Harassment Policy" (“Policy”) which aims to provide a safe working environment and prohibits any form of sexual harassment. This policy intends to prohibit occurrences of any form of sexual harassment and also details procedures to follow when an employee believes that a violation of the policy has occurred within the ambit of all applicable regulations regarding Sexual harassment. The said policy is hosted on the website of the Company ([www.prakashsteelage.com](http://www.prakashsteelage.com)).

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Board has constituted an Internal Complaints Committee (“ICC”) to redress the complaints received regarding sexual harassment. All employees (whether permanent, contractual, temporary, trainee) are covered under this policy. The Company conducts awareness program at regular intervals.

During the year under review, no complaints were received under the said policy.

### **SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)**

The Company complies with the Secretarial Standards issued by ICSI, one of the premier professional bodies in India.

### **CHANGES IN THE NATURE OF BUSINESS:**

There were no changes in the nature of business during the financial year under review.

### **ACKNOWLEDGEMENTS**

The Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, vendors, investors and other stakeholders. The Board also recognizes the contribution of the valued customers in the growth of the Company and takes this opportunity to pledge the Company’s commitment to serve them.

Your Directors also wish to place on record their deep sense of appreciation for hard work, co-operation, solidarity, dedication & commitment displayed by all executives officer, Staffs during the year, result in the successful performance of the Company.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the PSL family.

**For and on Behalf of the Board of Directors  
Prakash Steelage Limited**

Sd/-

**Prakash C. Kanugo  
Chairman & Managing Director  
DIN: 00286366**

Date : 12<sup>th</sup> August, 2021  
Place : Mumbai



## Annexure – I

### REMUNERATION POLICY

The Remuneration Policy (“Policy”) of Prakash Steelage Limited (the “Company”) is designed to attract, motivate and retain manpower in a competitive market. The policy reflects the Company’s objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Policy applies to the Company’s Board of Directors, Senior Management, including its Key Managerial Person (“KMPs”).

#### Guiding principles

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

The Remuneration Policy for Executives reflects the overriding remuneration philosophy and principles of the Prakash Steelage Limited. When determining the remuneration policy and arrangements for Executive Directors / KMPs, the Nomination and Remuneration Committee (“Committee”) of the Board of Directors of the Company considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

The said Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

The said Committee while considering a remuneration package must ensure a balance between fixed pay and variable (incentive) pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

#### Reward principles and objectives

Our remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

#### Reward policies

1. **Attract and retain:** Remuneration packages are designed to attract high calibre Executives in a competitive global market and remunerate Executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.
2. **Motivate and reward:** Remuneration is designed to motivate the Executives to deliver to the best of their skills, knowledge, create a strong performance-orientated environment and reward achievement of meaningful targets over the short and long term.
3. **The principal terms of non-monetary benefits:** The Executives will be entitled to customary non-monetary benefits which will be decided mutually in individual cases.

#### Executive Remuneration – Board of Management

Executive remuneration is proposed by the Chairman/Managing Director to the said Committee and subsequently on the recommendation of the Committee; the same is approved by the Board of Directors of the Company. Executive remuneration is evaluated annually against performance and a benchmark of Peer Companies, which in size and complexity are similar to Prakash Steelage Limited. Benchmarks may be decided in advance. The total remuneration shall have optimum mix of fixed base salary and a variable salary such as incentive as per prevailing market practices.



The same shall be set at a level aimed to attract and retain Executives with professional and personal competences to drive the Company's performance.

**Pension contributions** made in accordance with applicable laws and employment agreements.

**Severance payments** in accordance with termination clauses in employment agreements. Severance payments shall comply with local legal framework.

### **Disclosure of Information**

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and Senior Management may be disclosed in the Company's Annual Financial Statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

### **Approval of the Remuneration Policy**

This Remuneration Policy shall apply to all employment agreements of the Company's Senior Management including Executive Directors and Key Managerial Persons. The Remuneration Policy shall act as guidance for the Board.

### **Dissemination**

The Company's Remuneration Policy shall be published on its website i.e. [www.prakashsteelage.com](http://www.prakashsteelage.com)

**For and on Behalf of the Board of Directors  
Prakash Steelage Limited**

**Date : 12<sup>th</sup> August, 2021  
Place : Mumbai**

**Sd/-  
Prakash C. Kanugo  
Chairman & Managing Director  
DIN: 00286366**



**Form No. MR - 3**  
**SECRETARIAL AUDIT REPORT**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

To,  
The Members  
**Prakash Steelage Limited**  
101, 1<sup>st</sup> Floor, Shatrunjay Apartment, 28, Sindhi Lane  
Nanubhai Desai Road, Mumbai – 400 004.

We have conducted the Secretarial Audit of the Compliance of Applicable Statutory provisions and the adherence to good corporate practices by Prakash Steelage Limited [CIN: L27106MH1991PLC061595] (hereinafter called the "Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder (*except some instances where the Company has filed e-Form after prescribed time. The Company availed benefit of immunity offered by MCA under CFSS for filing those e-forms*);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (*Not Applicable as there were no instances of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the year under review*);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not Applicable** for the year under review);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (**Not Applicable** for the year under review);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable** for the year under review);
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable** for the year under review); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable** for the year under review).



(vi) Other laws applicable specifically to the Company:

- a) The Air (Prevention and Control Pollution) Act, 1981 and rules made thereunder;
- b) The Water (Prevention and Control Pollution) Act, 1974 and rules made thereunder;
- c) The Environment (Protection) Act, 1986 and the rules made thereunder; and
- d) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following exceptions / observations:

- a) *The account of the Company with its consortium Banks had turned Non Performing Asset during the previous financial year on various dates. In view of uncertainty the Company has not provided interest including penal interest and other dues also for the year ended 31<sup>st</sup> March, 2021, on 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 liabilities and Reserves & Surplus is not ascertainable.*
- b) *The Financial Statement indicates that the Company has accumulated losses resulting in erosion of net worth. These conditions cast serious doubts about the Company's ability to continue as going concern. However, the financial Statements of the Company have been prepared on going concern basis.*
- c) *The Company has not filed Cost Audit Report for the Financial year 2020-21 with MCA.*

#### **We further report that**

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by the respective Department Heads / Company Secretary / CFO / KMP taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law, environmental laws and all other applicable laws, rules, regulations and guidelines. The Company has responded to compliance requirements, notices for demands, claims, penalties etc. levied, by statutory/regulatory authorities and initiated actions for corrective measures and compliance thereof.

**We further report that** the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and Labour Law Compliances have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

#### **We further report that**

Adequate notice is given to all directors to schedule the Board Meetings along with the agenda generally at least seven days in advance and detailed notes on agenda were sent well in advance before the meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** during the year under review, there were **no events** viz.

- (i) Public / Right /sweat equity;
- (ii) Redemption/Buy-back of securities;



- (iii) Merger / amalgamation / reconstruction, etc; and
- (iv) Foreign technical collaborations; or  
such other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc.,  
having any bearing on the Company's affairs.

**Except the following event:**

Consequent to the Company's disinvestment of its shareholdings in "Tubacex Prakash India Private Limited", to Tubacex S.A. on 30<sup>th</sup> March, 2021, further to the Special Resolution passed by the Members at the Extraordinary General Meeting of the Company held through video conferencing on 29<sup>th</sup> March, 2021 approving disinvestment of 32,47,000 (32.47%), "Tubacex Prakash India Private Limited", ceased to be an Associate Company of the Company.

**For S. Anantha & Ved LLP  
Company Secretaries**

**Sd/-  
Dinesh Trivedi  
Designated Partner  
ACS: 23841  
CP No.: 22407  
UDIN: A023841C000771951**

**Place: Mumbai  
Date: 11<sup>th</sup> August, 2021**

**Note: This report should be read with letter of even date by the Secretarial Auditors.**



## Annexure

To  
The Members  
**Prakash Steelage Limited**  
101, 1<sup>st</sup> Floor, Shatrunjay Apartment, 28, Sindhi Lane,  
Nanubhai Desai Road, Mumbai - 400004.

### **Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For S. Anantha & Ved LLP**  
**Company Secretaries**

**Sd/-**  
**Dinesh Trivedi**  
**Designated Partner**  
**ACS: 23841**  
**CP No.: 22407**  
**UDIN: A023841C000771951**

**Place: Mumbai**  
**Date: 11<sup>th</sup> August, 2021**



## Annexure - III

**INFORMATION PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3)  
OF THE COMPANIES (ACCOUNTS) RULES, 2014  
FOR THE YEAR ENDED 31<sup>st</sup> March, 2021**

**(A) Conservation of Energy –**

- (i) The steps taken or impact on conservation of energy:  
**(a) The technical department of the Company monitors the energy consumption and it takes due care in proper utilization of the energy.**  
**(b) The regular maintenance of plant & machinery, installation of automated machines and watchful supervision results in reduction in energy consumption.**
- (ii) The steps taken by the Company for utilizing alternate sources of energy:  
**Currently, the Company is not utilizing any alternate sources of energy.**
- (iii) The capital investment on energy conservation equipments:  
**No capital investment was made during the year on energy conservation equipments.**

**(B) Technology Absorption –**

- (i) The efforts made towards technology absorption:  
**No efforts have been made during the year for technology absorption.**
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:  
**Nil**
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):  
**No technology was imported during the year or any time during the last three financial years.**
- (iv) The expenditure incurred on Research and Development:  
**No major expenses have been incurred on R & D expenditure.**

**(C) Foreign Exchange Earnings and Outgo –**

(Rs. in Lakhs)

Particulars	As on March, 31, 2021	As on March, 31, 2020
Foreign exchange earning	191.97	471.28
CIF Value of Imports	25.95	NIL
Expenditure in foreign currency	12.56	6.98

**For and on Behalf of the Board of Directors  
Prakash Steelage Limited**

Sd/-

**Prakash C. Kanugo  
Chairman & Managing Director  
DIN: 00286366**

Date : 12<sup>th</sup> August, 2021  
Place : Mumbai





## Annexure IV

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FY 2020-21

## 1. A brief outline on CSR policy of the Company:

The Company shall decide to undertake any of the CSR activities/ projects as enumerated in Schedule VII of the Companies Act, 2013 or such other CSR activities/ projects as may be notified by Ministry of Corporate Affairs from time to time.

## 2. Composition of the CSR Committee:

Name of the Directors	Status at Committee	Nature of Directorship
Mr. A. Prakashchandra Hedge	Chairperson	Independent Director
Mr. Hemant P. Kanugo	Member	Whole Time Director
Mr. Ashok M. Seth	Member	Whole Time Director

## 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board is available on the website of the Company at the following links:  
<http://www.prakashsteelage.com/List%20of%20Committee%20of%20Board%20of%20Directors.html>,  
[http://www.prakashsteelage.com/financial\\_results/CSR%20Policy.pdf](http://www.prakashsteelage.com/financial_results/CSR%20Policy.pdf).

## 4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : NOT APPLICABLE

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

## 6. Average net profit of the Company as per Section 135(5): (In INR)

Particulars	31-March 2020	31-March 2019	31-March 2018
Profit under section 198	(3,30,91,593)	(8,22,82,992)	(2,52,19,74,475)

## Average net profit : Rs. (87,91,16,353/-)

- Two percent of the average net profit of the Company as per Section 135 (5) : **NIL**
- Surplus arising out of the CSR projects or programs or activities of the previous financial years : **NIL**
- Amount required to be set off for the financial year, if any: **NIL**
- Total CSR obligation for the financial year: **NIL**



## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.) : NIL				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
Rs. 9,12,500/-	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR Amount spent against **ongoing projects** for the Financial Year : **Not applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)
Sl. No.	Name of the Project or Activity identified	Item from the list of activities In Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.)
				State	District		
	(8)	(9)	(10)	(11)			
	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency			
				Name	CST Registration number		

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project or Activity identified	Item from the list of activities In Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount Spent for the Project (in Rs.)	Mode of Implementation Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	Distric			Name	CSR registration number
1.	Poverty, Hunger,	Poverty	Mumbai,			25,000	Direct	NA	



2.	Providing various activities with respect to gender equalities, educations, medical aid, training etc.	Promoting gender equality, empowering women, eradicating hunger, poverty and malnutrition, helping handicap patient promoting health care.	Sanchor, Rajasthan	24,500	Direct	NA
3.	Providing various activities with respect to health care, blood donation camp, jalseva at Gangadevi mela, charity cricket tournaments etc.	Various	Valsad, Gujarat	21,000	Direct	NA
4.	Providing various medical helps such as organizing medical camp, eye camp, Blood Donation Camp etc.	Health Care	Mumbai Maharashtra	50,000	Direct	NA
5.	Promoting training and education with an aim to provide socio-economic empowerment, value based education, spread of global friendship and spiritual upliftment of fellow beings.	Education	Mumbai Maharashtra	5,00,000	Direct	NA
6.	Providing various activities with respect to gender equalities, educations, medical aid, training etc.	Promoting gender equality, empowering women, eradicating hunger, poverty and malnutrition, helping handicap patient, promoting health care.	Sanchor, Rajasthan	25,000	Direct	NA



7.	Providing various medical helps such as organizing medical camp, eye camp, Blood Donation Camp etc.	Health Care	Mumbai, Maharashtra	5,000	Direct	NA
8.	Setting up old age homes, day care centres and such other facilities for senior citizens.	Senior Citizen's Welfare	Mumbai, Maharashtra	1,08,000	Direct	NA
9.	Other Activity	Animal Welfare	Mumbai, Maharashtra	48,000	Direct	NA
10.	Providing various medical helps such as organizing medical camp, eye camp, Blood Donation Camp etc.	Health Care	Mumbai, Maharashtra	45,000	Direct	NA
11.	Promoting training and education with an aim to provide socio-economic empowerment, value based education, spread of global friendship and spiritual upliftment of fellow beings.	Promoting education, including special education and employment enhancing vocation skills and livelihood enhancing projects	Mumbai, Maharashtra	10,000	Direct	NA
12.	Providing various medical helps such as organizing medical camp, eye camp, Blood Donation Camp etc.	Health Care	Mumbai, Maharashtra	51,000	Direct	NA
	<b>TOTAL</b>			<b>9,12,500</b>		

(d) Amount spent in Administrative Overheads: **Not Applicable**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 9,12,500/-**

(g) Excess amount for set off, if any: **Rs. 9,12,500/-**

Sl. No.	Particular	Amount (in Rs.)
1.	Two percent of average net profit of the company as per section 135(5)	Nil
2.	Total amount spent for the Financial Year	<b>Rs. 9,12,500/-</b>
3.	Excess amount spent for the financial year [(ii)-(i)]	<b>Rs. 9,12,500/-</b>
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	<b>Rs. 9,12,500/-</b>



## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
1.	2017-18	NIL	30,20,000	Nil	Nil	Nil	
2.	2018-19	NIL	24,13,000	Nil	Nil	Nil	
3.	2019-20	NIL	Nil	Nil	Nil	Nil	

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project Completed /Ongoing.
1. 2.	Not Applicable as the Company did not have any ongoing projects for fulfillment of its CSR obligation.							
	<b>Total</b>							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details): **Not Applicable**(a) Date of creation or acquisition of the capital asset(s) – **Not Applicable**(b) Amount of CSR spent for creation or acquisition of capital asset - **Not Applicable**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **Not Applicable**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - **Not Applicable**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : **Not Applicable**

For and on Behalf of the Board of Directors  
Prakash Steelage Limited

Sd/-

Prakash C. Kanugo  
Chairman & Managing Director  
DIN: 00286366

Sd/-

A. Prakashchandra Hegde  
Chairman of CSR Committee-Independent Director  
DIN : 02266510

Date : 12<sup>th</sup> August, 2021

Place : Mumbai



## Annexure V

### Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**I. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year :**

Sr. No.	Name of KMP	Designation	Percent increase in remuneration in the financial year (FY) 2020-21	Ratio of the remuneration of each director to the median remuneration of the employees for the financial year
1	Prakash C. Kanugo	Chairman & Managing Director	NIL	NIL
2	Ashok M. Seth	Executive Director & CFO	NIL	NIL
3	Hemant P. Kanugo	Wholetime Director	NIL	NIL
4	Leela S. Bisht	Company Secretary & Compliance Officer	NIL	1 : 2.50

Note : Sitting fees paid to the Independent Directors has not been considered as remuneration.

- II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**  
No increase in the remuneration of director, CFO, CEO, Company Secretary or manager, during the financial year 2020-21.
- III. The percentage increase in the median remuneration of employees in the fiscal year:**  
During the financial year 2020-21, there is no increase in the median remuneration of the employees.
- IV. The number of permanent employees on the payrolls of the Company:**  
The Company has 85 permanent employees on the rolls as on 31<sup>st</sup> March, 2021.
- V. The average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:**  
No Increment for certain salaries of the employees during the last financial year.
- VI. Remuneration is as per the remuneration policy of the Company:**  
The Company has implemented and uploaded the Remuneration policy on its website ([www.prakashsteelage.com](http://www.prakashsteelage.com)) and the remuneration paid to its Directors, KMP and other employees are in conformity with this policy.

**For and on Behalf of the Board of Directors  
Prakash Steelage Limited**

Sd/-  
**Prakash C. Kanugo**  
Chairman & Managing Director  
DIN: 00286366

Date : 12<sup>th</sup> August, 2021  
Place : Mumbai



## Annexure V-A

## Detailed list of Top ten Employees :

Sl. No.	Name of the Employee	Designation of the employee	Remuneration Received (in Rs.)	Nature of Employment Whether contractual or otherwise	Qualifications and experience of the employee	Date of Commencement of Employment in The Company/ Group	The age of such Employee	The last employment held by such employee before joining the Company	The % of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub-rule 2 of Rule 5 (as on 31.03.21)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
	Mr. Surendra Tiwari	G.M-Finance	9,07,512.00	Permanent	B. Com, ACA 15 years	10.11.2009	41	NA	0.0017%	NA
	Mr. Balkrishna Utekar	Marketing Head	7,89,516.00	Permanent	B. Com. 21 years	01.01.2008	44	NA	NA	NA
	Mr. Upparpalli Hemashekhar Mr. Sharad Patil	Sr. Manager Assistant Manager - Production	6,00,000.00 5,40,000.00	Permanent Permanent	S.S.C. 20 years DME	01.11.2019 10.02.2020	38 34	NA NA	NA NA	NA NA
	Mr. Keshu Ram Dewasi	Sr. Manager	5,08,776.00	Permanent	15 Years Metric	01.10.2007	47	NA	NA	NA
	Mr. Kishan Chanda	Manager - Export	4,80,000.00	Permanent	14 years B. Com, MBA	08.06.2015	27	NA	NA	NA
	Mr. Shaileshkumar Pranjivan Jada Mr. Deepak Waghmare	Assistant Manager -A/C Executive	4,40,496.00 4,05,360.00	Permanent Permanent	8 years B. Com, 24 years	02.05.2009 01.07.2010	57 35	NA NA	NA NA	NA NA
	Mr. Dhanurdhar Biswal	Sr. Executive	4,03,500.00	Permanent	11 years B. Com.,	12.12.2013	43	NA	NA	NA
	Mr. Rakesh Kumar Singh	Sr. Manager	3,84,384.00	Permanent	8 years B.A., 18 years	09.10.1996	56	NA	NA	NA

For and on behalf of the Board of Director  
Prakash Steelage Limited  
Sd/-

Prakash C. Kanugo  
(Chairman & Managing Director)  
DIN : 00286366

Place : Mumbai  
Date : 12<sup>th</sup> August, 2021



## MANAGEMENT DISCUSSION AND ANALYSIS

The Management of Prakash Steelage Limited, presents its analysis report covering performance and outlook of the Company. The core business of the Company is manufacturing and exporting stainless steel tubes and pipes. It has its registered office located in Mumbai, Maharashtra and plant located at Silvassa (UT – Dadra & Nagar Haveli) The Management accepts responsibility for integrity and objectivity of the Financial Statements of the Company.

