



# Prakash Steelage Ltd.

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

November 14, 2019

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

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

Dear Sir/Madam,

**Scrip Code: 533239; Symbol: PRAKASHSTL**

Sub.: **Outcome of the Board Meeting of Prakash Steelage Limited ("the Company") held today i.e. Thursday, November 14, 2019.**

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

**2. Notice of the Board Meeting of the Company dated November 7, 2019**

Please be informed that the Board of Directors of the Company (BM03/2019-20) at its meeting held today i.e. Thursday, November 14, 2019, at the registered office of the Company, has *inter alia* considered and approved:

1. 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 half year ended September 30, 2019;
2. The resignation of Mr. Hemant P. Kanugo (DIN 00309894) from the position of Chief Financial Officer of the Company w.e.f. November 14, 2019 (Closure of Working Hours) and continuing only as an Executive Director of the Company.
3. The change in designation of Mr. Ashok M. Seth (DIN: 00309706) from Non-Executive Director to an Executive (Whole time Director) w.e.f. November 14, 2019 (Closure of Working Hours).
4. The appointment of Mr. Ashok M. Seth (DIN: 00309706) as Chief Financial Officer (Whole-time Key Managerial Personnel) of the Company w.e.f. November 14, 2019 (Closure of Working Hours).

The meeting commenced at 12.30 p.m. and concluded at 6:55 p.m.

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

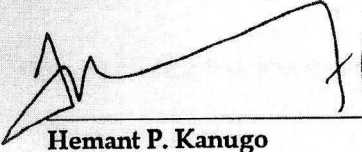
# **Prakash Steelage Ltd.**

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

Kindly take the same on your record.

Thanking You,

Yours faithfully,  
For Prakash Steelage Limited



**Hemant P. Kanugo**  
(DIN: 00309894)

Executive Director & CFO

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

Encl.: 1. Un-audited Financial Results (Standalone) of the Company along with the Limited Review Report issued by the Statutory Auditors of the Company, for the quarter and half year ended September 30, 2019. (Annexure 1)

2. Brief details of change of CFO as prescribed vide SEBI circular CIR/CFD/CMD/4/2015 dated September 09, 2015. (Annexure 2)

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 interim financial Results of Prakash Steelage Limited for the quarter ended 30<sup>th</sup> September, 2019 pursuant to the Regulation 33 of the SEBI [Listing Obligation and Disclosure Requirements] Regulations, 2015**

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

We have reviewed the unaudited financial results of Prakash Steelage Limited (the "Company") for the quarter and six month ended 30<sup>th</sup> September, 2019 which are included in the accompanying 'Un-audited Financial Results for the Quarter and six month ended 30<sup>th</sup> September, 2019, the statement of assets and liabilities as on that date and the statement of cash flows for the six month ended on that date (The "statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations , 2015"), which has been initialed by us for identification purposes. Attention is drawn to the fact that the statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in the Statement have been approved by the Board of Directors, but have not been subjected to review. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

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



*Contd..... 2*

**Corporate Office:**  
"Pipara Corporate House",  
Near Gruh Finance,  
Netaji Marg, Law Garden,  
Ahmedabad-380006,  
Gujarat, INDIA.

**Mumbai Office:**  
#3, 13<sup>th</sup> Floor, 'Trade  
Link', 'E' Wing, A Block,  
Kamala Mills, Senapati  
Bapat Marg, Lower Parel,  
Mumbai-400013,  
Maharashtra, INDIA.

**Surat Office:**  
D-612, International  
Trade centre,  
Majura Gate,  
Surat-395003,  
Gujarat, INDIA.

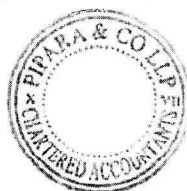
**Delhi Office:**  
G-36, One Internet,  
Connaught Place,  
New Delhi-110001,  
INDIA.

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F: +91-79-40 370 376  
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info@pipara.com  
**www.pipara.com**

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

Our conclusion is not modified in respect of these matters.

