



Prakash Steelage Ltd.

Manufacturer & Exporters of Stainless Steel Welded, Pipes, Tubes & U-Tubes
An ISO 9001-2015, ISO 14001-2004, OHSAS 18001-2007, PED Certified Company

February 14, 2022

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

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

Dear Sir/Madam,

Scrip Code: 533239; Symbol: PRAKASHSTL

Sub.: Outcome of the Board Meeting of Prakash Steelage Limited ("the Company") held today i.e. Monday, February 14, 2022.

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

2. Notice of the Board Meeting of the Company dated February 7, 2022.

Please be informed that the Board of Directors of the Company at its meeting held today i.e. Monday, February 14, 2022, at the registered office of the Company, has *inter alia* considered and approved the Un-audited Financial Results (Standalone) of the Company along with the Limited Review Report issued by the Statutory Auditors of the Company, for the quarter and nine months ended December 31, 2021; which has been duly reviewed and recommended by Audit Committee of the Company.

The meeting commenced at 01.00 p.m. and concluded at 03.15 p.m.

The above information is also hosted on the website of the Company. (www.prakashsteelage.com)

Kindly take the same on your record.

Thanking You,

Yours faithfully,
For Prakash Steelage Limited




Prakash C. Kanugo (DIN: 00286366)
Chairman & Managing Director
Address: 101, 1st Floor, Shatrunjay Apartment,
28, Sindhi Lane, Nanubhai Desai Road,
Mumbai - 400 004

Encl.: 1. Un- audited Financial Results (Standalone) of the Company along with the Limited Review Report issued by the Statutory Auditors of the Company, for the quarter and nine months ended December 31, 2021.

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Registered Office :

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

Tel.: +91-22-66134500, Fax : +91-22-66134599, Email : marketing@prakashsteelage.com, Web : www.prakashsteelage.com

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of Prakash Steelage Limited pursuant to the Regulation 33 of the SEBI [Listing Obligation and Disclosure Requirements] Regulations, 2015, as amended

**Review Report to
The Board of Directors
Prakash Steelage Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Prakash Steelage Limited (the "Company") for the Quarter and nine months ended December 31, 2021 ('the Unaudited Financial Results') attached herewith, being submitted by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), as amended (the "Listing Regulations"), which has been signed by us for identification purpose.
2. The Unaudited Standalone Financial Results is the responsibility of the Company's Management and is approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these Unaudited Financial Results based on our review.
3. We conducted our review of the Unaudited Financial Results in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Mumbai Office :

#3, 13th Floor, Trade Link,
'E' Wing, 'A' Block,
Kamala Mills, Lower Parel,
Mumbai - 400013

Corporate Office :

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

New York Office :

1270, Ave of Americas,
Rockefeller Center,
FL7, **New York** - 10020
(646) 387 2034

Delhi Office :

1602, 16th Floor,
Ambadeep Building,
K. G. Marg,
New Delhi - 110001

Surat Office :

D-612, International
Trade Center,
Majura Gate,
Surat - 395 003

4. Basis for qualified conclusion

- A. As mentioned in note No. 4 of the unaudited financial results, which describes that the Company has accumulated losses resulting in erosion of Net worth and has incurred net cash losses in the previous Financial Years. These conditions cast serious doubt about the company's ability to continue as a going concern. However, the statement of unaudited financial results of the Company has been prepared on a going concern basis. Consequently, we are unable to comment on the impact of the above matter on these Financial Results.
- B. As mentioned in note No. 5 of the unaudited financial results, which describes that the account of the company with its Consortium Banks has turned Non-Performing Asset on various dates in the previous Financial Years. In view of uncertainty, the company has not provided interest including penal interest and other dues for the quarter and nine months ended December, 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.

5. Qualified conclusion

Based on our review conducted as above, except for the possible effects of our observations in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of matter

- A. As mentioned in note No. 6 of the unaudited financial results, which describes that consortium lenders had sanctioned One Time Settlement (OTS) with interest and other clauses as mentioned therein, against the said OTS, Rs. 20.35 Crores (excluding interest) is balance payable as on 31st December, 2021.

The total outstanding bank borrowings from consortium lenders were INR 217.85 crores, against which, the lenders had approved OTS with interest clause. The balance portion of borrowing will be accounted as income (remission of bank liability) in the quarter 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.

- B. As mentioned in note No. 7 of the unaudited financial results, which describes that 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 December 31, 2021 and the operations of the Company.



C. As mentioned in note No. 8 of the unaudited financial results, which describes that, Company will calculate the impact of income tax and deferred tax at the year end March, 2022 as certain transactions which may impact the tax position is not concluded till the date of this results.

Our conclusion is not modified in respect of these matters.