### Industry Structure and Developments:

Worldwide production of steel pipe is expecting the year 2020-2021 onwards an upward trend. According to estimates of the German Steel Tube Association, the outlook for the steel pipe industry has improved since 2016. It predicts that investment activities in the energy sector, which had practically reached a complete standstill after the crude oil price collapse in 2015, are starting to return to normal. In addition to the resulting backlog, the cyclical upswing in raw material and steel prices should benefit the sector just as much as the continued robust economic activity in the industrialized world. Playing important roles are the relatively favorable energy prices, expansive fiscal policies, and the favorable euro-to-dollar exchange rate. On top of this, the association expects North America's anticipated expansive economic policies, and an energy policy that puts a stronger focus on fossil fuels, to have a positive effect on the steel pipe industry. Global Stainless Steel Pipes and Tubes market is projected to display a sustainable growth represented by a CAGR of over 3.55% during 2017 - 2022, primarily driven by rising energy demand and production of vehicles. The Stainless Steel Pipe and Tube is expected to lead the market in the forecast period. Among the regions, Asia Pacific accounts for the largest regional share in the Global Stainless Steel Pipe and Tube Market in 2016. However, Asia Pacific is also projected to progress at the highest rate, mainly driven by construction of major infrastructural projects and power projects and increasing demand of oil and gas. Additionally, the investment in Water supply and desalination projects foster the demand of stainless steel pipe and tube.

### Opportunities, Threats, Risks and Concerns:

As is normal and prevalent for any business, the Company is likely to face competition from large scale imports. There can be risks inherent in meeting unforeseen situation, not uncommon in the industry. Company is fully aware of these challenges and is geared to meet them. Company also recognizes the risks associated with business and would take adequate measures to address the associated risks and concerns. Some of these factors include competition from multinational Companies, duty free imports by customers against export obligations, our pricing strategy being mainly dependent on import affairs and dependence on imported raw material.

### Segment – wise or Product wise performance:

Pursuant to the Joint Venture Agreement executed between Tubacex S.A. Spain and the Company dated 13<sup>th</sup> February, 2015, in order to reduce its bank debts. However, the Company sells all its shareholdings in "Tubacex Prakash India Private Limited", to Tubacex S.A. on 30<sup>th</sup> March, 2021, further to the Special Resolution passed by the Members at the Extraordinary General Meeting of the Company held through video conferencing on 29<sup>th</sup> March, 2021 approving disinvestment of 32,47,000 (32.47%). and delete th company to seamless division.

### Outlook:

The second half of the covid-struck financial year 2020-21 saw an unprecedented rally in domestic steel prices which seems unstoppable even in the current FY22. Domestic flat steel - Hot Rolled Coiled (HRC) prices are up 40% since April 2020 and prices of long steel – TMT are nearly 30% higher as on March 2021. Steel prices continue to set new record highs month after month. In April 2021, domestic steel players announced further price hikes by up to Rs 1,000-2,000 per tonne in HRC and around Rs 3,000 per tonne in CRC. HRC are offered at Rs 59,700-60,000 per tonne in April 2021, up from Rs 36,950 per tonne in April 2020. This is the highest level seen since 2008, the year of the financial crisis.

During FY21, export of finished steel from India was higher by 29.1% at 10.8 million tonnes as compared to export during FY20, mainly driven by China. Share of export to Italy rose to 22% in March 2021 from 12% in March 2020. Share of export to Spain and Hong Kong rose to 5% and 10%, respectively from just under 1% in March 2020. India was net exporter of finished steel during FY21 with net trade surplus of six million tonnes.





In FY22, crude steel production is expected to reach 112-114 million tonnes, which would be a growth of 8-9% yoy. The crude steel production is expected to be marginally higher than FY19 when India produced nearly 111 million tonnes of crude steel. Steel demand will be supported by economic recovery, government spending and enhanced liquidity. The Union Budget for 2021-2022 has a sharp 34.5% yoy increase in allocation for Capex at 5.54 lakh crore. The budget's thrust is on infrastructure creation and manufacturing to propel the economy. Therefore, enhanced outlays for key sectors like defence services, railways, and roads, transport and highways would provide impetus to steel consumption which is expected to grow by 10-12% in FY22 to cross 100 million tonnes for the first time ever.

#### **Internal Control systems and their adequacy:**

The Company has in place adequate Internal Financial Controls with reference to financial statements and such internal financial controls are operating effectively. Your company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial statements.

#### **Discussion on financial performance with respect to operational performance:**

On the operational front, the Company on standalone basis has recorded net revenue of Rs. 2446.62 as compared to Rs. 3250.44 Lakhs of previous year. The Company has incurred a loss before tax and exceptional item Rs. 306.50 Lakhs as compared to previous year's profit before tax and exceptional item of Rs. 231.90 Lakhs. The Company has gained net profit after tax Rs. 5075.93 Lakhs (This was due to an exceptional gain bay way of sale of shares in Tubacex Prakash India Pvt. Ltd. and reversal of Income Tax Expenses) as compared to previous year's net loss after tax of Rs. 23.80 Lakhs. The Earning Per Share (EPS) stood at Rs. 2.90.

#### **Significant changes in key financial ratios as compared to the previous year.**

1. Operating profit margin ratio has decrease to (11.64)% as compared to 0.81% in the previous year.
2. Net profit / (loss) margin ratio has also decrease to (12.53)% as against 21.05% for the previous year.
3. Interest service coverage ratio: The account of the company has turned to NPA and in view of uncertainty the company has not provided interest on the borrowings and hence comment of Interest service coverage ratios are not applicable.
4. Inventory turnover ratio has decrease to 1.87 as against 3.46 for the previous year.
5. Current ratio for the year under report is 0.08 as against 0.11 for the previous year.
6. Debt equity ratio stood at (1.14) as compared to (1.17) in the previous year.
7. Debtors Turnover ratio has improved at 3.28 as against 2.34 for the previous year.
8. Return on Net Worth stood at (23.32)%.

#### **RISK, OPPORTUNITIES AND THREATS:**

##### ***Opportunities:***

As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019-20 and 2020-21. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

##### ***RISKS AND THREATS:***

The risks which the Company may face are discussed as follows.

##### **Present Pandemic Risk:**

The rapid spread of Covid 19 since March 2020, has caught the whole world unaware of the risk. All are navigating the path of total uncertainty and this is the biggest risk for the Company going forward this Current Financial Year 2021-22.

#### **Material developments in Human Resources / Industrial Relations front, including number of people employed:**

The Company continued to cultivate a learning mind set among employees with the help of its experienced talent pool to ensure they are ready for the challenges ahead and be well positioned for the future. The company has maintained an unbroken record of trouble free operations and good relations with its internal workmen union.

#### **HUMAN RESOURCES DEVELOPMENT**

As on 31st March 2021, the number of permanent employees in the Company is 85 at various levels. Talent management



has always been the crucial factor for the Company, as your Company believes that its continued success will depend on its ability to attract and retain key personnel with relevant skills and experience. The attrition rate among the Top Management of the Company has been negligible in last many years. The Company has robust process of human resource development. The Company has a HR Policy in place and encouraging working environment. The Company has continued to focus on various aspects like employee training, welfare and safety thereby maintaining a constructive relationship with employees. The Management had taken all required efforts for implementation of terms and conditions laid down by Ministry of Home Affairs of Central Government of India for prevention of outbreak at work places through detailed Standard Operating Procedure and Human Resource Department had taken effort in its implementation at all the sites. Moreover, all the required insurance policies were obtained for employees of the Company and its subcontractors, manpower suppliers for providing treatment cover for COVID-19 infection. The necessary arrangement were made through site HR officials for groceries, vegetables during lockdown phases and the required home isolation facilities were allocated to the workers of subcontractors too during the entire period.

### **Internal control systems and their adequacy**

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control System (IFC) in the Company which should be adequate and shall operate effectively. The Company has an Internal Control System including Internal Financial Controls, commensurate with the size, scale and complexity of its operations. The same is approved by Audit Committee. The Joint Internal Auditor evaluate the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds & errors and timely preparation of reliable financial information etc. The Internal Financial Controls are adequate and working effectively. The scope and authority of the Internal Audit is laid down by the Audit Committee and accordingly the Internal Audit Plan is approved. The Board is of the opinion that the Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and /or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

### **RESEARCH & DEVELOPMENT**

Your Company's Technology function continues to support the Company's growth strategy with focus on new capabilities/technology development, development for substantially new products, feature enhancement of existing products and productivity improvement.

### **INFORMATION TECHNOLOGY**

Your Company continues to be in forefront of leveraging relevant Information Technology trends to better facilitate the business and enhance the value proposition to its customers.

### **DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has consistently followed a treatment that has been prescribed in Indian Accounting Standards (Ind AS) in the preparation of financial statements and the same shows true and fair view of the financial statements.

### **Cautionary Statement:**

*Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be termed as "forward looking statements" within the meaning of applicable Laws and Regulations. Actual results may differ materially from those either expressed or implied. The readers of this report are, therefore, advised to read the same with this caution. The Company assumes no responsibility to publicly modify or revise any forward looking statements on the basis of any future events or new information.*

**For and on Behalf of the Board of Directors  
Prakash Steelage Limited**

**Sd/-  
Prakash C. Kanugo  
Chairman & Managing Director  
DIN: 00286366**

**Date : 12<sup>th</sup> August, 2021  
Place : Mumbai**



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

**Transparency and accountability** are the two basic tenets of Corporate Governance. **Prakash Steelage Limited** ("the Company / PSL") is committed to maintain a high standard of Corporate Governance in complying with the Code of Corporate Governance as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015").

Our Corporate Governance framework has helped us to be aligned with the new guidelines of the Companies Act, 2013 ("the Act"). We believe that an active, well informed and independent board is necessary to ensure the highest standards of Corporate Governance. At PSL, the Board of Directors ("the Board") is at the core of our Corporate Governance practice. The Board thus oversees the PSL's Management's ("the Management") functions and protects the long-term interests of our shareholders.

This report describes the Group's Corporate Governance practices that were in place throughout the financial year ended 31<sup>st</sup> March, 2021, more particularly in accordance with the provisions of Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 as amended.

#### **Ethics / Governance Policies :**

We have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Company's Code of Conduct;
- Code of Conduct for Prohibition of Insider Trading;
- Vigil Mechanism and Whistle Blower Policy;
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions;
- Corporate Social Responsibility Policy;
- Disclosure Policy;
- Policy for Selection of Directors and determining Directors' Independence;
- Anti – Sexual Harassment Policy;
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees; and
- Internal Financial Control Policy.

### 2. BOARD OF DIRECTORS:

#### **a) Board Composition:**

The Board is headed by an Executive Chairman and has an optimum combination of Executive and Non-Executive Directors including Independent Directors and is in conformity with the requirement of Regulation 17 of the SEBI (LODR) Regulations, 2015.

As on date of this Report, the Board consists of six (6) Directors comprising of one (1) Managing Director (Executive cum Chairman), two (2) Whole Time Directors (Executive) and three (3) Non-Executive Directors including one woman Director. All of the three (3) Non-Executive Directors are Independent Directors of the Company and free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The followings are the core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:



- Experience and possess knowledge of the functioning, operations, growth drivers, business environment and changing trends in the Steel industries.
- Diverse knowledge and requisite skills, expertise and competencies to effectively discharge adequate technical, legal and administrative skills in guiding the management.
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- Financial and Management skills
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- The Board of Directors also represent an ideal mix of professionalism, knowledge and experience thereby enabling it to discharge its responsibilities and effective leadership to the business for long term value creation for all stakeholders.

In the table below the specific areas of focus or expertise of individual board members have been ticked / marked.

Name of the Director	Category of Director	Operations	Business Strategy, Sales & Marketing	Financial/ Management	Legal	Technical/ Administration
Mr. Prakash C. Kanugo (DIN : 00286366) (Promoter)	Promoter, Executive and Non-independent	✓	✓	✓	✓	✓
Mr. Ashok M. Seth (DIN : 00309706) (Promoter)	Promoter, Executive and Non-independent	✓	✓	✓	✓	✓
Mr. Hemant P. Kanugo (DIN : 0030894) (Promoter)	Executive and Non-independent	✓	✓	✓	✓	✓
Mr. Himanshu J. Thaker (DIN : 02325297)	Non-Executive and Independent	✓	✓	—	✓	✓
Mr. A.Prakashchandra Hegde (DIN : 02266510)	Non-Executive and Independent	—	—	✓	✓	—
Mrs. Neetta K. Bokaria (DIN : 07101155)	Non-Executive and Independent	—	✓	—	—	—

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

All major decisions regarding resource mobilization, capital expenditure, etc. are considered by the Board in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for their approval. Following information are regularly put up before the Board for their consideration and approval:

- Review of Financial Results
- Minutes of all meetings including Audit Committee, Nomination and Remuneration Committee, as well as Executive Committee of Board.
- Compliance with various statutory requirements.
- The Board is informed of all material financial and commercial decision from time to time.

The detailed composition of the Board and Directorships / Committee Membership held in other Companies as on 31<sup>st</sup> March, 2021 is given below:



Name of the Director	Category of Director	Relation ship with other Directors	# No. of Directorships in other companies	*No. of other Board Committee(s) of which he/she is a Member	*No. of other Board Committee(s) of which he/she is a Chairperson
Mr. Prakash C. Kanugo (DIN : 00286366)	Promoter, Executive and Non-independent	Father of Mr. Hemant P. Kanugo, Whole Time Director	-	-	-
Mr. Ashok M. Seth (DIN : 00309706)	Promoter, Executive and Non-independent	-	-	-	-
Mr. Hemant P. Kanugo (DIN : 00309894)	Executive and Non-independent	Son of Mr. Prakash C. Kanugo, Chairman & Managing Director	-	-	-
Mr. Himanshu J. Thaker (DIN : 02325297)	Non-Executive and Independent	-	-	-	-
Mr. Prakashchandra A. Hegde (DIN : 02266510)	Non-Executive and Independent	-	-	-	-
Mrs. Neetta K. Bokaria (DIN : 07101155)	Non-Executive and Independent	-	-	-	-

**Note:**

#Total numbers of Directorships in other Companies exclude directorships in the Company, its subsidiaries, Foreign Companies, Companies formed under Section 8 of the Companies Act, 2013.

\*As per the provisions of SEBI (LODR) Regulations, 2015, the details of Committee Membership / Chairmanship of Audit Committee and Stakeholder's Relationship Committee alone, in other Indian Public Companies (Listed and Unlisted), are provided.

None of the Directors on the Board hold Membership(s) or Chairmanship(s) in the Board and Committees, above the limits specified under Regulation 26 (1) of SEBI (LODR) Regulations, 2015.

None of the Directors has Directorship in more than 20 Companies and more than 10 Public Companies pursuant to provisions of the Companies Act, 2013.

Further in Compliance with Regulation 25(1) of the SEBI (LODR) Regulations, 2015, none of the independent Directors hold directorship in more than seven listed Companies.

**NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS:**

As on 31<sup>st</sup> March, 2021, none of the Non-Executive Directors holds any Share / Convertible instruments in the Company. .

**SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA**

The Nomination and Remuneration Committee recommends to the Board who are qualified to become Directors and who may be appointed in senior management personnel in accordance with the Company's policy and on the basis of recommendation received from the Committee, the Board confirms the appointment of the Director and senior management personnel.

The Directors of the Company are appointed by the members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Independent Directors of the Company, are liable to retire by rotation at the Annual General Meeting and, if eligible, offer themselves for re-election.

**b) Independent Directors:**

The Independent Directors fulfill the criteria of independence as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and have given their declaration of independence. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. The formal Letter of Appointment of



Independent Directors is available on the website of the Company [www.prakashsteelage.com](http://www.prakashsteelage.com).

The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

### c) Directors Induction and Familiarization Programmes:

The Board members are provided with necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and its Committee Meetings, on business and performance update of the Company, global business scenario, business strategies and risk involved. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

The induction process is designed to:

- Build an understanding of Prakash Steelage Limited, its businesses and the markets and regulatory environment in which it operates;
- Provide an appreciation of the role and responsibilities of the Director;
- Fully equip Directors to perform their role on the Board effectively; and
- Develop understanding of Company's people and its key stakeholder relationships

In addition to the extensive induction and training programmes, the Company has framed Familiarization Programmes for Independent Directors of the Company pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(7) of the SEBI (LODR) Regulations, 2015.

Details of such familiarization programmes are provided on the website of the Company ([www.prakashsteelage.com](http://www.prakashsteelage.com)).

### 3. BOARD EVALUATION:

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of Executive/ Non-Executive/ Independent Directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey.

Independent directors have three key roles-governance, control and guidance. Some of the performance indicators based on which the Independent Directors are evaluated include:

- Ability to contribute to and monitor our corporate governance practices;
- Ability to contribute by introducing international best practices to address top-management issues;
- Active participation in long term strategic planning; and Commitment to the fulfillment of a director's obligations and fiduciary responsibilities, these include participation in Board and committee meetings.
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities, these include participation in Board and Committee Meetings.

### 4. CODE OF CONDUCT :

The Company has in place a comprehensive Code of Conduct ("the Code") applicable to all the Directors including Non-Executive Directors i.e., Independent Directors (to such extent as may be applicable to them depending on their roles and responsibilities) and Senior Management Personnel of the Company as per the terms of the provisions of the Regulations 17(5) of the SEBI (LODR) Regulations, 2015



All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct on an annual basis. The said Code of Conduct can be accessed on the website of the Company ([www.prakashsteelage.com](http://www.prakashsteelage.com)).