**Mumbai**  
**14<sup>th</sup> November, 2019**



**For PIPARA & CO LLP**  
**CHARTERED ACCOUNTANTS**  
FRN: 107929W/W100219

*Naman*

**Naman Pipara**  
Partner

M. No.140234

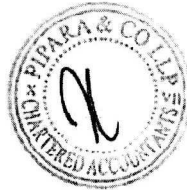
**UDIN: 19140234AAAAIX1814**

**PRAKASH STEELAGE LIMITED**

CIN : L27106MH1991PLC061595      Tel No. : 022 66134500,      Fax No. : 022 66134599  
 Registered Office : 101, Shatrunjay Apartment, 1st Floor, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai-400 004  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2019**

(Amount in Lakhs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
<b>1 Income</b>						
a) Revenue from Operations	889.16	646.76	1,270.72	1,535.91	1,964.64	4,299.36
b) Other Income	(7.24)	12.92	0.44	5.68	3.47	2,230.72
<b>Total Income</b>	<b>881.92</b>	<b>659.68</b>	<b>1,271.15</b>	<b>1,541.60</b>	<b>1,968.11</b>	<b>6,530.08</b>
<b>2 Expenses</b>						
a) Cost of materials consumed	512.93	501.96	619.27	1,014.89	1,156.73	2,570.29
b) Purchase of traded goods	19.61	-	-	19.61	-	0.40
c) Change in inventories of finished goods, work in progress and stock in trade	42.52	(92.99)	121.56	(50.47)	53.63	132.06
d) Employee benefits expense	49.98	48.81	52.96	98.79	105.08	205.20
e) Finance Costs	1.13	0.44	0.71	1.57	1.80	3.09
f) Depreciation and Amortization	53.73	53.29	59.85	107.02	120.13	236.34
g) Consumption of Stores and Spares	35.94	28.83	41.25	64.77	78.22	131.95
h) Other expenditure	142.44	98.78	345.84	241.21	494.86	985.09
<b>Total Expenses</b>	<b>858.28</b>	<b>639.10</b>	<b>1,241.44</b>	<b>1,497.39</b>	<b>2,010.45</b>	<b>4,264.41</b>
<b>3 Profit/(Loss) before Exceptional Items (1-2)</b>	<b>23.64</b>	<b>20.57</b>	<b>29.71</b>	<b>44.21</b>	<b>(42.34)</b>	<b>2,265.67</b>
<b>4 Exceptional Item</b>	-	-	-	-	-	(886.00)
<b>5 Profit/(Loss) from Ordinary Activities before Tax (3+4)</b>	<b>23.64</b>	<b>20.57</b>	<b>29.71</b>	<b>44.21</b>	<b>(42.34)</b>	<b>1,379.67</b>
<b>6 Tax Expense</b>						
Current Tax	-	-	-	-	-	5.39
Deferred Tax	-	-	-	-	-	5.39
Income Tax for earlier years	-	-	-	-	-	5.39
<b>7 Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>23.64</b>	<b>20.57</b>	<b>29.71</b>	<b>44.21</b>	<b>(42.34)</b>	<b>1,374.28</b>
<b>8 Other Comprehensive Income</b>						
(i) Items that will not be reclassified to profit or loss (net)	(1.56)	(1.56)	(3.03)	(3.11)	(6.06)	(6.22)
<b>9 Total Comprehensive Income (7+8)</b>	<b>22.08</b>	<b>19.02</b>	<b>26.68</b>	<b>41.10</b>	<b>(48.40)</b>	<b>1,368.06</b>
<b>10 Paid-up Equity Share Capital (Face value of Re.1/- per share)</b>	<b>1,750.00</b>	<b>1,750.00</b>	<b>1,750.00</b>	<b>1,750.00</b>	<b>1,750.00</b>	<b>1,750.00</b>
<b>11 Other equity (excluding revaluation reserve)</b>	-	-	-	-	-	(28,559.51)
<b>12 Reserves Excluding Revaluation Reserves</b>	-	-	-	-	-	-
<b>13 Basic and Diluted Earning per Share (Rs.)</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>(0.02)</b>	<b>0.79</b>



**PRAKASH STEELAGE LIMITED**

CIN : L27106MH1991PLC061895    Tel. No. : 022 66134500,    Fax No. : 022 66134599  
Registered Office : 101, Shatrunajv Apartment, 1st Floor, 28, Sindh Lane, Nanubhai Desai Road, Mumbai-400 004

