



# 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

August 12, 2021

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, August 12, 2021.**

Ref.: **1. Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; and**  
**2. Notice of the Board Meeting of the Company dated August 4, 2021.**

Please be informed that the Board of Directors of the Company at its meeting held today i.e. Thursday, August 12, 2021, 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 ended June 30, 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 pm.

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

Kindly take the same on your record.  
Thanking You,

Yours faithfully,  
For Prakash Steelage Limited




**Ashok M. Seth (DIN: 00309706)**  
Executive Director.

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

**Encl.: 1. Un- audited Financial Results (Standalone) of the Company along with the Limited Review Report issued by the Statutory Auditors of the Company, for the quarter ended June 30, 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](mailto:marketing@prakashsteelage.com), Web : [www.prakashsteelage.com](http://www.prakashsteelage.com)

**Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of Prakash Steelage Limited for the Quarter ended June 30, 2021 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 ended June 30, 2021 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. This Statement, which is the responsibility of the Company's Management and 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 the Statement based on our review.
3. We conducted our review of the Statement 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.
4. 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.

**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

5. 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 June, 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. However, the lenders have sanctioned one-time settlement for an overall amount of INR 90 Crores against which Company has already paid INR 50.62 Crores to the lenders. (Refer note no. - 5)

C. Note no. 6 of statement of the audited financial results 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 INR 50.62 crores leaving the balance of INR 39.38 crores.

The total outstanding bank borrowings from consortium lenders were INR 217.85 crores, against which, the lenders had approved OTS amount of INR 90.00 crores. 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.

D. We draw attention to Note 7 of the accompanying unaudited financial results, 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 June 30, 2021 and the operations of the Company.

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".

**BHAWIK MADRECHA**  
PARTNER

M.No. 163412

UDIN: 21163412AAAANC7553

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

Place: Mumbai

**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 JUNE, 2021**

(Amount in Lakhs)

Particulars	Quarter Ended			Year Ended
	30.06.2021 (UnAudited)	30.06.2020 (UnAudited)	31.03.2021 (UnAudited)	31.03.2021 (Audited)
<b>1 Income</b>				
a) Revenue from Operations	876.41	367.83	895.32	2,446.62
b) Other Income	0.25	1.80	9.50	91.09
<b>Total Income</b>	<b>876.66</b>	<b>369.62</b>	<b>904.82</b>	<b>2,537.71</b>
<b>2 Expenses</b>				
a) Cost of materials consumed	399.57	69.11	443.50	1,577.99
b) Purchase of traded goods	254.53	51.68	121.78	288.65
c) Change in inventories of finished goods, work in progress and stock in trade	(128.72)	112.80	215.95	88.86
d) Employee benefits expense	52.88	43.20	42.09	198.58
e) Finance Costs	3.38	1.30	5.02	13.10
f) Depreciation and Amortization	22.16	41.46	32.54	151.70
g) Consumption of Stores and Spares	37.26	20.09	36.14	105.62
h) Other expenditure	140.94	87.91	106.52	375.03
<b>Total Expenses</b>	<b>782.00</b>	<b>427.54</b>	<b>1,003.54</b>	<b>2,799.53</b>
<b>3 Profit/(Loss) before Exceptional Items (1-2)</b>	<b>94.66</b>	<b>(57.92)</b>	<b>(98.72)</b>	<b>(261.82)</b>
<b>4 Exceptional Item</b>	-	-	4,736.94	4,736.94
<b>Prior Period income / (loss)</b>	-	-	(44.67)	(44.67)
<b>5 Profit/(Loss) from Ordinary Activities before Tax (3+4)</b>	<b>94.66</b>	<b>(57.92)</b>	<b>4,593.55</b>	<b>4,430.45</b>
<b>6 Tax Expense</b>				
Current Tax	-	-	-	-
Deferred Tax	-	-	(645.75)	(645.75)
Income Tax for earlier years	-	0.26	-	0.26
	-	<b>0.26</b>	<b>(645.75)</b>	<b>(645.49)</b>
<b>7 Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>94.66</b>	<b>(58.18)</b>	<b>5,239.30</b>	<b>5,075.94</b>
<b>8 Other Comprehensive Income</b>				
(i) Items that will not be reclassified to profit or loss (net of tax)	(2.05)	(0.42)	(6.96)	(8.21)
<b>9 Total Comprehensive Income (7+8)</b>	<b>92.61</b>	<b>(58.60)</b>	<b>5,232.34</b>	<b>5,067.73</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>11 Basic and Diluted Earning per Share (Rs.)</b>	<b>0.05</b>	<b>(0.03)</b>	<b>2.99</b>	<b>2.90</b>



**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 recognised 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 12th August, 2021.
- 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 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.

The total outstanding bank borrowings from consortium lenders were INR 217.85 crores, against which, the lenders had approved OTS amount of INR 90.00 crores. 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 The figures for the preceding 3 months ended 31.03.2021 are the balancing figures between the audited figures in respect of the full financial year ended 31.03.2021 and the year to date figures upto the third quarter of that financial year.
- 9 Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.



Place : Mumbai  
Date : 12.08.2021

For Prakash Steelage Limited

Ashok M Seth  
CFO & Executive Director  
DIN : 00309706