In terms of Regulation 26(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 a declaration signed by Mr. Prakash C. Kanugo, Chairman and Managing Director affirming compliance of the Code of Conduct by all the Directors and Senior Management Personnel of the Company forms part of this report as **Annexure I** to Corporate Governance Report.

## 5. DETAILS OF BOARD MEETINGS HELD DURING THE YEAR:

Details of Board Meetings of the Company, held during the year, including attendance of each Director at the Board Meetings along with details of attendance at the last Annual General Meeting (“AGM”) of the Company are given below:

Name of the Director	Date of the Meetings						
	Meetings of the Board of Directors						Last AGM
	June 30, 2020	Sept 11, 2020	Nov. 11, 2020	Feb 12, 2021	Mar 06, 2021	Mar 10, 2021	Dec 23, 2020
Mr. Prakash C. Kanugo	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashok M. Seth	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Hemant P. Kanugo	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Himanshu J. Thaker	No	No	Yes	No	Yes	No	Yes
Mr. Prakashchandra A. Hegde	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Neetta K. Bokaria	Yes	Yes	No	Yes	Yes	No	No

### Note:

The Board Meetings are generally held at the Registered Office i.e. 101, 1<sup>st</sup> Floor, Shatrunjay Apartment, 28, Sindhi lane, Nanubhai Desai Road, Mumbai - 400 004.

In addition to other items to be discussed at the Board Meeting, the Company Secretary ensures compliance of regular items to be placed before in terms of Regulation 17(7) of the SEBI (LODR) Regulations, 2015 and Section 179 of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014.

## 6. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

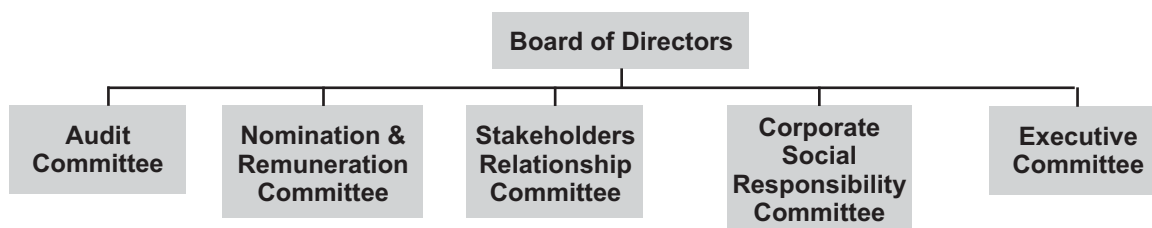
During the year under review, the Independent Directors met on 6<sup>th</sup> March, 2021, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of Non-Independent Directors and the Board as a whole;
- To review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 7. COMMITTEES OF THE BOARD:

The Committees of the Board have been constituted to deal with specific areas / activities, and the terms of reference of these Committees are approved by the Board and are in line with the requirements of the Companies Act, 2013, the rules made there under and the SEBI (LODR) Regulations, 2015, relating to Corporate Governance. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all Committees are placed before the Board for review.

Currently, the Board has the following Committees, duly constituted:



## I. Audit Committee :

### i. Brief Description and Terms of Reference :

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the Listing Regulations, read with Section 177 of the Companies Act, 2013. Through notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018, Securities and Exchange Board of India (SEBI) issued SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“the Amendment Regulations”) which brought several amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”). The Amendment Regulations required all the listed entities to amend the terms of reference of the committees of the Board of Directors of the Company, required to be mandatorily constituted. Hence, the terms of reference of Audit Committee were amended to give effect to the said amendment. The amended terms of reference of the Audit Committee are stated below in brief:

The scope and terms of reference of the Audit committee inter alia includes following:

- Oversight of the Company’s Financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board the appointment, remuneration and if required, the replacement or removal of the statutory auditors and the fixation of audit fees and confirm their independence
- Approval of payment to statutory auditors for any other services rendered, if authorised by the Board.
- Review, with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval,
- Review with the management, the quarterly financial statements before submission to the Board for approval and secure certificate from CFO in terms of Regulation 17(8) of the Listing Regulations.
- Evaluate internal financial controls and risk management systems.
- Review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Any other terms of reference as may be included from time to time in the Listing Regulations.

### ii. Audit & Auditors :

- To review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage;
- To review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management response thereto;
- To review and recommend to the Board appointment/re-appointment of the Statutory Auditors, Internal Auditors of the Company;
- To Fix Statutory Audit Fees and approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services;
- Matters required to be included in the Directors’ Responsibility Statement to be included in the Board’s Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by the Management;
- Significant adjustments made in financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;





- To review with the management, the quarterly financial statements before submission to the Board for approval;
- To Monitor and review 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 utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- To review and monitor the Auditors' independence and performance, and effectiveness of audit process;
- To approval or any subsequent modification of transactions of the Company with related parties;
- To carry out valuation of undertakings or assets of the Company, wherever it is necessary;
- To review with the Management, the performance of Statutory Auditors and Internal Auditors, adequacy of internal control systems;
- To formulating the scope, functioning, periodicity and methodology for conducting the internal audit;
- To review 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;
- To discuss with Internal Auditors of any significant findings and follow-up thereon;
- To review 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;
- To discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To approval of appointment of the CFO (i.e. the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate;
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee;
- To review financial statements, in particular the investments made by the Company's Unlisted Subsidiaries;
- To review Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- To review Internal audit reports relating to internal control weaknesses; and
- To review the appointment, removal and terms of remuneration of the Chief Internal Auditor / Internal Auditor(s).

The Audit Committee of the Board of Directors consists of the following members as on 31<sup>st</sup> March, 2021:

Name of the Directors	Status	Nature of Directorship
Mr. A. Prakashchandra Hegde	Chairman	Independent Director
Mr. Himanshu J. Thaker	Member	Independent Director
Mr. Ashok M. Seth	Member	Executive Director & CFO
Mrs. Neeta K. Bokaria	Member	Independent Director

During the year under review, the Audit Committee met 5 (five) times, to deliberate on various matters and not more than one hundred and twenty days have elapsed between two consecutive meetings. The required quorum was present in all such meetings. The meetings of the Audit Committee were held in line with the requirement of Regulation 18(2) of the SEBI (LODR) Regulations, 2015.

During the year, the attendances of the members at the Audit Committee Meetings held are as follows:

Date of Meetings	Mr. A. Prakashchandra Hegde	Mr. Himanshu J. Thaker	Mr. Ashok M. Seth	Mrs. Neeta K. Bokaria
June 30, 2020	Yes	No	Yes	Yes
Sept 11, 2020	Yes	No	Yes	Yes
Nov 11, 2020	Yes	Yes	Yes	No
Feb 12, 2021	Yes	No	Yes	Yes
March 06, 2021	Yes	Yes	Yes	Yes



The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee. The representative(s) of Statutory Auditors and Internal Auditors attend the meetings of the Committee, for providing such information as may be necessary.

## II. Nomination and Remuneration Committee (erstwhile Remuneration Committee)

The Nomination & Remuneration Committee looks after the due diligence and recommendation process for appointment/re-appointment of Directors, evaluation of performance of Directors and remuneration to CEO and other Key Managerial Personnel of the Company and monitoring of the Nomination & Remuneration Policy of the Company.

Through notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018, Securities and Exchange Board of India (SEBI) issued SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“the Amendment Regulations”) which brought several amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”). The Amendment Regulations have now specified the requirement of quorum of the Nomination and Remuneration Committee meeting as well as about holding of at least one meeting in a financial year. Further, it required all the listed entities to amend the terms of reference of the committees of the Board of Directors of the Company, required to be mandatorily constituted. Hence, the terms of reference of Nomination and Remuneration Committee were amended to give effect to the said amendment.

The amended terms of reference of the Nomination & Remuneration are stated below in brief:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of Independent Directors and the Board;
- devising a policy on Board diversity;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- recommend to the Board, all remuneration, in whatever form, payable to senior management

In terms of Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has adopted a Remuneration Policy, which inter-alia includes Company’s policy on Board Diversity, selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management, criteria for determining qualifications, positive attributes, independence of a director and criteria for performance evaluation of the Directors.

The aforesaid policy is disclosed as “**Annexure I**” to the Boards’ Report.

The Nomination and Remuneration Committee consists of three Non-Executive Directors all of whom are Independent Directors.

One meetings of the Committee were held during the year ended 31<sup>st</sup> March, 2021. The composition of the Committee and the attendance details of the members at such meeting held during the year under review are given below:

Date of Meetings	Mr. Himanshu J. Thaker (Chairperson)	Mr. A. Prakashchandra Hegde (Member)	Ms. Neetta K. Bokaria (Member)
Sept 11, 2020	No	Yes	Yes

The Company has a system where all the Directors and Senior Management Personnel of the Company are required to disclose all pecuniary relationship(s) or transaction(s) with the Company.

No significant material transactions have been made with the Non-executive Directors vis-à-vis the Company.



### Remuneration paid to Non-executive Directors:

The Non-Executive Directors including the Independent Directors are paid only Sitting Fee for attending the Board and Committee Meetings. And payment of remuneration to Executive Directors (i.e., Managing Director & Whole Time Director in case of the Company) is approved by the Board and Shareholders of the Company at the Annual General Meeting. Currently no remuneration is paid to Executive Directors of the Company.

None of the Directors are entitled to any benefit upon termination of their association with your Company. Further, the Disclosure with respect to the shares held by the Directors under Employee Stock Option is not applicable as the Company has not yet implemented any such scheme during the year.

None of the Non-Executive, Independent Directors holds any equity share in the Company.

### III. Stakeholders Relationship Committee :

Through notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018, Securities and Exchange Board of India (SEBI) issued SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“the Amendment Regulations”) which brought several amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”). The Amendment Regulations have now specified the requirement of holding at least one meeting in a financial year. Further, it required all the listed entities to amend the terms of reference of the committees of the Board of Directors of the Company, required to be mandatorily constituted. Hence, the terms of reference of Stakeholders’ Relationship Committee were amended to give effect to the said amendment.

The brief terms of reference of the Stakeholders’ Relationship Committee are as follows:

- resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company

The composition of the Committee and the attendance details of the members at such meetings held during the year under review are given below:

Date of Meetings	Mr. A. Prakashchandra Hegde (Chairman)	Mr. Himanshu J. Thaker (Member)	Mr. Ashok M. Seth (Member)
6 <sup>th</sup> March, 2021	Yes	No	Yes

During the year under review, the Company received no complaints from any of its shareholders.

Particulars	Received	Resolved	Pending
<b>COMPLAINTS</b>			
Status of applications lodged for public issue(s)	0	0	0
Non-receipt of electronic credits	0	0	0
Non-receipt of refund order	0	0	0
Non-receipt of dividend warrants	0	0	0
Non-receipt of Annual Report	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Company Secretary acts as the Secretary to the Committee & Compliance Officer of the Company.



Status report on number of shareholder complaints/requests received and replied by the Company during the Financial Year 2020-21:

#### SEBI Complaints Redressal Systems (SCORES)

The investor complaints are processed in systemized web-based complaints Redressal System. The salient features of system are systemized database of all e-complaints, online upload of Action Taken Reports (ATRs) by the Concern Company and online viewing by investors of action taken on the complaints and its current status. The Company has designated E-Mail Id [investorsgrievances@prakashsteelage.com](mailto:investorsgrievances@prakashsteelage.com) exclusively for investor services.

Your Company has been registered on SCORES portal and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

The Company reports that there are no Equity Shares lying in the Demat Suspense Account/Unclaimed Suspense Account.

During the year under review, no Investors Complaints was received under SEBI Complaints Redress System (SCORES)

#### IV. Corporate Social Responsibility (CSR) Committee

In terms of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (“CSR”) Committee to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy.

The role of CSR Committee, as approved by the Board, is as follows:

- To formulate and recommend to the Board, a Corporate Social Responsibility (“CSR”) policy indicating the activities to be undertaken by the Company in compliance with the provisions of Section 135 of the Companies Act, 2013 read with Rules as framed under Companies (Corporate Social Responsibility Policy) Rules, 2014;
- To identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the implementation of the CSR policy from time to time;
- To recommend to the Board, modifications to the CSR policy as and when required; and
- To approve the CSR Reports and oversee the implementation of sustainability activities.

The CSR Policy can be accessed on the website of the Company ([www.prakashsteelage.com](http://www.prakashsteelage.com)).

The composition of the Committee as at 31<sup>st</sup> March, 2021 is as follows:

Name of the Directors	Status at Committee	Nature of Directorship
Mr. A. Prakashchandra Hegde	Chairman	Independent Director
Mr. Hemant P. Kanugo	Member	Whole Time Director
Mr. Ashok M. Seth	Member	Whole Time Director

One meeting of the CSR Committee held during the period under review.

The attendance details of the members at such meetings held during the year under review are given below :

Date of Meetings	Mr. A. Prakashchandra Hegde (Chairman)	Mr. Hemant P. Kanugo (Member)	Mr. Ashok M. Seth (Member)
6 <sup>th</sup> March, 2021	Yes	Yes	Yes

The initiatives taken by the CSR Committee has been disclosed as “Annexure IV” to the Boards’ Report.

#### V. Executive Committee:

The Board constituted the Executive Committee at its meeting held on 12<sup>th</sup> November, 2010, in order to have convenience in expediting day to day matters relating to Company’s affairs like finance, management etc.



The composition of the Committee as at 31<sup>st</sup> March, 2021 is as follows:

Name of the Directors	Status at Committee	Nature of Directorship
Mr. Prakash C. Kanugo	Chairman	Chairman & Managing Director
Mr. Ashok M. Seth	Member	Whole Time Director
Mr. Hemant P. Kanugo	Member	Whole Time Director

The decisions of the Executive Committee are to be ratified in the subsequent Board Meetings.

## 8. Remuneration of Directors:

### A. All pecuniary relationship or transactions of the Non – Executive Directors vis - a – vis the listed entity:

No other pecuniary relationship or transactions of the Non - Executive Directors except Sitting Fees.

### B. Criteria of making payments to non – executive directors:

The Criteria for making payment to non – executive director is available on the Website of company [www.prakashsteelage.com](http://www.prakashsteelage.com).

### C. Disclosure with respect to remuneration in addition to disclosure required under Companies Act, 2013:

i. All elements of remuneration package for financial year 2020-2021

Name of Director	Salary	Benefits	Bonuses	Stock Option	Pension
Prakash C. Kanugo*	Nil	Nil	Nil	Nil	Nil
Ashok M. Seth*	Nil	Nil	Nil	Nil	Nil
Hemant P. Kanugo	Nil	Nil	Nil	Nil	Nil

**Note:** W.e.f. 1<sup>st</sup> April, 2017, no remuneration is being paid to Mr. Prakash C. Kanugo and Mr. Ashok M. Seth. And W.e.f. 1<sup>st</sup> October, 2018, no remuneration is being paid to Mr. Hemant P. Kanugo. (Non-executive Directors) are not paid any salary.

ii. Details of fixed component and performance linked incentives, along with the performance criteria:

No such criteria for any of the Directors of the Company.

iii. service contracts, notice period, severance fees;

iv. stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

## 9. GENERAL BODY MEETINGS:

Details of the Annual General Meetings (“AGM”) & Extra-ordinary General Meetings (“EOGM”) of the Company held in the last 3 years along with details of Special Resolutions, as more particularly set out in the respective notices of such AGMs/ EOGMs, as passed by the Shareholders are as follows:



• **ANNUAL GENERAL MEETINGS:**

Financial Year	Location	Date	Time	Special Resolution
2019 - 20	Through Video Conference and Audio Visual Means (OAVM)	23 <sup>th</sup> December, 2020	03.30 p.m.	Re – Appointment of Mrs. Neetta K. Bokaria (DIN: 07101155) as a Non-Executive & Independent Director of the Company.
2018 - 19	101, Shatrunjay Apartment, 1 <sup>st</sup> Floor, Sindhi Lane, Nanubhai Desai Road,	24 <sup>th</sup> September, 2019	1.30 p.m.	1. Re- Appointment of Mr. A. Prakashchandra Hegde (DIN: 02266510) as a Non-Executive & Independent Director of the Company. 2. Re – Appointment of Mr. Himanshu J. Thaker (DIN: 02325297) as a Non-Executive & Independent Director of the Company.
2017 - 18	101, Shatrunjay Apartment, 1 <sup>st</sup> Floor, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004.	28 <sup>th</sup> September, 2018	1.30 p.m.	None

• **EXTRA-ORDINARY GENERAL MEETING:**

Financial Year	Location	Date	Time	Special Resolution
2020 - 21	Through Video Conference and Audio Visual Means (OAVM)	29 <sup>th</sup> March, 2021	10.00 a.m.	To approve /sell or transfer or otherwise dispose-off company's entire Equity Stake of 32.47 % (i.e. 32,47,000 Equity Shares of Rs.10/- each ) in Tubacex Prakash India Private Limited ( the Joint Venture Company) by way of sale to Tubacex S.A., Spain: ( As an Special Resolution)

During the F.Y. 2020-21, No resolution was passed by way of Postal Ballot.

**10. MEANS OF COMMUNICATION:**

For easy reference of the Shareholders, the quarterly/half yearly/annual financial results, along with the Limited Review / Audit Report, are hosted on the website of the Company ([www.prakashsteelage.com](http://www.prakashsteelage.com)).

Moreover, the quarterly/annual results are promptly furnished to the concerned Stock Exchanges on approval by the Board of Directors so as to enable them to display the financial results on their notice board / website. The same simultaneously are published in English language national daily newspaper namely Business Standard circulating in whole or substantially the whole of India and in a regional daily (Marathi) newspaper namely lakshadweep within 48 hours of the approval of the same by the Board of Directors of the Company.

Press releases & corporate presentations are also displayed on the Company website ([www.prakashsteelage.com](http://www.prakashsteelage.com)).

**11. DISCLOSURES:**

**A. Details of materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

The Company does not have any materially significant commercial and financial transactions with any of the related parties having conflict, actual or potential, with the interest of the Company. The Company has complied with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 during the year under review.

All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details relating to Related Party Transactions before the Audit Committee and the Board periodically. Particulars of the related party transactions are listed out in Note 29 of the Balance Sheet forming part of this Annual Report.



**B. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with all requirements of SEBI (LODR) Regulations, 2015, Listing Agreement entered with the Stock Exchanges as well as the regulations and guidelines of SEBI.

Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets during the last three years.