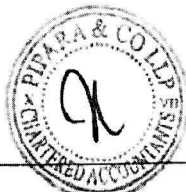
**STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2019**

Particulars	(Amount in Lakhs)	
	As at 30.09.2019 (Unaudited)	As at 31.03.2019 (Audited)
<b>A. ASSETS</b>		
<b>1. NON-CURRENT ASSETS</b>		
a) Property, Plant and Equipment	1,174.03	1,261.21
b) Financial Assets		
i) Investments	324.70	324.70
ii) Other financial assets	11.19	9.59
c) Non-Current Tax Assets (Net)	192.26	189.79
d) Other non-current assets	15.98	15.98
<b>Sub-total: Non-Current Assets</b>	<b>1,718.17</b>	<b>1,801.27</b>
<b>2. CURRENT ASSETS</b>		
a) Inventories	720.56	702.31
b) Financial Assets		
i) Trade receivables	502.72	1,389.32
ii) Cash and cash equivalents	6.08	7.68
iii) Bank balances other than (iii) above	29.48	29.48
iv) Loans	0.64	0.63
v) Other financial assets	60.29	363.43
c) Other current assets	823.09	981.13
<b>Sub-total: Current Assets</b>	<b>2,142.88</b>	<b>3,473.98</b>
<b>Total Assets</b>	<b>3,861.04</b>	<b>5,275.25</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. SHAREHOLDERS' FUNDS:</b>		
a) Equity Share Capital	1,750.00	1,750.00
b) Other Equity	(28,518.41)	(28,559.51)
<b>Sub-total: Shareholder's Funds</b>	<b>(26,768.41)</b>	<b>(26,809.51)</b>
<b>2. NON-CURRENT LIABILITIES:</b>		
a) Deferred Tax Liabilities (NET)	687.95	687.95
b) Provisions	36.37	30.85
<b>Sub-total: Non Current Liabilities</b>	<b>724.32</b>	<b>718.80</b>
<b>3. CURRENT LIABILITIES:</b>		
a) Financial Liabilities		
i) Borrowings	24,284.12	24,284.11
ii) Trade Payables		
- Total outstanding dues of Micro and Small Enterprises	9.19	0.78
- Total outstanding dues other than Micro and Small Enterprises	5,331.89	6,800.30
iii) Other financial liabilities	1.82	1.82
b) Other current liabilities	258.30	262.29
c) Provisions	19.82	16.65
<b>Sub-total: Current Liabilities</b>	<b>29,905.13</b>	<b>31,365.95</b>
<b>Total Liabilities</b>	<b>3,861.04</b>	<b>5,275.25</b>

**Notes:**

- The Statement of financial result has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and the recognized accounting practices and policies to the extent applicable.
- The above statement of financial results has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th November, 2019. They have been subjected to Limited Review by the statutory auditors. Also income Tax including deferred tax will be determined and provided for at the end of the financial year.
- The company has identified Manufacturing of Stainless Steel Tubes & Pipes business as its primary reportable segment in accordance with the requirement of Ind AS 108, "Operating Segment". Accordingly, no Separate segment information has been provided.
- Even though the net-worth of the Company has eroded for past few years, The accounts have been prepared on going concern basis as the steel industry is on the revival path. The Company is in the process of coming out of the crisis through business restructuring and financial arrangement.
- The loan account of the Company with its consortium banks has become Non Performing Assets (NPAs). Company is not generating revenue to service the loans. Hence in view of uncertainty the Company has not provided interest including penal interest and other dues for the period on borrowings, to the extent the same have remained unpaid.
- The company has submitted its proposal to the consortium banks towards settlement of its borrowing through the Assets Reconstruction Company (ARC) route. This proposal is under active consideration by the consortium banks. Meanwhile the bankers have taken symbolic possession of the collaterals of the company comprising of factory land, factory building, office building and plant & machinery located at Silvassa.
- The company has incurred foreign exchange loss of Rs. 39.32 Lakhs in quarter ended September, 2019 and foreign exchange income of Rs. 10.44 Lakhs in quarter ended June, 2019; as a consequence the half yearly "other income" is showing negative amount.
- Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.