For Pipara & Co LLP
FRN: 107929W/W100219



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

Date: 14th February, 2022
Place: Mumbai

BHAWIK MADRECHA
PARTNER
M. No. 163412
UDIN: 22163412ABZQWR1238

PRAKASH STEELAGE LIMITED

CIN : L27106MH1991PLC061595 Tel. No. : 022 66134500, Fax No. : 022 66134599

Registered Office : 101, Shatrunjay Apartment, 1st Floor, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai-400 004

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2021

(Amount in Lakhs)

Particulars	Quarter Ended			Nine months Ended		Year Ended
	31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1 Income						
a) Revenue from Operations	1,237.73	906.99	637.56	3,021.13	1,551.30	2,446.62
b) Other Income	3,940.96	8.32	18.05	3,949.53	81.60	91.09
Total Income	5,178.69	915.31	655.62	6,970.66	1,632.90	2,537.71
2 Expenses						
a) Cost of materials consumed	317.56	359.14	633.39	1,076.27	1,134.49	1,577.99
b) Purchase of traded goods	414.47	248.67	35.77	917.67	166.87	288.65
c) Change in inventories of finished goods, work in progress and stock in trade	18.93	(98.32)	(43.10)	(208.11)	(127.10)	88.86
d) Employee benefits expense	58.65	56.87	54.00	168.40	156.49	198.58
e) Finance Costs	61.97	2.36	3.30	67.71	8.08	13.10
f) Depreciation and Amortization	24.72	23.24	36.67	70.12	119.16	151.70
g) Consumption of Stores and Spares	86.46	49.94	25.33	173.66	69.48	105.62
h) Other expenditure	191.96	370.73	81.89	703.63	268.51	375.03
Total Expenses	1,174.72	1,012.63	827.26	2,969.34	1,796.00	2,799.53
3 Profit/(Loss) before Exceptional Items (1-2)	4,003.97	(97.32)	(171.64)	4,001.32	(163.10)	(261.82)
4 Exceptional Item	-	-	-	-	-	4,736.94
Prior Period income / (loss)	-	-	-	-	-	(44.67)
5 Profit/(Loss) from Ordinary Activities before Tax (3+4)	4,003.97	(97.32)	(171.64)	4,001.32	(163.10)	4,430.45
6 Tax Expense						
Current Tax	-	-	-	-	-	-
Deferred Tax	-	-	-	-	-	(645.75)
Income Tax for earlier years	-	-	-	-	0.26	0.26
	-	-	-	-	0.26	(645.49)
7 Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	4,003.97	(97.32)	(171.64)	4,001.32	(163.36)	5,075.94
8 Other Comprehensive Income						
(i) Items that will not be reclassified to profit or loss (net of tax)	(2.05)	(2.05)	(0.42)	(6.16)	(1.25)	(3.21)
9 Total Comprehensive Income (7+8)	4,001.92	(99.37)	(172.06)	3,995.16	(164.61)	5,067.73
10 Paid-up Equity Share Capital (Face value of Re.1/- per share)	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00
11 Basic and Diluted Earning per Share (Rs.)	2.29	(0.06)	(0.10)	2.29	(0.09)	2.90

For Prakash Steelage Limited



Prakash C. Kamugo
Chairman & Managing Director
DIN : 00286365

Place : Mumbai
Date : 14.02.2022



Notes :

- 1 The Statement of financial result has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and the recognized accounting practices and policies to the extent applicable.
- 2 The above statement of financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th Febtuary, 2022. The statutory auditors have performed a limited review of the financial results of the Company as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations').
- 3 The company has identified Manufacturing of Stainless Steel Tubes & Pipes business as its primary reportable segment in accordance with the requirement of Ind AS 108, "Operating Segment". Accordingly, no Separate segment information has been provided.
- 4 Even though the net worth of the Company has eroded for past few years, The accounts have been prepared on going concern basis as the steel industry is on the revival path. The Company is in the process of coming out of the crisis through business restructuring and financial arrangement.
- 5 The loan account of the Company with its consortium banks has become Non Performing Assets (NPAs). Company is not generating revenue to service the loans. Hence in view of uncertainty the Company has not provided interest including penal interest and other dues for the period on borrowings, to the extent the same have remained unpaid.
- 6 Consortium lenders had sanctioned One Time Settlement (OTS) with interest and other clauses as mentioned therein, against the said OTS, Rs. 20.35 Crores (excluding interest) is balance payable as on 31st December, 2021.

The total outstanding bank borrowings from consortium lenders were INR 217.85 crores, against which, the lenders had approved OTS with interest clause. The balance portion of borrowing will be accounted as income (remission of bank liability) in the quarter 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.

- 7 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.
- 8 Company will calculate the impact of income tax and deferred tax at the year end March, 2022 as certain transactions which may impact the tax position is not concluded till the date of this results.

Place : Mumbai
Date : 14.02.2022



For Prakash Steelage Limited

Prakash C. Kanugo
Chairman & Managing Director
DIN : 00286366