**C. Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015 the Company has formulated Whistle Blower Policy for Vigil Mechanism at their meeting held on 29<sup>th</sup> May, 2014 for Directors and employees to report to the Management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The said policy has been posted on the website of the Company [www.prakashsteelage.com](http://www.prakashsteelage.com).

Also, the Company has adopted "Policy for Prevention of Sexual Harassment at Workplace" which specifically guarantees the right to "blow a whistle". The said policy has also been posted on the website of the Company [www.prakashsteelage.com](http://www.prakashsteelage.com).

Details of compliance with mandatory requirements and adoption of the non – mandatory requirements:

The Company is in compliance with all mandatory requirements of the SEBI (LODR) Regulations, 2015.

The Company has adopted the following non-mandatory recommendations of Regulation 27 read with Part E of Schedule II of the Listing Regulation.

**i. Shareholder Rights:**

The Company's half-yearly results are published in leading English and Marathi newspapers and also uploaded on the website of the Company; hence the same are not sent separately to the Shareholders of the Company.

**ii. Modified opinion(s) in Audit Report:**

The explanation has been given in the Board's Report with respect to the Modified opinion given by the Auditors in its Audit Report.

**iii. Reporting of Internal Auditor:**

The Internal Auditors of the Company are present in each Audit Committee Meeting and directly interacts with Audit Committee Members.

**12. POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES:**

As per the definition of 'material' subsidiaries as provided in Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015, the Company does not have a 'material' subsidiary as on 31<sup>st</sup> March, 2021.

Accordingly, such requirement is not applicable to the Company.

**13. POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:**

During the year under review, all transactions entered into with the Related Parties as defined under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 were in the ordinary course of business and on arm's length basis and do



not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year ended on 31<sup>st</sup> March, 2021. Related party transactions have been disclosed under the Note 29 of notes forming part of the Financial Statements in accordance with “Indian Accounting Standard (Ind AS) 24”. A statement in summary form of transactions with related parties in the ordinary course of business and arm’s length basis is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

As required under Regulation 23 of the SEBI (LODR) Regulations, 2015 the Company has formulated a policy on dealing with Related Party Transactions which is available on the website of the Company [www.prakashsteelage.com](http://www.prakashsteelage.com).

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have non potential conflict with the interest of the company at large and are carried out on an arm’s length basis or fair value.

**14. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT, 2013:**

- a. number of complaints filed during the financial year: NIL
- b. number of complaints disposed of during the financial year: NA
- c. number of complaints pending as on end of the financial year: NA

**15. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART:**

**Payment to Auditors for the year 2020-2021**

As Auditor	7,00,000
In other Capacity	-
Tax Audit	1,00,000
Other Services	11,760
Reimbursement of Expenses	8,134

**16. CERTIFICATION BY THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER OF THE COMPANY:**

Pursuant to the provisions of the Regulation 17(8) of SEBI (LODR) Regulations, 2015 Mr. Prakash C. Kanugo, Chairman & Managing Director and Mr. Ashok M. Seth, Chief Financial Officer of the Company have considered and approved the Audited Financial Statements along with the Audit Report for the financial year ended 31<sup>st</sup> March, 2021 at the Board meeting held on 25<sup>th</sup> June, 2021.

Accordingly, a certificate to that effect, as prescribed under Schedule II of Part B of Regulation 17(8) of the SEBI (LODR) Regulations, is enclosed separately at the end of this Report.

**17. DISCLOSURE OF NON – COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT WITH REASONS THEREOF:**

The Company has duly complied with the requirements of Corporate Governance Report forming part of this Annual Report as per the provisions of Schedule V of Regulation 34(3) of the SEBI (LODR) Regulations, 2015.

**18. DISCLOSURE OF ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI (LODR) REGULATIONS, 2015:**

The Reply has been given in the Board’s Report with respect to the modified opinion in the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021.

The Financial Statements of the Company are prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013 read with the Circular dated 20<sup>th</sup> February, 2015 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.





## 19. DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) TO (i) OF REGULATION 46(2) OF SEBI (LODR) REGULATIONS, 2015:

The Company has duly complied with the requirements of Corporate Governance specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of the SEBI (LODR) Regulations, 2015 which forms part of this Annual Report.

## 20. GREEN INITIATIVE:

Your Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed Companies to send official documents to their shareholders electronically as a part of its green initiatives in Corporate Governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Board's Report, Auditors' Report and other communications to the Members whose email addresses are registered with the Company/Depository Participant(s). Directors are thankful to the Members for actively participating in the Green Initiative.

Members who have not registered / updated their email addresses are requested to do so for receiving all future communications from the Company with M/s Bigshare Services Private Limited, Registrar & Share Transfer Agent of the Company, if shares are held in physical mode or with their respective Depository Participant, if shares are held in electronic mode.

## 21. GENERAL SHAREHOLDER'S INFORMATION:

**In compliance with the requirement of Schedule V of Regulation 34(3) of the SEBI (LODR) Regulations, 2015, the General Information of the Company for reference of the Shareholders is as under:**

### A) Annual General Meeting :

**Day** : Tuesday

**Date** : 28<sup>th</sup> September, 2021

**Time** : 3:00 p.m.

**Venue** : Through Video Conferencing or other Audio Visual means (OAVM)

### B) Financial Year of the Company : 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021

### C) Date of Book Closure :

**From** : Wednesday, 22<sup>nd</sup> September, 2021

**To** : Tuesday, 28<sup>th</sup> September, 2021 (both days inclusive) (For AGM Purpose)

### D) Dividend Payment Date : Not Applicable

### E) i. Listing on Stock Exchange(s) :

Date of listing	ISIN No.	Stock Exchange	Scrip Code/ Symbol
25 <sup>th</sup> August, 2010	INE696K01024	<b>BSE Ltd. (BSE)</b> P. J. Towers, Dalal Street, Mumbai - 400 001	533239
		<b>National Stock Exchange of India (NSE)</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	PRAKASHSTL



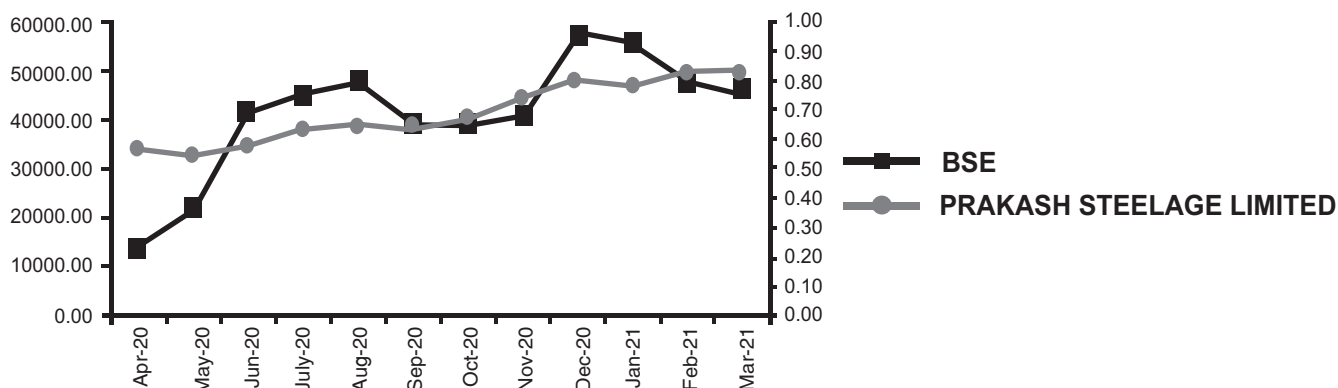
## ii Payment of Annual Listing Fee /Custodial Fees :

The Annual Listing Fee for the year 2021-22 has been paid to both the Stock Exchange(s) and the Annual Custodial Fees for the year 2020-21 has been paid to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") by the Company.

## F. Market Price Data during the financial year 2020-2021 :

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April 2020	0.24	0.19	0.25	0.15
May 2020	0.36	0.21	0.85	0.20
June 2020	0.69	0.37	1.95	0.85
July 2020	1.11	0.72	2.1	0.85
August 2020	1.03	0.71	1.15	0.70
September 2020	0.81	0.64	0.80	0.60
October 2020	0.71	0.55	0.70	0.55
November 2020	0.74	0.55	0.75	0.55
December 2020	1.35	0.66	1.35	0.65
January 2021	1.08	0.86	1.05	0.85
February 2021	0.97	0.75	0.95	0.75
March 2021	0.93	0.73	0.95	0.70

## G. Stock Performance during the Financial Year 2020-2021:



## H) Registrar & Share Transfer Agents:

Bigshare Services Private Limited

Address : 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments,  
Makawana Road, Andheri (East), Mumbai - 400 059.

Tel. No. : +91 22 62638200

Fax : +91 22 62638299

Email : [ujata@bigshareonline.com](mailto:ujata@bigshareonline.com)

Website : [www.bigshareonline.com](http://www.bigshareonline.com)



### I) Share Transfer System:

The transfer of shares in physical form is processed and completed by Register & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

In compliance with the SEBI (LODR) Regulations, 2015, Mr. Sachin Sharma, Designated Partner of S. Anantha & Ved LLP, carries out audit of the system of Transfer and a certificate to that effect is issued.

### J) Distribution of Shareholding as on 31<sup>st</sup> March, 2021:

Sr. No.	Category of Shares	Number of Shareholders	% of Total Shareholders	Shares Amount	% of Total
1.	1-5000	11,509	83.4651	1,35,21,542	7.7266
2.	5001-10000	1096	7.9484	90,91,157	5.1949
3.	10001- 20000	561	4.685	84,29,162	4.8167
4.	20001- 30000	229	1.6607	58,61,919	3.3497
5.	30001- 40000	95	0.6890	33,65,808	1.9233
6.	40001 -50000	84	0.6092	39,67,945	2.2674
7.	50001 -100000	109	0.7905	81,17,108	4.6383
8.	100001 & Above	106	0.7687	12,26,45,749	70.0831
	<b>Total</b>	<b>13,789</b>	<b>100.00</b>	<b>17,50,00,390</b>	<b>100.00</b>

### K) Dematerialization of shares

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar & Share Transfer Agent, Bigshare Services Private Limited. This has facilitated the shareholders to hold and trade their shares in 'electronic form'.

#### Dematerialized Position as on 31<sup>st</sup> March, 2021

Particulars	Number of Equity Shares	% of Total Issued Capital
<b>Issued Capital</b>	175,000,390	100.00
<b>Listed Capital on BSE &amp; NSE</b>	175,000,390	100.00
<b>Held in Dematerialised form in NSDL</b>	7,18,96,671	41.08
<b>Held in Dematerialised form in CDSL</b>	10,31,02,579	58.91
<b>Physical</b>	1,140	0.001

### L) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, as on 31<sup>st</sup> March, 2021.

### M) Commodity price risk or foreign exchange risk and hedging activities:

The details are provided in Management Discussion and Analysis Report.

### N) Plant Location:

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

**O) Address for correspondence :****Mr. Hemant P. Kanugo****Whole Time Director (00309894)****Prakash Steelage Limited**101, 1<sup>st</sup> Floor, Shatrunjay Apartment,  
28, Sindhi Lane, Nanubhai Desai Road,  
Mumbai - 400 004.

Tel. : +91 22 66134500

Fax : +91 22 66134599

Email : [cs@prakashsteelage.com](mailto:cs@prakashsteelage.com)Website : [www.prakashsteelage.com](http://www.prakashsteelage.com)**Bigshare Services Private Limited**1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments,  
Makwana Road, Andheri (E), Mumbai - 400 059.

Tel. : +91 22 62638200

Fax : +91 22 62638299

Email : [ujata@bigshareonline.com](mailto:ujata@bigshareonline.com)Website : [www.bigshareonline.com](http://www.bigshareonline.com)**P) Disclosure pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Disclosure pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Board's Report which forms part of this Annual Report.

**Q) Confirmation of Compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46, during the financial year 2020-21:**

Particulars	Regulation Number	Compliance Status (Yes/No/NA)
Independent director (s) have been appointed in terms of specified criteria of 'Independence' and/or 'eligibility'	16(1)(b) & 25 (6)	Yes
Board composition	17(1), 17(1A) & 17(1B)	Yes
Meeting of Board of directors	17(2)	Yes
Quorum of Board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meetings of Audit Committee	18(2)	Yes
Role of Audit Committee	18(3)	Yes
Composition & Role of Nomination & Remuneration Committee	19(1), (2) & (4)	Yes
Quorum of NominatiOn & Remuneration Committee	19(2A)	Yes
Meeting of Nomination & Remuneration Committee	19(3A)	Yes



Particulars	Regulation Number	Compliance Status (Yes/No/NA)
Composition & Role of Stakeholders Relationship Committee	20(1), (2), (2A) & (4)	Yes
Meeting of Stakeholders Relationship Committee	20(3A)	Yes
Composition and Role of Risk Management Committee	21(1), (2), (3) & (4)	*Not Applicable
Meeting of Risk Management Committee	21(3A)	*Not Applicable
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1), (1A), (5), (6), (7) & (8)	Yes
Prior or Omnibus approval of Audit	23(2) & (3)	Yes
Committee for all related party transactions		
Approval for material related Party transactions	23(4)	Yes
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	**Not Applicable
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5) & (6)	**Not Applicable
Secretarial Audit and Annual Secretarial Compliance Report	24(A)	Yes
Alternate Directorship & Tenure of Independent Directors	25(1) & (2)	Yes
Meeting of Independent directors	25(3) & (4)	Yes
Familiarization programmes for the Independent directors	25(7)	Yes
Declaration form Independent Directors	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	Yes
Membership in Committees	26(1)	Yes
Affirmation of compliance with code of conduct from Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Disclosure by Senior Management on material, financial and commercial Transaction	26(5)	Yes
Agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company	26(6)	***Not applicable
Maintenance of a functional Website containing basic information about the Company	46(2) (b) to (i)	Yes

\* The Company has dissolved Risk Management Committee w.e.f. November 12, 2018

\*\* The Company does not have any Subsidiary Company.

\*\*\*The Company does not have any such agreement.

#### Disclosure of Commodity Price risk or Foreign Exchange Risk and Hedging Activities:

The Company has limited Foreign Exchange exposures and the transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the period/year are recognized in the statement of profit and loss. The Company has approved Forex Hedging Policy.



During the Financial Year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR), Regulations, 2015.

Disclosures by Senior Management Personnel pursuant to Regulation 26(5) of the SEBI (LODR), Regulations, 2015:

The designated senior management personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the Financial Year under review in which they have personal interest that may have a potential conflict with the interest of the Company at large.

There are no Equity shares lying in suspense account/ unclaimed suspense account.

### Disclosure on Website

The following information / Codes / Policies have been hosted on the website of the Company ([www.prakashsteelage.com](http://www.prakashsteelage.com))

#### ◆ Details of Business;

#### ◆ Composition of various committees of Board of Directors;

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- CSR Committee
- Risk Management Committee

#### ◆ Policies / Codes;

- Policy for Determining Materiality of events
- Policy for Preservation and Archival of Documents
- Policy on Determination of Materiality of Events/ information
- Policy on Diversity of Board of Directors
- Policy on Succession Planning for the Board and Senior Management
- Corporate Social Responsibility Policy
- Vigil Mechanism – Whistle Blower Policy
- Related Party Transactions Policy
- Dividend Distribution Policy
- Code of conduct for Prohibition of Insider Trading
- Code of practices and procedures for fair disclosure of UPSI
- Code of conduct for business
- Familiarization Programme for Independent Directors
- Appointment letter format – ID

#### ◆ Financial Information;

- Financial results/statements
- Shareholding patterns
- Analyst & Investor Presentations and Call Transcripts
- Annual Reports of the Company
- Annual Return of the Company

#### ◆ Details of Voting Results of Annual General Meetings and Postal Ballots;

#### ◆ Scrutinizers' Reports;

#### ◆ Details of Unpaid/Unclaimed Dividend;

#### ◆ Event based disclosures to Stock Exchange(s); and

#### ◆ Press Release/ Media Release.

Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances along with email address for grievance redressal and other relevant details are also available.



The Company has complied with all the requirements of corporate governance report as mentioned in sub-paras (2) to (10) of Para C of Schedule V of the SEBI (LODR), Regulations, 2015. The above-referred Policies / Codes have been revised from time to time as per requirements of the provision of SEBI LODR, 2015.

### **Debentures**

The Company had not issued any debentures during the year under review.

### **Other Disclosures and Certificates**

- ◆ The Corporate Governance Certificate issued by M/s. S. Anantha & Ved LLP, Company Secretaries, Mumbai (LLP IN: AAH-8229) certifying compliance with the requirements of the Corporate Governance under SEBI (LODR), Regulations, 2015, for the Financial Year ended March 31, 2021.
- ◆ Certification by Chief Financial Officer for the Financial Year 2020-21 pursuant to Regulation 17(8) of the SEBI (LODR), Regulations, 2015
- ◆ Certificate from a PCS that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- ◆ Secretarial Audit Report



## **COMPLIANCE CERTIFICATE BY CEO AND CFO**

**[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

This is to certify that –

- A. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2021 and that to the best of our knowledge and belief:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- 1) significant changes, if any, in internal control over financial reporting during the year;
  - 2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud, if any, of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **Prakash Steelage Limited**  
Sd/-  
**Prakash C. Kanugo (DIN: 00286366)**  
**Chairman & Managing Director**

Sd/-  
**Ashok M. Seth (DIN: 00309706)**  
**Director & Chief Finance Officer**

**Date : 12<sup>th</sup> August, 2021**  
**Place : Mumbai**

### **DECLARATION**

This is to certify that:

As provided under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors of the Board and Senior Management personnel of the Company have solemnly affirmed the Compliance with the Code of Conduct for the year ended March 31, 2021.

Sd/-  
**Prakash C. Kanugo (DIN: 00286366)**  
**Chairman & Managing Director**

**Date : 12<sup>th</sup> August, 2021**  
**Place : Mumbai**

### **CONFIRMATION**

This is to certify that:

In the opinion of the board, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and are independent of the Management.

Sd/-  
**Prakash C. Kanugo (DIN: 00286366)**  
**Chairman & Managing Director**

**Date : 12<sup>th</sup> August, 2021**  
**Place : Mumbai**





## Corporate Governance Certificate

To  
The Members of  
**Prakash Steelage Limited**

We have examined the compliance of conditions of Corporate Governance by Prakash Steelage Limited [CIN:L27106MH1991PLC061595] (the "Company"), for the year ended on 31<sup>st</sup> March, 2021, as stipulated in Regulations 17-27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 and the representations made by the Directors and the Management of the Company and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 Pandemic, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, as applicable.