For Prakash Steelage Limited



Hemant P. Kanuge  
CFO & Executive Director  
DIN : 00309894



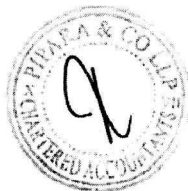
Place : Mumbai  
Date : 14.11.2019

**PRAKASH STEELAGE LIMITED**  
CIN: L27106MH1991PLC061595

**UNAUDITED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED ON 30TH SEPTEMBER, 2019**

(Amount in Lakhs)

Particulars	As at September 30, 2019		As at September 30, 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net profit/(Loss) After Taxation		41.10		(48.40)
Adjustment for:-				
- Depreciation (Net)	107.02		120.13	
- Interest Income	(0.96)		(0.06)	
- Profit on sale of Property, plant and equipment	(1.71)		(0.22)	
- Interest and other Financial Charges	1.57		1.80	
- Foreign Exchange (Gain)/ loss	39.32	145.24	(2.26)	118.60
<b>Operating Profit before Working Capital Changes</b>		<b>106.34</b>		<b>70.19</b>
Adjustment for:-				
Changes in Working Capital :				
Increase / (Decrease) in trade payable	(1,460.00)		(17.14)	
Increase / (Decrease) in provisions	8.70		4.49	
Increase / (Decrease) in other current liabilities	(3.99)		(49.52)	
(Increase) / Decrease in trade receivables	847.28		(124.61)	
(Increase) / Decrease in Inventories	(18.26)		(13.35)	
(Increase) / Decrease in other current assets	158.04		106.11	
(Increase) / Decrease in other financial assets	301.54		2.25	
Increase / (Decrease) in other financial liabilities	(0.00)		0.86	
(Increase) / Decrease in non current assets	(2.48)		0.35	
<b>Cash From Operating Activities Before</b>		<b>(169.18)</b>		<b>(90.56)</b>
Direct Taxes paid / Refund				
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>17.16</b>		<b>(20.37)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Change in Fixed Assets	(18.13)		5.65	
Long term Loans & Advances				
Short term Loans & Advances	(0.01)		0.62	
Interest Received		(18.14)		6.27
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>		<b>(18.14)</b>		<b>6.27</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Interest and Other Financial Charges Paid	(0.61)		(0.94)	
Short term Borrowings	0.00		0.07	
Proceeds / (Repayment) of Borrowings				
Total Proceeds from Borrowings (Net of Repayments)		(0.60)		(0.87)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>(0.60)</b>		<b>(0.87)</b>
<b>D. NET INCREASE IN CASH &amp; CASH EQUIVALENTS(D=A+B+C)</b>		<b>(1.59)</b>		<b>(14.97)</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>		<b>37.15</b>		<b>48.47</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>		<b>35.56</b>		<b>33.50</b>





DISCLOSURE REQUIREMENT	DETAILS	
Reason for change	Appointment of Mr. Ashok M. Seth (DIN: 00309706) as "Chief Financial Officer" in place of Mr. Hemant P. Kanugo (DIN: 00309894).	
Date of Appointment/ Cessation & term of appointment	Mr. Ashok M. Seth	Mr. Hemant P. Kanugo
	<p>Date of Appointment: November 14, 2019</p> <p>Terms of appointment: As per the Company's Rules and Regulations</p>	<p>Date of Cessation as CFO: November 14, 2019</p> <p>Mr. Hemant Kanugo will continue to hold office as an Executive Director will continue to look after the overall management of the Company</p>
Brief profile	<p>Mr. Ashok M. Seth, (46 years) is the Promoter Director of the Company at PSL. He advised the Company towards the procurement of materials from domestic and international markets of PSL and also advised about the Finance and Accounts of the Company. He has an experience in trading and manufacturing of stainless steel pipes and tubes of more than 25 years. He is responsible for successfully managing and expanding the business initiatives of Prakash Steelage Limited over the years. Mr. Seth is an active social personality, being the trustee of Bharat Vikas Parishad and very closely associated with Marine Lines Junior Chamber and JITO, Mumbai. Recognising his services Junior Chamber International awarded him with most outstanding young person award in the Year 2009.</p>	
Relationship with other Directors of the Company	N/A	