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 **S. Anantha & Ved LLP**  
**Company Secretaries**

Sd/-  
**Dinesh Trivedi**  
**Designated Partner**  
**Membership No.: A23841**  
**CP No.: 22407**  
**UDIN:A023841C000796492**

**Date: 17<sup>th</sup> August, 2021**  
**Place: Mumbai**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Prakash Steelage Limited  
101, 1<sup>st</sup> Floor, Shatrunjay Apartment,  
28, Sindhi Lane, Nanubhai Desai Road,  
Mumbai – 400 004

We have examined the relevant registers, records, forms, returns and disclosures relating to the Directors of **Prakash Steelage Limited** having CIN: L27106MH1991PLC061595 and having Registered Office at 101, 1<sup>st</sup> Floor, Shatrunjay Apartment, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai – 400 004 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2021, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company#
1.	Prakash Chhaganlal Kanugo	00286366	09 <sup>th</sup> May, 1991
2.	Ashok Mafatlal Seth	00309706	29 <sup>th</sup> December, 2015
3.	Hemant Prakash Kanugo	00309894	01 <sup>st</sup> October, 2018
4.	A. Prakashchandra Hegde	02266510	28 <sup>th</sup> May, 2012
5.	Himanshu Jayant Thaker	02325297	25 <sup>th</sup> August, 2008
6.	Neetta Kishor Bokaria	07101155	30 <sup>th</sup> March, 2015

# The date of appointment is as per the MCA website

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S. Anantha & Ved LLP**  
**Company Secretaries**

sd/-  
**Dinesh Trivedi**  
**Designated Partner**  
**Membership No.: A23841**  
**CP No.: 22407**  
**UDIN: A023841C000796481**

**Date: 17<sup>th</sup> August, 2021**  
**Place: Mumbai**



## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL STATEMENTS

To The Members of **Prakash Steelage Limited**  
(CIN: L27106MH1991PLC061595)

### Qualified Opinion

We have audited the accompanying Ind AS financial statements of Prakash Steelage Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for qualified opinion and emphasis of matters section below, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive gain, its cash flows and the changes in equity for the year ended on that date.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibility for the Audit of the Ind AS financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the Ind AS financial statements.

### Basis for Qualified Opinion

- a) The account of the company with its consortium banks has turned Non-Performing Asset on various dates. In view of uncertainty the company has not provided interest including penal interest and other dues for the year ended March 31, 2021 on borrowings, to the extent the same have remained unpaid. The impact of the same on its consequent effect on the Liabilities and Reserve & Surplus is not ascertainable. However, the lenders have sanctioned one time settlement for the overall amount of INR 90 Crores against which Company has already paid INR 50.61 Crores to the lenders. This matter was also qualified in our report on the Ind AS financial statements for the year ended March 31, 2020.
- (b) 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 Ind AS financial Statement of the Company has been prepared on a going concern basis. This matter was also qualified in our report on the Ind AS financial statements for the year ended March 31, 2020.

### Material Uncertainty related to Going Concern

We draw attention to Note 34 to the financial statement, which indicates that during the year ended 31<sup>st</sup> March, 2021, the Company's current liabilities exceeded its current assets by INR 226.62 Crores. These events or conditions, along with other matters as set forth in Note 32, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the Ind AS financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.



## Emphasis of Matter

We draw attention to:

- a) Note no. 33 of Ind AS Financial Statement stating that the sanction of One Time Settlement (OTS) offers by all the consortium banks for Rs. 90 crores, the Company has already paid the first tranche of Rs. 50.62 crores leaving the balance of Rs. 39.38 crores. Further, as on March 31, 2021; the total bank borrowings of above lenders is appearing at INR 217.85 crores, against the said outstanding, the bank had approved OTS amount of INR 90.00 crores. As per management assessment, the differential portion of borrowing i.e. INR 127.85 crores will be accounted as income (remission of bank liability) in the financial year in which the Company will make full and final payment towards the sanctioned OTS amount along with the fulfilment of other conditions mentioned therein and receipt of No-dues certificate from the these lenders.
- b) We draw attention to Note 37 of the accompanying Ind AS financial statement, as regards to management's evaluation of uncertainties relating to COVID-19 and its consequential effect on the carrying value of the assets as at 31<sup>st</sup> March, 2021 and the operations of the Company.
- c) Note no. 8(i) of the Ind AS financial statement stating that Company has written off the outstanding receivable balance amounting to INR 46.65 Crores against which the provision for bad and doubtful debts was already made through profit and loss account during the year ended March, 2017. Considering the long outstanding receivable and decision of the Board of Directors. Company is written off such receivable.
- d) Note no. 35 of Ind AS Financial Statement stating that some of the balances of Trade Receivables, Deposits, Loans & Advances, Advances received from customers, Liability for expenses and Trade Payable are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any. The management, however, do not expect any material variation.
- e) Note no. 40 of the Ind AS financial statement stating that, during the year; Company has recalculated the deferred tax liability on the basis of balance sheet approach and accordingly, reversed the excess tax liability in the accompanying Ind AS financial statements for year ended March, 2021.
- f) Company had made payments on behalf of vendors to certain other parties, for which balance confirmation and tri parties agreement was not made available to us for our review.

Our Conclusion is not modified in respect of these matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, emphasis of matter and Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Sale of Shares, Exceptional item represents the profits earned on sale of investment in Tubacex Prakash India Private Limited amounting to INR 47,36,94,942.</p>	<p>Company has sold its investment in Tubacex Prakash India Private Limited of 32,47,000 shares of face value of INR 10 each amounting to INR 3,24,70,000 at INR 50,61,54,142. The Company has received the total consideration against these shares from Tubacex S.A. Spain as per the terms of Share purchase agreement dated 30th March, 2021.</p> <p>Accordingly, the Company had disclosed an amount of INR 47,36,94,942 as exceptional income in the audited financial statement for the year ended 31<sup>st</sup> March, 2021.</p> <p>We have been provided with the valuation report for the sale of these shares issued by independent third party, share purchase agreement, board resolution and bank receipt details.</p> <p>We have noted that this independent professional who has conducted the valuation of share is appointed by the consortium lender of the Company.</p> <p>Further, there was an additional report provided by the management where another independent professional has evaluated the value of these share by applying discounted cash flow method.</p>
2	<p>One Time Settlement approved by the consortium lenders and part payment of OTS instalment.</p>	<p>As per the sanction of One Time Settlement (OTS) offer by all the consortium banks for Rs. 90 crores, the Company has already paid the first tranche of Rs. 50.62 crores leaving the balance of Rs. 39.38 crores. Further, as on March 31, 2021, the total bank borrowings of above lenders are appearing at INR 217.85 crores, against the said outstanding, the bank had approved OTS amount of INR 90.00 crores. As per management assessment, the differential portion of borrowing i.e. INR 127.85 crores will be accounted as income (remission of bank liability) in the financial year in which the Company will make full and final payment towards the sanctioned OTS amount along with the fulfilment of other conditions mentioned therein and receipt of No-dues certificate from these lenders.</p> <p>We have been provided with the OTS sanction letter approved by the all the consortium lenders of the Company individually. In addition to the same, the Company has also provided us a letter from bank of Baroda where the proportionate distribution amongst all the consortium lenders has been documented.</p> <p>We had also sought independent balance confirmation from all the consortium banks.</p>



Sr. No.	Key Audit Matter	Auditor's Response
		<p>Based on the review of all the other documents, we have noted that there is a specific mention in the OTS sanction, that the Company has to fulfil the entire payment obligation and the other conditions mentioned therein to successfully close the OTS sanction.</p> <p>Also, we have noted that the banks had adjusted the proceeds of first tranche of OTS against their outstanding amounts.</p>
3	Write off of Trade Receivables of INR 46.65 Crores.	<p>We have involved our internal experts to review the nature of amount recoverable and found that company has initiated legal action to recover the debts against the long outstanding doubtful debts of INR 46.65 Crores. The Company foresees remote chance of recovery of the said debts and accordingly, based on the conservative approach, the board of directors of the Company has taken the decision to written off these doubtful debts.</p> <p>Further, the provision of doubtful debts against these receivables has already been made during year ended March, 2017 and hence, there is no profit and loss impact of these write off in the current financial year.</p>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's report and annexure to the same but does not include the standalone financial statements and our auditor's report thereon. The Director's report and its annexures are expected to be made available to us after the date of this auditor's report date.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information "identified above when it becomes available" and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Director's report and its annexures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;



making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit or the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of materials misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of international control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- d) Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced.

We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our works; and
- (ii) To evaluate the effect of any identified misstatements in the financial statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, based on our audit we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) Except for the possible effects of the matters described in the Basis for Qualified Opinion and Emphasis of matter section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) Except for the possible effects of the matters described in the Basis for Qualified Opinion and Emphasis of matter section above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matters described in the Basis for Qualified Opinion and Emphasis of matter section above and Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses unmodified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.





- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**FOR, PIPARA & CO LLP  
CHARTERED ACCOUNTANTS  
(FRN No. 107929W/W100219)**

**Date : 25<sup>th</sup> June, 2021  
Place : Mumbai**

**Sd/-  
Bhawik Madrecha  
PARTNER  
M.No. 163412  
UDIN : 21163412AAAALP1107**



## **Annexure A to the Independent Auditors' Report**

**Referred to in paragraph 1(h) under the heading 'Report on other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of Prakash Steelage Limited on the financial statements for the year ended 31<sup>st</sup> March, 2021:**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Prakash Steelage Limited ("the Company") as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**FOR, PIPARA & CO LLP  
CHARTERED ACCOUNTANTS  
(FRN No. 107929W/W100219)**

**Sd/-  
Bhawik Madrecha  
PARTNER  
M.No. 163412**

**Date : 25<sup>th</sup> June, 2021  
Place : Mumbai**



## Annexure B to the Independent Auditors' Report

### Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of Prakash Steelage Limited on the financial statements for the year ended 31<sup>st</sup> March, 2021

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) According to the information and the explanation given to us, the fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date.
- ii. According to the information and explanations given to us and the records examined by us, the inventories were physically verified during the year by the management at the year end. No material discrepancies have been noticed on such verification.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provision of Clause 3(iii), (iii) (a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given by Management, the company has complied with the provisions of Section 186 of Companies Act 2013 in respect of making investments. Further company has not grant any loans and advances or given any guarantee or provided any security covered under section 185 of Companies Act 2013, hence the section 185 is not applicable to the company.
- v. The Company has not accepted any deposits during the year and does not have any unclaimed deposits within the meaning of section 73 to 76 of the Act and Rules framed there under to extent notified.
- vi. We have not been made available cost audit report till the date of signing of Independent Auditor's Report for the year ended March, 2021 and therefore, we are unable to comment that whether the company has maintained the relevant cost records prescribed under sub-section 1 of Section 148 of the Act.
- vii. According to the information and explanations given to us and as shown by our examination of the books of accounts:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, good and service tax, Cess and other material statutory dues applicable to it to the appropriate authorities. According to Information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March, 2021 for a period of more than six months from the date on when they become payable.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, the dues in respect of sales tax, income tax, duty of customs, service tax, GST, entry tax, value added tax, central sales tax, duty of excise, which have not been deposited with the appropriate authority on account of any dispute are as under:



Sr. No.	Name of the Statute	Nature of the Dues	Financial Year to which amount pertains	Amount (Rs.)	Forum where dispute is pending
1	Bombay Sales Tax Act	Sales Tax	1994-95	79,202/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
2	Bombay Sales Tax Act	Sales Tax	1995-96	59,317/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
3	Central Sales Tax Act, 1958	Central Sales Tax	1995-96	2,85,360/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
4	Central Excise Act, 1944	Excise Duty Rebate	2010-11	5,51,080/-	Joint Secretary, Ministry of Finance
5	Central Excise Act, 1944	Cenvat Credit & Penalty	2016-17	38,93,059/-	Customs Excise & Service Tax Appellate Tribunal, Ahmedabad

- viii. According to the records of the company examined by us and the information and explanation given to us, the company has defaulted in repayment of loans or borrowing to various banks during the previous years. The impact of the same on the loss for the current year and its consequent effect on the Liabilities and Reserve & surplus is not ascertainable. The period and amount of defaults are as under :

Sr. No.	Name of Lenders	Amount Outstandind (in INR Lakhs)	Date of NPA	Period of default from the date of NPA (Days)
1	Bank of Baroda	3,167.70	18-12-2016	1,564
2	Bank of India	5,228.25	30-06-2016	1,735
3	Union Bank of India	2,616.65	31-01-2017	1,521
4	Vijaya Bank	5,710.99	29-05-2016	1,767
	<b>Total</b>	<b>16,723.59</b>		

- ix. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.
- xi. According to the information and explanation given to us and based on our examination of the records of the company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of sections 197 read with Schedule V to the Act.
- xii. The company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and Section 188 of the Companies Act, 2013, where applicable, for all the transactions with the related parties and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.



- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with its directors or persons connected with them.
- xvi. The company is not required to be registered under section 45–IA of the Reserve Bank of India Act, 1939. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

**FOR, PIPARA & CO LLP  
CHARTERED ACCOUNTANTS  
(FRN No. 107929W/W100219)**

**Sd/-  
Bhawik Madrecha  
PARTNER  
M.No. 163412**

**Date : 25<sup>th</sup> June, 2021  
Place : Mumbai**



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

Particulars	Notes	As At 31-03-2021 Rs.	As At 31-03-2020 Rs.
<b>I Assets</b>			
<b>(1) NON-CURRENT ASSETS</b>			
a) Property, Plant and Equipment	3	9,42,72,419	10,81,54,424
		<b>9,42,72,419</b>	10,81,54,424
b) Financial Assets			
i) Investments	4		3,24,70,000
ii) Other Financial Assets	4	11,18,735	11,18,735
c) Non-Current Tax Assets (Net)	5	9,94,149	32,70,602
d) Other non-current assets	6	19,88,749	15,98,042
		<b>9,83,74,052</b>	14,66,11,803
<b>(2) CURRENT ASSETS</b>			
a) Inventories	7	9,65,49,983	11,24,86,514
b) Financial Assets	8		
i) Investments		-	-
ii) Trade receivables		6,01,04,062	8,90,93,066
iii) Cash and Cash equivalents		25,98,621	6,19,574
iv) Bank balances other than (iii) above		38,10,702	29,22,646
v) Loans		3,45,642	97,094
vi) Other financial assets		59,13,930	60,73,735
c) Other current assets	9	3,07,86,217	2,06,63,478
		<b>20,01,09,156</b>	23,19,56,107
<b>Total Assets</b>		<b>29,84,83,208</b>	37,85,67,910
<b>II EQUITY AND LIABILITIES</b>			
a) Equity Share Capital	10	17,50,00,390	17,50,00,390
b) Other Equity	11	(2,35,17,25,200)	(2,85,84,97,779)
		<b>(2,17,67,24,810)</b>	(2,68,34,97,389)
<b>(2) NON-CURRENT LIABILITIES :</b>			
a) Deferred Tax Liabilities (Net)	12	47,85,995	6,93,60,586
b) Provisions	13	41,12,525	39,82,128
		<b>88,98,520</b>	7,33,42,714
<b>(3) CURRENT LIABILITIES :</b>			
a) Financial Liabilities	14		
i) Borrowing		1,92,33,20,151	2,42,94,74,115
ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises		28,31,670	9,18,567
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		48,59,80,459	51,02,04,437
iii) Other financial liabilities		1,36,644	1,56,658
b) Other current liabilities	15	5,22,87,199	4,61,34,182
c) Provisions	16	17,53,376	18,34,639
		<b>2,46,63,09,498</b>	2,98,87,22,598
<b>Total Equity and Liabilities</b>		<b>29,84,83,208</b>	37,85,67,910

Note

General Information

1

Significant Accounting Policies

2

The Notes are an integral part of these financial statements

AS PER OUR REPORT OF EVEN DATE  
**FOR PIPARA & CO LLP**  
 CHARTERED ACCOUNTANTS  
 FRN : 107929W/W100219

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**BHAWIK MADRECHA**  
 PARTNER  
 MEMBERSHIP No. 163412  
 UDIN : 21163412AAAAALP1107  
 PLACE : MUMBAI  
 DATE : 25<sup>TH</sup> June, 2021

Sd/-  
**PRAKASH C. KANUGO**  
 CHAIRMAN &  
 MANAGING DIRECTOR  
 DIN : 00286366

Sd/-  
**ASHOK M. SETH**  
 EXECUTIVE DIRECTOR &  
 CHIEF FINANCIAL OFFICER  
 DIN : 00309706

sd/-  
**SMITA SINGH**  
 COMPANY SECRETARY  
 MEMBERSHIP NO.  
 ACS 62883



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

Particulars	Notes	Year Ended 31-03-2021 Rs.	Year Ended 31-03-2020 Rs.
<b>REVENUE :</b>			
Revenue From Operations	17	24,46,62,210	32,50,44,248
Other Income	18	91,08,678	75,47,719
<b>TOTAL REVENUE</b>		<b>25,37,70,888</b>	<b>33,25,91,968</b>
<b>EXPENSES :</b>			
Cost of materials consumed	19	15,77,99,265	20,19,85,621
Purchases of Stock in trade	20	2,88,64,840	1,11,89,863
Changes in Inventories	21	88,85,665	(1,49,93,501)
Employees Benefits	22	1,98,58,214	2,04,66,614
Finances Costs	23	21,76,597	4,85,814
Depreciation and amortization Expenses	3	1,51,70,396	2,02,03,295
Other expenses	24	5,16,65,763	7,00,64,087
<b>TOTAL EXPENSES</b>		<b>28,44,20,740</b>	<b>30,94,01,792</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX EXCEPTIONAL ITEM</b>		<b>(3,06,49,852)</b> <b>47,36,94,942</b>	<b>2,31,90,175</b> <b>(3,16,06,172)</b>
<b>PROFIT BEFORE TAX</b>		<b>44,30,45,090</b>	<b>(84,15,997)</b>
<b>TAX EXPENSE</b>			
Income Tax relating to earlier years		26,136	(66,01,523)
Deferred Tax Charges/(Credit)		(6,45,74,591)	5,65,657
<b>PROFIT AFTER TAX</b>		<b>50,75,93,545</b>	<b>(23,80,131)</b>
Weighted average number of equity shares Outstanding during the year		<b>17,50,00,390</b>	<b>17,50,00,390</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		<b>(8,20,968)</b>	<b>(1,66,656)</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>(8,20,968)</b>	<b>(1,66,656)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>50,67,72,577</b>	<b>(25,46,787)</b>
Basic and diluted Earning / (Loss) per share (in Rs.) (Nominal Value Re. 1 per share)	30	<b>2.90</b>	<b>(0.01)</b>
Significant Accounting Policies	2		
The Notes are an integral part of these financial statements			

AS PER OUR REPORT OF EVEN DATE  
FOR PIPARA & CO LLP  
CHARTERED ACCOUNTANTS  
FRN : 107929W/W100219

FOR AND ON BEHALF OF THE BOARD

Sd/-  
**BHAWIK MADRECHA**  
PARTNER  
MEMBERSHIP No. 163412  
UDIN : 21163412AAAAALP1107  
PLACE : MUMBAI  
DATE : 25<sup>TH</sup> June, 2021

Sd/-  
**PRAKASH C. KANUGO**  
CHAIRMAN &  
MANAGING DIRECTOR  
DIN : 00286366

Sd/-  
**ASHOK M. SETH**  
EXECUTIVE DIRECTOR &  
CHIEF FINANCIAL OFFICER  
DIN : 00309706

sd/-  
**SMITA SINGH**  
COMPANY SECRETARY  
MEMBERSHIP NO.  
ACS 62833





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

Particulars	For the year ended 31 <sup>st</sup> March 2021 Rs.	For the year ended 31 <sup>st</sup> March 2020 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Taxation	44,30,45,090	(84,15,997)
Adjustment for		
Depreciation and amortization	1,51,70,396	2,02,03,295
Loss/(Profit) on sale of Fixed Assets (net)	74,496	1,28,860
Discount / Claim received	(3,231)	-
Finance Cost	21,76,597	4,85,814
Interest Income	(1,02,280)	(2,53,703)
Sundry Balances Written back/off (Net)	13,49,092	-
Unrealised foreign exchange fluctuation	(69,13,794)	1,82,38,902
Exceptional Income on sale of Investment	(47,36,94,942)	-
Export Incentives	(58,39,409)	(26,48,364)
	<b>(46,77,83,074)</b>	3,61,54,803
Operating Profit/(Loss) before Working Capital changes	<b>(2,47,37,984)</b>	2,77,38,807
Changes in working Capital :		
Increase / (Decrease) in trade payable	(1,53,93,851)	(14,37,87,897)
Increase / (Decrease) in other financial liabilities	(20,014)	(25,442)
Increase / (Decrease) in provisions	49,134	10,67,126
Increase / (Decrease) in other current liabilities	61,53,017	(52,91,134)
Increase / (Decrease) in trade receivables	3,34,79,322	3,42,48,673
Increase / (Decrease) in inventories	1,59,36,531	(4,22,55,994)
Increase / (Decrease) in current financial assets	1,59,805	3,02,69,599
Increase / (Decrease) in other current assets	(1,12,59,342)	7,74,40,787
Increase / (Decrease) in non-current financial assets	18,85,746	(1,60,000)
	<b>3,09,90,348</b>	(4,84,94,282)
<b>Cash generated from Operations</b>	<b>62,52,364</b>	(2,07,55,476)
Direct Taxes paid / (Refund)	(8,47,104)	2,21,42,867
<b>Net Cash inflow/(Outflow) from Operating Activities (A)</b>	<b>54,05,260</b>	13,87,391
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(14,24,582)	(25,87,000)
Sales in Fixed Assets	61,695	2,22,140
Proceeds from Sale of Industrial Park	50,61,64,956	-
Interest received	1,02,280	2,53,367
<b>Net Cash inflow/(Outflow) from Investing Activities (B)</b>	<b>50,49,04,349</b>	21,11,493
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of short Term Loans from Bank (net)	(50,61,53,965)	10,62,840
Finance Cost	(21,76,597)	(4,85,814)
<b>Net Cash Inflow/(Outflow) from Financing Activities (C)</b>	<b>(50,83,30,562)</b>	5,77,027
<b>(A+B+C)</b>	<b>19,79,047</b>	(1,47,075)
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>	<b>19,79,047</b>	(1,47,075)
Cash and Cash equivalents at the beginning of the year	6,19,574	7,66,649
<b>Cash and Cash equivalents at the end of the year</b>	<b>25,98,621</b>	6,19,574

The Notes are an integral part of these financial statements

AS PER OUR REPORT OF EVEN DATE  
FOR PIPARA & CO LLP  
CHARTERED ACCOUNTANTS  
FRN : 107929W/W100219

FOR AND ON BEHALF OF THE BOARD

Sd/-  
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MEMBERSHIP NO.  
ACS 62833

**STATEMENT OF CHANGES IN EQUITY AS AT 31<sup>st</sup> MARCH, 2021****(A) EQUITY SHARE CAPITAL**

Balance as at 1st April 2019	17,50,00,390
Changes in equity share capital	-
Balance as at 1st April 2020	17,50,00,390
Changes in equity share capital	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>17,50,00,390</b>

**(B) OTHER EQUITY**

Particulars	Reserves and Surplus			Total Rs.
	Retained Earnings Rs.	General Reserve Rs.	Share Premium Rs.	
<b>Balance as at 1st April, 2019 (a)</b>	<b>(3,85,28,53,201)</b>	<b>32,53,12,948</b>	<b>67,15,89,261</b>	<b>(2,85,59,50,992)</b>
Profit for the year (b)	(23,80,131)	-	-	(23,80,131)
Other comprehensive income (c)	(1,66,656)	-	-	(1,66,656)
<b>Total Comprehensive Income for the year (d) = (b) + (c)</b>	<b>(25,46,787)</b>	<b>-</b>	<b>-</b>	<b>(25,46,787)</b>
<b>Balance as at 31<sup>st</sup> March 2020 (e)=(a)+(d)</b>	<b>(3,85,53,99,988)</b>	<b>32,53,12,948</b>	<b>67,51,89,261</b>	<b>(2,85,84,97,779)</b>
Profit / (Loss) for the year (e)	50,75,93,545	-	-	50,75,93,545
Other comprehensive income (f)	(8,20,968)	-	-	(8,20,968.00)
Total Comprehensive Income for the year (g) = (e) + (f)	50,67,72,577	-	-	50,67,72,577
Balance as at 31st March 2021 (h)= (e)+(g)	<b>(3,34,86,27,409)</b>	<b>32,53,12,948</b>	<b>67,51,89,261</b>	<b>(2,35,17,25,200)</b>

See accompanying notes forming part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE  
**FOR PIPARA & CO LLP**  
 CHARTERED ACCOUNTANTS  
 FRN : 107929W/W100219

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## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

### 1 GENERAL INFORMATION

Prakash Steelage Limited is one of the leading manufacturer as well as exporter of stainless steel, welded pipes & tubes in the Indian steel industry accredited with ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007, PED certification. The company is listed on Bombay Stock Exchange and National Stock Exchange.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The address of its registered office is 101, 1st Floor, Shatrunjay Apartment, 28 Sindhi Lane, Nanubhai Desai Road, Mumbai-400004.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.01 Statement of Compliance :

These financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as amended by the Companies (Indian Accounting Standards) Rules, 2016, The Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Companies Act, 2013.

#### 2.02 Basis of Preparation and Presentation :

The Financial Statements have been prepared on the historical cost basis except for defined benefit plans which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability if market participants would take those characteristics into account when pricing the assets or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

The financial statements were approved by the Board of Directors on 25th June, 2021.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current-non current classification of assets and liabilities.

#### 2.03 Revenue Recognition :

Pursuant to notification issued by Ministry of Corporate Affairs (MCA) on March 28, 2018, the Company has adopted Ind AS 115 on "Revenue from Contracts with customer" w.e.f. accounting period on and after 1<sup>st</sup> April, 2018 using full retrospective approach which do not have material impact on the financial statement of the company.

- a) Revenue from sale of goods is recognised when the following conditions are satisfied.
  - i) The Company has transferred the significant risks and rewards of ownership of the goods to the buyer which generally coincides when the goods are despatched in accordance with the terms of sale;
  - ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;



- iii) The amount of revenue can be measured reliably;
  - iv) It is probable that the economic benefits associated with the transaction will flow to the Company;
  - v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- b) Export Incentive/ benefit have been recognised at the time of making the export sales and the same is valued on estimated monetary benefits receivable there of. It is certain to receive the same.
- c) Job work income is recognized, net of Goods and Service tax (GST), when related services are provided.

#### **2.04 Other Income:**

- a) Interest income is recognised on accrual basis.

#### **2.05 Purchases**

Purchase including import purchases are recognized net of refundable duties and taxes at the time of receipt of goods. Refundable duties and taxes on purchase of raw materials, other eligible inputs and capital goods are adjusted against duties and taxes payable. The unadjusted credits of such duties and taxes are shown under the head other current/ non-current assets.

#### **2.06 Property, Plant and Equipment:**

Property, plant and equipment is stated at acquisition cost inclusive of expenses directly attributable to acquisition of such assets net of accumulated depreciation, refundable duties and taxes and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or Losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013. Depreciation on fixed assets is provided on Written Down Value (WDV) method. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end and adjusted prospectively.

Capital Work in Progress/ intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs.

#### **2.07 Intangible Assets:**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. As at March, 2021; there is no intangible assets in the Company.

#### **2.08 Impairment of assets:**

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

#### **2.09 Financial instruments:**

##### **1. Initial recognition and measurement**

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



## 2. Financial assets:

### **Classification and subsequent measurement of financial assets:**

#### **a) Classification of financial assets:**

- (i) The Company classifies its financial assets in the following measurement categories:
  - those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
  - those measured at amortised cost.
- (ii) The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.
- (iii) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (iv) The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### **b) Subsequent Measurement**

##### **(i) Debt instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

##### **(1) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **(2) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

##### **(3) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are subsequently measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

##### **(ii) Equity instruments :**

The Company subsequently measures all equity investments at fair value. There are two measurement categories into which the Company classifies its equity instruments:

##### **Investments in equity instruments at FVTPL:**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

##### **Investments in equity instruments at FVTOCI:**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

#### **c) Impairment of financial assets:**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset. For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.



#### **d) Derecognition of financial assets:**

A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
2. the Company has transferred its rights to receive cash flows from the asset; and
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety (other than investments in equity instruments at FVOCI), the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

### **3. Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **Financial Liabilities**

##### **Classification and subsequent measurement**

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost. All changes in fair value of financial liabilities classified as FVTPL are recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the Effective Interest Rate method.

##### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in profit and loss when the liabilities are derecognized.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### **2.10 Inventories:**

- i) Raw materials have been valued at lower of cost or net realisable value based upon FIFO method except where the material is specifically identifiable.
- ii) Work in Progress has been valued on Cost of Raw-material and other direct costs depending upon the stage of completion in general.
- iii) Finished goods and trading stocks have been valued at lower of costs or net realisable value based upon FIFO method except where the finished goods are specifically identifiable.
- iv) Scraps, defectives and inferior production have been valued at net realisable value.
- v) Stores, spares and consumables have been valued at lower of cost or net realisable value.

Cost/Rate considered above for valuation of inventory is exclusive of Cenvat, refundable CVD and GST component and inclusive of other direct cost incurred for acquiring the respective material.

#### **2.11 Foreign currencies:**

Items included in the financial statements of the Company are recorded using the currency of the primary economic



environment (INR) in which the Company operates (the 'functional currency').

## **2.12 Employee Benefits:**

### **Retirement benefit costs and termination benefits:**

#### **Defined Contribution Plans**

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contributions to Provident Fund and Employees State Insurance Corporation, which are defined contribution plans, are made as required by the statute and expensed in the Statement of profit and loss.

#### **Defined Benefit Plans**

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement comprising actuarial gains and losses and the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

#### **Short-term and other long-term employee benefits:**

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employee upto the reporting date.

## **2.13 Finance Costs:**

- (a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognised as expense in the period in which they are incurred.

## **2.14 Taxation:**

Income Tax expense represents the sum of the tax currently payable and deferred tax.

### **Current tax**

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets including Minimum Alternate Tax (MAT) are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head “capital gains” are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current Tax Assets and Current Tax Liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred Tax Assets and Deferred Tax Liability are offset when they relate to the same governing taxation laws.

Current and Deferred tax is recognised in Statement of Profit and Loss, except when it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **2.15 Provisions, Contingent Liabilities and Contingent Assets:**

**Provisions :** Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured using the cash flows estimated to settle the present obligation at the Balance sheet date.

**Contingent Liabilities :** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent Assets :** Contingent assets are disclosed, where an inflow of economic benefits is probable.

### **2.16 Cash and cash equivalents:**

Cash and Cash equivalents include cash, cheques on hand, cash at bank and short term deposits with banks having original maturity of three months or less, which are subject to insignificant risk of changes in value.

### **2.17 Statement of Cash Flows:**

Cash flows are reported using the indirect method whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **2.18 Dividend to equity shareholders:**

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

### **2.19 Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### **2.20 Critical accounting judgements and key sources of estimation uncertainty:**

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes judgements, estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to significant accounting estimates include useful lives and impairment of property, plant and equipment, allowance for doubtful debts/advances, deferred tax assets, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, allowances for inventories, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.



**(i) Useful lives and Impairment of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

**(ii) Allowance for doubtful debts/advances**

When determining the lifetime expected credit losses for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. Refer Note 8 (i).

**(iii) Deferred tax assets**

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

**(iv) Employee Benefit Obligations**

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(v) Allowance for Inventories**

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / non-moving inventory items.

**Note 3 PROPERTY, PLANT AND EQUIPMENT**

	Factory Land	Buildings incl. (office Buildings)	Plant and Machinery	Furniture and Fittings	Office Equipments	Computers	Motor Vehicles	Total
As at 01-04-2019 (Refer Note 1)	28,28,150	78,99,073	27,60,54,369	77,52,575	59,07,028	60,12,506	1,44,55,520	32,09,09,221
Additions	-	-	23,53,749	-	1,45,657	87,896	0	25,87,303
Deductions	-	-	12,17,971	-	15,01,149	2,22,133	41,64,715	71,05,967
<b>As at 31-03-2020</b>	<b>28,28,150</b>	<b>78,99,073</b>	<b>27,71,90,148</b>	<b>77,52,575</b>	<b>45,51,536</b>	<b>58,78,269</b>	<b>1,02,90,806</b>	<b>31,63,90,557</b>
Additions	-	2,46,018	1,05,521	2,45,639	3,59,266	4,27,187	40,951	14,24,582
Deduction	-	-	21,63,822	-	-	-	38,639	22,02,461
<b>As at 31-03-2021</b>	<b>28,28,150</b>	<b>81,45,091</b>	<b>27,51,31,847</b>	<b>79,98,214</b>	<b>49,10,802</b>	<b>63,05,456</b>	<b>1,02,93,118</b>	<b>31,56,12,678</b>
<b>Accumulated depreciation :</b>								
As at 01-04-2019 (Refer Note 1)	-	<b>68,84,787</b>	<b>15,74,71,174</b>	<b>56,98,341</b>	<b>55,90,390</b>	<b>56,91,433</b>	<b>1,34,51,952</b>	<b>19,47,88,075</b>
Depreciation charge for the year	-	75,940	1,91,35,031	5,26,112	1,74,400	89,400	2,02,411	2,02,03,295
Deductions	-	-	11,35,979	-	14,47,409	2,15,098	39,56,751	67,55,237
<b>As at 31-03-2020</b>	<b>-</b>	<b>69,60,727</b>	<b>17,54,70,226</b>	<b>62,24,453</b>	<b>43,17,381</b>	<b>55,65,734</b>	<b>96,97,612</b>	<b>20,82,36,133</b>
Depreciation charge for the year	-	72,207	1,42,26,248	3,88,434	1,29,606	2,18,082	1,35,819	1,51,70,396
Deductions	-	-	20,27,631	-	-	-	38,639	20,66,270
<b>As at 31-03-2021</b>	<b>-</b>	<b>70,32,934</b>	<b>18,76,68,843</b>	<b>66,12,887</b>	<b>44,46,987</b>	<b>57,83,816</b>	<b>97,94,792</b>	<b>22,13,40,259</b>
<b>Net Book Value</b>								
As at 31-03-2019	28,28,150	10,14,286	11,85,83,195	20,54,234	3,16,638	3,21,074	10,03,568	12,61,21,146
As at 31-03-2020	28,28,150	9,38,346	10,17,19,922	15,28,122	2,34,155	3,12,535	5,93,194	10,81,54,424
<b>As at 31-03-2021</b>	<b>28,28,150</b>	<b>11,12,157</b>	<b>8,74,63,004</b>	<b>13,85,327</b>	<b>4,63,815</b>	<b>5,21,640</b>	<b>4,98,326</b>	<b>9,42,72,419</b>

Notes :

1. Previous year figure has been recasted to rectify the block of WDV.
2. Some of the vehicle which are registered in the name of Directors of the Company but owned by the company.

**NON-CURRENT ASSETS :****4. Financial Assets****i) Investments**

	Nominal Value (in Rs.)	Quantity	As At 31 <sup>st</sup> March 2021 Rs.	Quantity	As At 31 <sup>st</sup> March 2020 Rs.
<b>Non-Current Unquoted equity Insurance in Equity Shares of Associated Company (All Fully Paid up)</b>					
Tubacex Prakash India Private Limited	10	0.00	0	32,47,000	3,24,70,000
<b>Total Aggregate Unquoted Investments</b>			-		<b>3,24,70,000</b>
<b>Total Non-current investments</b>			-		<b>3,24,70,000</b>

4A Company has sold its investment in Tubacex Prakash India Private Limited of 32,47,000 shares of face value of INR 10 each amounting to INR 3,24,70,000 at INR 50,61,54,142. The Company has received the total consideration against these shares from Tubacex S.A. Spain as per the terms of Share purchase agreement dated 30th March, 2021.

Accordingly, the Company had disclosed an amount of INR 47,36,94,942 as exceptional income in the audited financial statement for the year ended 31st March, 2021.

**(ii) Other Financial Assets**

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
<b>Unsecured, considered good</b>		
Security Deposits	11,18,735	11,18,735
	<b>11,18,735</b>	<b>11,18,735</b>

**5. Non-Current Tax Assets (Net)**

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Advance payments of tax (Net of Provision)	9,94,149	32,70,602
	<b>9,94,149</b>	<b>32,70,602</b>

**6. Other non-Current assets**

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Balance with Statutory / Government Authorities	19,88,749	15,98,042
	<b>19,88,749</b>	<b>15,98,042</b>

**CURRENT ASSETS****7. Inventories**

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Raw Materials and Components	5,39,79,703	6,06,75,056
Work-in-Progress	3,10,96,811	2,76,50,862
Finished Goods	58,10,456	1,35,45,867
Stock in Trade	40,88,256	53,62,523
Stores, Spare Parts and Fuel	15,74,757	19,30,270
Goods in Transit	-	33,21,936
	<b>9,65,49,983</b>	<b>11,24,86,514</b>

**Notes :** The mode of valuation of inventories has been stated in note 2.10 on accounting policy for inventories.



## 8. Financial Assets

### i) Trade receivables

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
<b>Secured, Considered good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment		
Other		
<b>Unsecured :</b>		
Considered good	6,01,04,061	8,90,93,066
Considered doubtful	2,11,64,51,750	2,58,29,68,609
(A)	2,17,65,55,811	2,67,20,61,675
Opening balance for Allowance for doubtful debts	(2,58,29,68,609)	(2,58,32,71,841)
Less Bad debts written off (Refer note "a" below)	(46,65,16,859)	-
Less Reversal of Provision	-	(3,03,232)
(B) Closing balance for Allowance for doubtful debts	(2,11,64,51,750)	(2,58,29,68,609)
	6,01,04,061	8,90,93,066
<b>(C) = (A-B)</b>	6,01,04,061	8,90,93,066

a) Company has written off the outstanding receivable balance amounting to INR 46.65 Crores against which the provision for bad and doubtful debts was already made through profit and loss account during the year ended March, 2017.

### ii) Cash and Cash equivalents

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Bank Balances		
In Current Accounts	21,67,563	2,85,485
Cash on hand	4,31,058	3,44,089
	25,98,621	6,19,574

### iii) Bank balances other than (ii) above

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Earmarked balances with banks		
In Current Accounts (refer Note "b" below)	1,36,644	1,56,658
Margin Money Deposit (Maturity period less than 12 months)	36,74,058	27,65,988
	38,10,702	29,22,646
<b>(ii + iii)</b>	64,09,323	35,42,220

#### Note :

b) Balance in current accounts are earmarked towards unclaimed dividend.

### iv) Loans

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
<b>Unsecured, considered good</b>		
Employee Loans	3,45,642	97,094
	3,45,642	97,094



### v) Other Financial Assets

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
<b>Unsecured considered good</b>		
Interest accrued on Deposits	13,930	1,73,735
Receivable from party	59,00,000	59,00,000
	<b>59,13,930</b>	<b>60,73,735</b>

### 9. Other current assets

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Advance to Vendors	1,32,02,99,695	1,30,80,86,055
Less : Provision for Doubtful Advances	(1,29,96,10,348)	(1,29,96,10,348)
	<b>2,06,89,347</b>	<b>84,75,707</b>
Others	52,81,916	50,19,516
Balances with Statutory / Government Authorities	44,65,602	67,97,832
Prepaid Expenses	2,65,821	2,86,892
Export Incentive	83,531	83,531
	<b>3,07,86,217</b>	<b>2,06,63,478</b>

### 10. Equity Share Capital

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
<b>Authorised :</b>		
20,00,00,000 (Previous Year - 20,00,00,000) Equity Shares of Re. 1 fully paid up	20,00,00,000	20,00,00,000
	<b>20,00,00,000</b>	<b>20,00,00,000</b>
<b>Issued and Subscribed and fully paid up shares</b>		
17,50,00,390 (Previous Year - 17,50,00,390) Equity Shares of Re. 1 fully paid up	17,50,00,390	17,50,00,390
	<b>17,50,00,390</b>	<b>17,50,00,390</b>

#### Detail of Shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
1. Prakash C. Kanugo	3,53,35,000 20.19%	3,53,35,000 20.19%
2. Seth Iron and Steel Private Limited	1,25,00,000 7.14%	1,25,00,000 7.14%

#### (b) Right and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The Equity shares of the Company has been sub-divided from face value of Rs. 10 each to Face value of Re. 1 each w.e.f. 04<sup>th</sup> March, 2016, the record date pursuant to the shareholders approval through postal ballot dates 12<sup>th</sup> February, 2016.



## 11. Other Equity

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Securities Premium Reserve	67,15,89,261	67,15,89,261
General Reserve	32,53,,948	32,53,12,948
Retained Earning	(3,34,86,27,409)	(3,85,53,99,988)
	<b>(2,35,17,25,200)</b>	<b>(2,85,84,97,779)</b>

### Notes :

#### Nature and Purpose of Reserve

(A) Created on the issue of shares at premium. It shall be utilized as per the provisions of the Companies Act 2013.

(B) General Reserve is created out of the profits earned/Losses incurred by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividends and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified to statement of profit and loss.

## 12. Deferred Tax Liabilities\*

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
At the start of the year	6,93,60,586	6,87,94,929
Change/credit to Statement of Profit & Loss	(6,45,74,591)	5,65,657
At the end of the year	<b>47,85,995</b>	<b>6,93,60,586</b>

\* Refer Note No. 40(C) for details.

## 13. Provisions

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Employee Benefits :		
Provisions for Gratuity	38,64,563	34,23,094
Provision for Leave Encashment	2,47,962	5,59,034
	<b>41,12,525</b>	<b>39,82,128</b>

## CURRENT LIABILITIES

### 14. Financial Liabilities

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
i) <b>Borrowings Secured :</b>		
Opening Balance (Refer Note 14A below)	2,17,85,15,046	2,17,85,15,046
<b>Less :</b>		
OTS Instalment	50,61,53,965	-
Total	<b>1,67,23,61,082</b>	<b>2,17,85,15,046</b>



14A Cash Credit from Bank ( Secured ) are repayable on demand. All these loans are secured by hypothecation of Stocks of Raw Material, Stock In Process, Finish goods, stores and spares (not related to plant & machinery), bills receivable, book debts & all other current assets and movables (both present & future) at its Silvasa Unit (First Paari Passu Charges amongst Vijaya Bank, Bank of Baroda , Union Bank of India, Bank of India and the whole of Plant & machinery including all the spare parts and movable assets such as furniture, fixture, fittings, vehicles & equipments ( both present & future) at its Silvasa Unit (First Paari Paasu charge amongst the above mentioned banks and at collateral securities in form of first pari-paasu charge on piece and parcel of non-agriculture land along with the building at Silvasa Unit, office premises no-101 & 102 at Islampura Street, at mumbai 701-702 Mahalaxmi Chambers, at Mumbai, Bungalow Unit No- C-26 at Swapan lok Complex, Lonavala, District Pune. Plot at OHM Industrial Infrastructure Park, Umbergaon, Disctric : Valsad , State-Gujarat and two residential Plot No B30 & C20 at Sheetal Township Project, Umbergaon, District: Valsad, State Gujrat Industrial land and Survey no 83 and 98, Village Wawanje, Taluka Panvel, District- Raigad belonging to directors and their relatives and personal guarantee of directors and their relatives. The company's loan account is been classified as NPA by the consortium of banks and the 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 year on borrowings, to the extent the same have remained unpaid.

As per the sanction of One Time Settlement (OTS) offer by all the consortium bank for Rs. 90 crores, the Company has already paid the first tranche of Rs. 50.62 crores leaving the balance of Rs. 39.38 crores. Further, as on 31<sup>st</sup> March, 2021; the total bank borrowings of above lenders is appearing in INR 217.85 crores, against the said outstanding, the bank had approved OTS amount of INR 90.00 crores. As per management assessment, the differential portion of borrowing i.e. INR 127.85 crores will be accounted as income (remission of bank liability) in the financial year in which the Company will make full and final payment towards the sanctioned OTS amount along with the fulfilment of other conditions mentioned therein and receipt of No-dues certificate from these lenders.

#### Unsecured

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Terms Loan from Directors (Refer Note 14B below)	25,09,59,069	25,09,59,069
Short Term Loans from Banks-		
Subtotal	25,09,59,069	25,09,59,069
Total	1,92,33,20,151	2,42,94,74,115

14B The above sum includes interest free loan of Rs. 25,00,00,000/- taken from proprietary concern of a Promoter Director as interest free loan, repayable on demand. The loan has been introduced as per the sanction terms & condition of consortium arrangement led by Vijaya Bank and shall remain in the business during the tenure of the Loan from consortium banks.

#### ii) Trade Payables

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Due to Micro Enterprises and Small Enterprises (See notes (a) and (b) below)	28,31,670	9,18,567
Due to Creditors other than Micro Enterprises and Small Enterprises	48,59,80,459	51,02,04,437
	48,88,12,129	51,11,23,004

#### a) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

There are few Micro and Small Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
<b>b) Disclosure in accordance with Section 22 of the MSMED</b>		
Principal amount remaining unpaid and interest due thereon	28,31,670	9,18,567
Interest paid in terms of Section 16	-	4,840
Interest paid, other than under Section 16	-	-
Interest due and payable for the period of delay in payment	4,04,921	4,840
Interest accrued and remaining unpaid	4,11,175	4,840
Further interest remaining due and payable for earlier years	6,254	1,414

### iii) Other financial liabilities

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Unclaimed dividends *	1,36,644	1,56,658
	1,36,644	1,56,658

\* As at the year end there is no amount due for payment to the Investors Education and Protection Fund under Section 125 of Companies Act, 2013.

### 15 Other current liabilities

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Provision for Expenses	2,03,61,644	2,34,43,384
Payable to Employees	44,77,302	17,53,257
Advances from Customers	2,28,11,655	1,67,53,642
Statutory dues	9,31,630	3,21,005
Payable to Capital Vendors	37,04,968	38,62,894
	5,22,87,199	4,61,34,182

### 16 Short Term Provisions

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Employee benefits:		
Provision for Gratuity	17,39,619	17,87,818
Provision for Leave Encashment	13,757	46,821
	17,53,376	18,34,639





## REVENUE FROM OPERATIONS

### 17 Revenue From Operations

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Sale of products		
Finished goods (Net of GST & Gross of Excise Amount)	19,84,84,870	28,09,92,457
Traded goods	1,97,06,704	1,04,47,625
	21,81,91,574	29,14,40,082
Other Operating revenue		
Export Incentives	58,39,409	26,48,364
Job Work Income	2,06,31,227	3,09,55,802
	2,64,70,636	3,36,04,166
	24,46,62,210	32,50,44,248

### 18 Other Income

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Interest :		
Bank Deposits	1,91,321	1,44,890
Loans & Advances & Security Deposit	57,328	1,990
Receivables	1,02,280	2,53,703
Income Tax Refund	1,30,920	23,29,058
Profit on sale of Property, Plant and Equipment	-	1,28,860
Net gain on foreign currency transaction and translation	69,13,794	-
Provision no longer required/Credit Balances appropriated	43,580	3,03,232
Miscellaneous Income	3,231	-
Sundry Balance write back (net)	16,66,225	43,85,987
	91,08,678	75,47,719

### 19 Cost of materials consumed

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Raw Materials and Components Consumed (including Processing charges and subcontracting charges)	15,77,99,265	20,19,85,621
	15,77,99,265	20,19,85,621

### 20 Purchase of Stock in trade

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Purchases	2,88,64,840	1,11,89,863
	2,88,64,840	1,11,89,863



## 21 Changes in inventories

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Changes in inventories of Finished goods, Work-in-Progress and Stock in trade		
Stock at the beginning of the year		
Work-in-Progress	2,76,50,862	1,79,41,548
Finished Goods	1,35,45,867	52,26,051
Stock in trade	53,62,523	1,17,20,088
Goods in Transit	33,21,936	-
	<b>4,98,81,188</b>	<b>3,48,87,687</b>
Stock at the end of the year		
Work-in-Progress	3,10,96,811	2,76,50,862
Finished Goods	58,10,456	1,35,45,867
Stock in trade	40,88,256	53,62,523
Goods in Transit	-	33,21,936
	<b>4,09,95,523</b>	<b>4,98,81,188</b>
	<b>88,85,665</b>	<b>(1,49,93,501)</b>

## 22 Employee Benefit Expense

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Salaries and Wages	1,82,50,518	1,89,40,151
Workmen and Staff Welfare Expenses	10,67,467	9,40,237
Contribution to and provision for Provident and Other Funds	5,40,229	5,86,226
	<b>1,98,58,214</b>	<b>2,04,66,614</b>

## 23 Finance Costs

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Interest Expenses	12,84,047	7,272
Other Borrowing Costs	8,92,550	4,78,542
	<b>21,76,597</b>	<b>4,85,814</b>



## 24 Other Expenses

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Fluctuation in Foreign Currency	-	1,82,38,902
Stores and Spares Consumed	1,05,61,861	1,25,48,905
Power and Fuel	37,23,237	37,81,528
Electricity Expenses	1,23,833	5,19,939
Testing, Cutting & Job Work Charges	92,23,870	95,44,562
Repairs to Machinery	16,76,238	18,10,984
Other Repairs	2,69,884	3,61,239
Insurance	1,50,993	1,44,049
Rent	4,07,424	3,93,600
Rates and Taxes	36,87,838	3,17,012
Liquidated Damages / Late Delivery Charges	90,202	56,461
Post and Telecommunication Charges	3,90,875	4,37,821
Travelling, Conveyance and Motor Vehicle Expenses	14,88,132	26,03,324
Freight and Forwarding Charges	11,64,394	23,58,900
Product Advertisement and Publicity	7,26,847	11,69,994
Printing and Stationery	1,74,933	4,94,063
CSR Expenditure / Donation	10,01,333	31,65,430
Legal & Professional Charges	72,83,152	61,84,677
Security Charges	4,38,430	5,34,232
Directors' Fees	2,45,000	2,15,000
Payment to Auditors (Refer Footnote below)*	8,00,000	8,48,769
Packing and Transport Expenses	43,58,930	39,89,943
Loss on Fixed Assets sold, discarded and scrapped	74,496	-
Bad Debs/Sundry Debit Balances written off	30,15,316	-
Others	5,88,544	3,44,753
	<b>5,16,65,763</b>	<b>7,00,64,087</b>
*Footnote		
Payment to Auditors		
As Auditor	7,00,000	7,00,000
In other Capacity	-	-
Tax Audit	1,00,000	1,00,000
Other Services	11,760	37,800
Reimbursement of Expenses	8,134	10,969

## 25 Contingent Liabilities :

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Guarantees given by the bankers of the company	26,29,965	26,29,965
Sales Tax / VAT Demand Disputed in Appeals	4,23,879	4,23,879
Central Sales Tax Liability towards pending declaration forms	22,72,594	22,72,594
Disputed Excise Duty Rebate Claim	5,51,080	5,51,080
Central Excise Duty	38,93,059	38,93,059
Disputed Cenvat Credit	12,65,07,010	-

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

The company's pending litigations comprise of claims against the company and proceedings pending with Statutory and Tax authorities. The company has reviewed all its pending litigations and proceedings and has made adequate provisions, whenever required and disclosed the contingent liabilities wherever applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a material impact on its financial position.



## 26 Expenditure in Foreign Currency

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Professional Fees	12,09,988	-
Travelling Expenses	-	2,27,356
Purchase	25,94,576	-
Others	46,886	4,70,892

## 27 Earning in Foreign Exchange :

	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Direct Exports on F O B basis	1,91,97,041	4,71,28,258

## 28 Employee benefit plans

### 1) Defined contribution plans :

The Company participates in defined contribution plans on behalf of relevant personnel. Any expense recognized in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The defined contribution plans are as below:

#### a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

Contribution to Defined Contribution Plans, recognized in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

Particulars	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
i) Employer's Contribution to Provident Fund	5,11,298	7,13,668
<b>Total</b>	<b>5,11,298</b>	<b>7,13,668</b>

### 2) Defined Benefit Plans :

The Defined Benefit Plan is as below:

#### Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. It provides for lump sum payment to vested employees at retirement, on death while in employment or on termination of the employment in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme, as applicable. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable based on an actuarial valuation.

The plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.



**Interest risk**  
**Longevity risk**  
**Salary risk**

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31<sup>st</sup> March, 2021 by an independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

**A. Principal actuarial assumptions used :**

The principal assumptions used for the purposes of the actuarial valuations are as follows :

Particulars	Gratuity	
	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Discount Rate Current	6.55%	6.55%
Salary Growth Report	0.00% p.a. for next 1 year & 6.00% p.a. thereafter	6.00%
Withdrawal Rate	5.00% p.a. at younger ages reducing to 1.00% p.a. % at older ages	5.00% p.a. at younger ages reducing to 1.00% p.a. % at older ages
Rate of Return on Plain Assets	Not Applicable	Not Applicable

**B. Expenses Recognized in Statement of Profit & Loss**

Particulars	Gratuity	
	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Service Cost		
Current Service Cost	4,31,232	3,53,146
Past Service Cost	-	-
Net Interest Cost	2,82,764	2,81,238
<b>Total Included in "Employee Benefit Expenses"</b>	<b>7,13,996</b>	<b>6,34,384</b>

**C. Expenses Recognized in Other Comprehensive Income**

Particulars	Gratuity	
	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Component of Actuarial Gain/Losses or Obligations		
Actuarial (Gains) / Losses on Obligation for the Period - Due to Changes in demographic assumptions	-	(2,089)
Actuarial (Gain)/Losses on Obligation for the Period - Due to changes in financial assumption	(1,21,548)	3,85,510
Actuarial (Gain)/Losses on Obligation for the period - Due to experience adjustment	(21,039)	(3,08,635)
<b>Amount Recognized in other Comprehensive Income</b>	<b>(1,42,587)</b>	<b>74,786</b>



#### D. Amounts to be recognized in Balance Sheet

Particulars	Gratuity	
	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Present Value of Defined Benefit Obligation as at the end of the year	<b>56,04,182</b>	52,10,912
Recognized Under :		
Non Current Liability (Provisions) Refer Note 13	<b>38,64,563</b>	34,23,094
Current Liability (Provisions) Refer Note 16	<b>17,39,619</b>	17,87,818
Present Value of Defined Benefit Obligation as at the end of the year	<b>56,04,182</b>	52,10,912

#### E. Movement in Present Value of Defined Benefit Obligation

Particulars	Gratuity	
	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Opening defined benefit obligation	<b>52,10,912</b>	45,01,742
Current Service Cost	<b>4,31,232</b>	3,53,146
Interest Cost	<b>2,82,764</b>	2,81,238
Past Service Cost	-	-
Remeasurement (gains)/losses	<b>(1,42,587)</b>	74,786
Benefit Paid	<b>(1,78,139)</b>	-
Benefit Payable	-	-
Closing defined benefit obligation	<b>56,04,182</b>	52,10,912

#### F. Maturity Profile of Defined Benefit Obligation

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity	
	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
1st Following Year	<b>13,59,892</b>	17,87,818
2nd Following Year	<b>2,89,391</b>	1,73,226
3rd Following Year	<b>5,40,250</b>	2,66,427
4th Following Year	<b>2,14,828</b>	4,87,111
5th Following Year	<b>2,12,059</b>	1,11,571
Sum of Years 6 to 10	<b>10,05,896</b>	10,78,100
Total Expected Benefits to be paid	<b>36,22,316</b>	39,04,253

#### G. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.



Projected Benefits Payable in Future Years From the Date of Reporting	As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>Gratuity</b>	
Impact of +0.5% Change in Rate of Discounting	<b>54,10,480</b> -3.46%	50,27,692 -3.52%
Impact of - 0.5% Change in Rate of Discounting	<b>58,12,966</b> 3.73%	54,08,840 3.80%
Impact of + 0.5% Changes in Rate of Salary Increase	<b>57,79,871</b> 3.13%	53,75,793 3.16%
Impact of - 0.5% Change in Rate of Salary Increase	<b>54,08,065</b> -3.50%	50,66,716 -2.77%
Impact of +0.10 % Change in Rate of Employee Turnover	<b>56,07,988</b> 0.07%	52,15,465 0.09%
Impact of -0.10% Change in Rate of Employee Turnover	<b>56,00,234</b> -0.07%	52,06,186 -0.09%

#### H. Other Disclosures

- a) The weighted average duration of the obligations as at 31<sup>st</sup> March, 2021 is 8.01 years
- b) The Company expects to contribute Rs. 17,39,619 to the plan during financial year 2021-22.

## 29. Disclosure pursuant to Ind AS - 24 : RELATED PARTY DISCLOSURES :

### 29 RELATED PARTIES

#### A. Associate Company

- 1 M/s. Tubacex Prakash India Pvt. Ltd. (ceased to be associate from 30-03-2021)

#### B. Key Management Personnel

- 1 Shri Prakash C. Kanugo, Chairman & Managing Director
- 2 Shri Ashok M. Seth, Executive Director & Chief Financial Officer
- 3 Shri Hemant P. Kanugo, Whole Time Director

#### C. Relatives of Key Management Personnel

- 1 Smt. Babita P. Kanugo
- 2 Shri Vimal P. Kanugo
- 3 Shri Kirti P. Kanugo
- 4 Smt. Ekta H. Kanugo
- 5 Smt. Neha K. Kanugo

#### D. Enterprises Over which any of (B) and (C) can exercise control or significance influence

- |  |   |
|--|---|
| 1 M/s. AMS Trading & Investments Pvt Ltd                           | 11 M/s. Hemant & Co.                      |
| 2 M/s. Seth Iron & Steel Pvt. Ltd.                                 | 12 M/s. Prakash Land Developer            |
| 3 M/s. Seth Steelage Pvt. Ltd.                                     | 13 M/s. DH Developer                      |
| 4 M/s. Prakash Stainless Pvt. Ltd.                                 | 14 M/s. Hemant P Kanugo ( HUF )           |
| 5 M/s. PCK Metal Pvt. Ltd.   | 15 M/s. Vimal P Kanugo ( HUF )            |
| 6 M/s. Seth Carbon & Alloys Pvt. Ltd.                              | 16 M/s. Sunrise Metal Industries          |
| 7 M/s. Prakash & Daga Infra Projects Pvt. Ltd.                     | 17 M/s. Seth Steel And Reality Developers |
| 8 M/s. Prakash C. Kanugo (HUF)                                     | 18 M/s. V.K. International Inc.           |
| 9 M/s. Ashok M. Seth (HUF)   | 19 M/s. Sun International Inc.            |
| 10 M/s. Prakash Integrated Hi-Tech steel and Metal Cluster Pvt Ltd |   |



Nature of Transaction	Name of Party	Total Amount for Apr' 2020 to Mar. 2021	Total Amount for Apr' 2019 to Mar. 2020
Unsecured Loans Taken	M/s. Prakash Stainless Pvt. Ltd.	-	2,50,000
Unsecured Loans Repaid	M/s. Prakash Stainless Pvt. Ltd.	-	2,50,000
Jobwork Sales to Associates	M/s. Tubacex Prakash India Pvt. Ltd.	11,200	-
Reimbursement / Expenses	M/s. AMS Trading & Inv. Pvt. Ltd.	-	31,66,503
Jobwork done by Associate	M/s. Tubacex Prakash India Pvt. Ltd.	-	73,915
Jobwork Sales to Related Party	M/s. Seth Steelage Pvt. Ltd.	70,24,116	11,87,308
	M/s. Sun International Inc	20,65,801	18,27,367
Sales to Related Party	M/s. V.K. International	65,22,229	1,78,37,820
	M/s. Sun International Inc	-	12,50,481
Advance Given to Associate/Relatives (Purchase)	M/s. V. K. International	15,05,000	3,20,000
	M/s. Sun International Inc	-	18,54,519
Advance Given Returned (Purchase)	M/s. Sun International Inc	-	18,54,519
Advance Given Returned (Purchase)	M/s. V. K. International	18,25,000	-
Purchases from Related Party	M/s. Seth Iron & Steel Pvt. Ltd.	-	6,85,44,803
	M/s. Sun International Inc	43,84,009	7,62,586
Remuneration / Salary	Shri Kirti P. Kanugo	3,60,000	3,60,000
Rent	Shri Prakash C. Kanugo	70,800	70,800
	Smt. Neha Kamal Kanugo	1,08,000	1,08,000
	Smt. Babita P. Kanugo	3,00,000	3,00,000
<b>Outstanding Balances</b>			
Office Deposit Given	Smt. Babita P. Kanugo	5,00,000	5,00,000
Remuneration / Salary Payable	Shri Kirti P. Kanugo	1,11,750	30,000
Unsecured Loan Taken Payable	M/s. Sunrise Metal Industries	25,09,59,069	25,09,59,069
Payable to Associates	M/s. Tubacex Prakash India Pvt. Ltd.	72,662	72,662
Receivable from Associates	M/s. Tubacex Prakash India Pvt. Ltd.	11,050	-
Investment in Associates Company	M/s. Tubacex Prakash India Pvt. Ltd.	-	3,24,70,000
Payable to Related Party	M/s. Sun International Inc	21,48,332	-
Receivable from Related Party	M/s. Seth Steelage Pvt. Ltd.	49,064	21,637
	M/s. Sun International Inc.	24,57,072	28,25,478
	M/s. V. K. International	50,71,498	1,81,57,820

a) Remuneration does not include the provisions made for Gratuity as they are determined on an Actuarial basis for the Company as a whole

### 30. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 33 : Earning Per Share

		As At 31 <sup>st</sup> March 2021 Rs.	As At 31 <sup>st</sup> March 2020 Rs.
Profit / (Loss) after Tax	A	50,75,93,545	(23,80,131)
Weight Average number of Equity Shares	B	17,50,00,390	17,50,00,390
Nominal Value Per Share (Rs.)	C	1.00	1.00
Basis and diluted Earning / (Loss) per share (in Rs.)	D=A/B	2.90	(0.01)





31. Revenue from operations upto 30<sup>th</sup> June 2017 includes excise duty which is discontinued effective 1<sup>st</sup> July 2017 upon implementation of Goods & Service Tax ( GST ) in India. In accordance with IND AS 18, ' Revenue' GST is not included in Revenue from operations.
32. Due to adverse conditions in steel industries on account of drastic fall in the prices of steel the company has been suffering operational losses since couple of years which is impacting the net worth of the company. The company's loan account is been classified as NPA by the consortium of banks and the 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 year on borrowings, to the extent the same have remained unpaid.
33. As per the sanction of One Time Settlement (OTS) offer by all the consortium banks for Rs. 90 crores, the Company has already paid the first tranche of Rs. 50.62 crores leaving the balance of Rs. 39.38 crores. Further, as on March 31<sup>st</sup>, 2021; the total bank borrowings of above lenders is appering at INR 217.85 crores, against the said outstanding, the bank had approved OTS amount of INR 90.00 crores. As per management assessment, the differential portion of borrowing i.e. INR 127.85 crores will be accounted as income (remission of bank liability) in the financial year in which the Company will make full and final payment towards the sanctioned OTS amount along with the fulfilment of other conditions mentioned therein and receipt of No-dues certificate from the lenders.
34. Even though the net worth of the Company has eroded and it has been incurring cash losses 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.
35. Some of the balances of Trade Receivables, Deposits, Loans & Advances, Advances received from customers, Liability for expenses and Trade Payables are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any. The management, however, does not expect any material variation. Further, Company had made payments on behalf of vendors to certain other parties.
36. In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.
37. Company has considered the possible effect that may result from the pandemic relating to COVID-19 on the carrying amount of receivables, and inventory. In developing the assumption relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including credit and related information and economic forecast. The company has performed sensitivity analysis on the assumption used and based on current estimates expects the carrying amount of these assets will be recovered.

### **38. Segment Reporting**

The company has identified Manufacturing and Trading of "Stainless Steel Tubes & Pipes", as its only primary reportable segment in accordance with requirements of Indian Accounting Standards 109 "Operating Segments". Accordingly no seprate segment has been provided.

39. Disclosure in respect of Corporate Social Responsibility Expenditure ( CSR ) is as under.
  - (a) CSR provisions is not applicable to the company and there is no pending amount to be spent of the previous year liability.
  - (b) Amount spent during the year is Rs. 9,12,500 against the outstanding CSR payable of Rs. 5,00,862.



#### 40. Disclosure pursuant to Indian Accounting Standard (Ind AS) -12 : Income Taxes

(a) Major component of tax expenses/(income) :

Particulars	Year Ended 31-03-2021 Rs.	Year Ended 31-03-2020 Rs.
<b>Current Tax</b>		
Current Tax (MAT)	-	-
Tax Refunded / Reversal pertaining to earlier	-	-
	-	-
<b>Deferred Tax :</b>		
Deferred Tax	(6,45,74,591)	5,65,657
MAT Credit entitlement	-	-
Tax Refunded / Reversal pertaining to earlier	-	-
	(6,45,74,591)	5,65,657
<b>Total Tax Expenses</b>	<b>(6,45,74,591)</b>	<b>5,65,657</b>

(b) Reconciliation of Tax Expenses and the accounting profit multiplied by domestic tax rate applicable in India :

Particulars	Year Ended 31-03-2021 Rs.	Year Ended 31-03-2020 Rs.
Profit before Tax	44,30,45,090	(84,15,997)
Provision for doubtful Debts	(46,65,16,859)	-
Profit after provision for Doubtful debts (i)	(2,34,71,769)	(84,15,997)
Corporate tax rate as per income Tax Act, 1961 (ii)	-	-
<b>Tax on Accounting profit (iii) = (i) x (ii)</b>	-	-
Tax Difference on account of :		
(A) Tax Refund / reversal pertaining to earlier	-	-
(B) Effect of Expenses that are not deductible in determining Taxable Profit	(6,45,74,591)	5,65,657
<b>Total effect of Tax Adjustment</b>	<b>(6,45,74,591)</b>	<b>5,65,657</b>
<b>Tax Expenses recognised during the year</b>	<b>(6,45,74,591)</b>	<b>5,65,657</b>

(c) Movement in Deferred tax balances :

Particulars	For the year ended 31 <sup>st</sup> March 2021			
	Opening Balacne Rs.	Recognised in Profit & Loss Rs.	Recognised in OCI Rs.	Closing Balance Rs.
Tax effect of items constituting deferred Tax assets / (liabilities)	(6,46,63,950)	(6,46,63,950)	-	-
Property, Plant and Equipment	(82,51,665)	(18,50,705)	-	(64,00,960)
Employee Benefits	36,13,170	19,98,205	-	16,14,965
Other Temporary Differences	(58,140)	(58,140)	-	-
<b>Net Tax Asset (Liabilities)</b>	<b>(6,93,60,585)</b>	<b>(6,45,74,590)</b>	<b>-</b>	<b>(47,85,995)</b>

**Note :** During FY 2020-21; Company has recalculated the deferred tax liability on the basis of balance sheet approach and accordingly, reversed the excess deferred tax liability in the accompanying audited financial statement for the year ended March, 2021.

#### 41. Financial instruments and Risk Management

##### 41.1 Capital Management

The capital structure of the Company consist of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern. The Company's management review it's capital structure consisting the cost of capital, the risk associated with each class of capital and the need to maintain adequate liquidity to meet its financial obligations when they become due.



#### 41.2 Categories of financial instrument

The following table provides categorisation of all financial instrument at carrying value.

Particulars	Year Ended 31-03-2021 Rs.	Year Ended 31-03-2020 Rs.
<b>Financial assets</b>		
Measured at fair value through profit or loss		
(a) Measured at amortised cost		
(i) Cash and Cash Equivalent	25,98,621	6,19,574
(ii) Bank Balance other than (a) above	38,10,702	29,22,646
(iii) Trade Receivables	6,01,04,060	8,90,93,066
(iv) Loans	3,45,642	97,094
(v) Others Financial assets	59,13,930	60,73,735
<b>Total Financial Assets</b>	<b>7,27,72,955</b>	<b>9,88,06,115</b>
<b>Financial Liabilities</b>		
Measured at amortised cost		
(a) Borrowings	1,92,33,20,151	2,42,94,74,115
(b) Trade Payable	48,88,12,129	51,11,23,004
(c) Other financial liabilities	1,36,644	1,56,658
<b>Total Financial Liabilities</b>	<b>2,41,22,68,923</b>	<b>2,94,07,53,777</b>

#### 41.3 Financial risk management

The financial risk emanating from the company's operating business include market risk, credit risk and liquidity risk. These risks are managed by the company using appropriate financial instrument. The Company has laid down written policies to manage these risks.

##### 41.3.1 Market risk management

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of Currency risk, Interest rate risk and other price risk.

#### A. Foreign currency risk management

The company is exposed to foreign currency risk arising mainly on import (of raw material and capital items) and export (of finished goods).

The carrying amount of the company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Nature of Transactions	Currency	As at 31-03-2021 Rs.		As at 31-03-2020 Rs.	
		Hedged	Unhedged	Hedged	Unhedged
Trade Payable	USD	-	30,77,566	-	30,77,566
	INR	-	22,51,73,508	-	23,21,10,034
Trade Receivable	USD	-	74,577	-	22,506
	INR	-	54,55,902	-	16,97,381

#### B. Interest rate risk management

The Company does not have interest rate risk exposure on its outstanding loan as at the year end as these loans are short-term loans on fixed interest rate basis.

##### 41.3.2 Credit risk management

Credit risk arises from the possibility that a counter party's inability to settle its obligations as agreed in full and in time. The maximum exposure to credit risk in respect of the financial assets at the reporting date is the carrying value of



such assets recorded in the financial statement net of any allowance for losses.

#### A. Trade Receivable

The Company's trade receivables consists of large and diverse base customers including individual entities and Large Public & Private Corporates.

The ageing analysis of trade receivables as of the reporting date is as follows:

Ageing of trade receivable (Gross)	Year Ended 31-03-2021 Rs.	Year Ended 31-03-2020 Rs.
0-6 Months past due	4,86,31,484	8,90,93,066
More than 6 months past due	2,12,79,24,327	2,58,29,68,609
<b>Total trade receivable</b>	<b>2,17,65,55,811</b>	<b>2,67,20,61,675</b>

#### Reconciliation of allowances for doubtful debts on Trade Receivable

Particulars	Year Ended 31-03-2021 Rs.	Year Ended 31-03-2020 Rs.
Balances as at beginning of the year	(2,58,29,68,609)	(2,58,32,71,841)
Allowances for doubtful debts passed based Credit Loss (ECL)	(46,65,16,859)	3,03,232
Provision made against Debit Balance	-	-
<b>Balance at end of the year</b>	<b>(2,11,64,51,750)</b>	<b>(2,58,29,68,609)</b>

**Note :** Company has written off the outstanding receivable balance amounting to INR 46.65 crores against which the provision for bad and doubtful debts was already made through profit and loss account during the year ended March, 2017.

#### B. Other Financial Assets

The Company maintain exposure in cash and cash equivalents , time deposits with bank, Investment in equity mutual funds. Investment of surplus funds are made only with approved counter parties. The maximum exposure to credit risk at the reporting date is the carrying value each class of financial assets.

#### 41.3.3 Liquidity risk management

##### Liquidity risk table

The Following table details the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company can be required to pay. The table include principle cash flow along with interest.

	Weighted average effective interest rate (%)	Upto 1 Year	1 to 5 Years	5 + Years	Total
<b>March 31, 2021</b>					
Borrowings	10.45%	1,92,33,20,151	-	-	1,92,33,20,151
Trade Payable	-	48,88,12,129	-	-	48,88,12,129
Other Financial Liabilities	-	1,36,644	-	-	1,36,644
<b>Total</b>		<b>2,41,22,68,923</b>	-	-	<b>2,41,22,68,923</b>
<b>March 31, 2020</b>					
Borrowings	10.45%	2,42,94,74,115	-	-	2,42,94,74,115
Trade Payable	-	53,63,19,645	-	-	53,63,19,645
Other Financial Liabilities	-	1,56,658	-	-	1,56,658
<b>Total</b>		<b>2,96,59,50,418</b>	-	-	<b>2,96,59,50,418</b>

42. Previous year's figures have been regrouped /recast / reclassified, whenever necessary.

AS PER OUR REPORT OF EVEN DATE  
FOR PIPARA & CO LLP  
CHARTERED ACCOUNTANTS  
FRN : 107929W/W100219

FOR AND ON BEHALF OF THE BOARD

Sd/-  
**BHAWIK MADRECHA**  
PARTNER  
MEMBERSHIP No. 163412  
UDIN : 21163412AAAALP1107  
PLACE : MUMBAI  
DATE : 25<sup>TH</sup> June, 2021

Sd/-  
**PRAKASH C. KANUGO**  
CHAIRMAN &  
MANAGING DIRECTOR  
DIN : 00286366

Sd/-  
**ASHOK M. SETH**  
EXECUTIVE DIRECTOR &  
CHIEF FINANCIAL OFFICER  
DIN : 00309706

sd/-  
**SMITA SINGH**  
COMPANY SECRETARY  
MEMBERSHIP NO.  
ACS 62833



*If undelivered, please return to:*



## **PRAKASH STEELAGE LIMITED**

**Regd. Office :** 101, 1<sup>st</sup> Floor, Shatrunjay Apartment, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004.  
**Tel.:** +91 22 6613 4500 || **Fax:** +91 22 6613 4599 || **CIN:** L27106MH1991PLC061595  
**Domestic Sales :** [sales@prakashsteelage.com](mailto:sales@prakashsteelage.com) || **International Sales :** [exports@prakashsteelage.com](mailto:exports@prakashsteelage.com)  
**E-Mail:** [investorsgrievances@prakashsteelage.com](mailto:investorsgrievances@prakashsteelage.com) || **Website:** [www.prakashsteelage.com](http://www.prakashsteelage.com)