



# 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

29<sup>th</sup> November, 2017

To,  
The Manager,  
**BSE Limited,**  
Dept. of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001  
**Scrip Code: 533239**

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

Dear Sir/Madam,

Sub.: **Outcome of the Board Meeting of Prakash Steelage Limited (“the Company”) held today i.e. Wednesday, 29<sup>th</sup> November, 2017**

Ref.: **1. Regulation 30 (4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;**  
**and**  
**2. Notice of the Board Meeting of the Company dated 21<sup>st</sup> November, 2017**

Please be informed that the Board of Directors of the Company (BM03/2017-18) at their meeting held today i.e. Wednesday, 29<sup>th</sup> November, 2017, at the registered office of the Company, *inter alia* considered and approved the following viz.

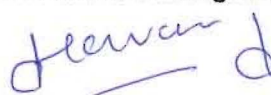
1. Unaudited Financial Results of the Company along with the Limited Review Report for the quarter and half year ended 30<sup>th</sup> September, 2017, which has been duly reviewed and recommended by the Audit Committee; and
2. the reconstitution of the Audit Committee by inducting Mrs. Neetta K. Bokaria, Independent Director as member of the Committee.

The meeting commenced at 12.00 p.m. and concluded at 4.45 p.m.

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

Kindly take the same on your record.

Thanking You,  
Yours faithfully,  
For Prakash Steelage Limited




**Dhaval Darji**  
**Company Secretary & Compliance Officer**  
**Membership No.: A41381**

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

Encl.: Unaudited Financial Results of the Company along with the Limited Review Report thereon for the quarter ended 30<sup>th</sup> September 2017.

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)

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

Particulars	Quarter Ended			Half Year ended	
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)
<b>1 Income</b>					
a) Income from Operations	1,424	1,209	3,618	2,632	12,898
b) Other Income	146	15	7	161	121
<b>Total Income</b>	<b>1,569</b>	<b>1,224</b>	<b>3,625</b>	<b>2,793</b>	<b>13,019</b>
<b>2 Expenditure</b>					
a) Cost of materials consumed	455	659	926	1,114	1,880
b) Purchase of stock in trade	-0	642	1,705	642	12,245
c) Change in inventories of finished goods, work in progress and stock in trade	688	-42	1,151	646	2,251
d) Excise Duty	-	99	68	99	163
e) Employee benefits expense	61	64	87	125	180
f) Finance Costs	1	1	797	2	1,465
g) Depreciation and Amortisation	82	55	91	137	178
h) Consumption of stores and spares	21	40	45	61	62
i) Other expenditure	74	73	237	147	373
<b>Total Expenditure : (a + b + c + d + e + f + g + i)</b>	<b>1,383</b>	<b>1,589</b>	<b>5,107</b>	<b>2,972</b>	<b>18,795</b>
<b>3 Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>186</b>	<b>-365</b>	<b>-1,482</b>	<b>-179</b>	<b>-5,776</b>
<b>4 Exceptional items</b>	<b>-139</b>	<b>25,198</b>	<b>539</b>	<b>25,058</b>	<b>539</b>
<b>5 Profit/(Loss) before tax (3-4)</b>	<b>326</b>	<b>-25,563</b>	<b>-2,021</b>	<b>-25,237</b>	<b>-6,315</b>
<b>6 Tax Expense</b>					
Current Tax	-	-	-	-	-
Deferred Tax - Debit/(Credit)	-	-	-	-	-
MAT Credit	-	-	-	-	-
Short/(Excess) Provision for Tax for earlier years	-	-	-	-	-
<b>7 Net Profit/(Loss) after Tax (5-6)</b>	<b>326</b>	<b>-25,563</b>	<b>-2,021</b>	<b>-25,237</b>	<b>-6,315</b>
<b>8 Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss	2	2	6	4	11
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
<b>9 Total Comprehensive Income (7+8)</b>	<b>327</b>	<b>(25561)</b>	<b>(2016)</b>	<b>(25234)</b>	<b>(6304)</b>
<b>10 Paid-up Equity Share Capital</b> (Face value of Re.1/- per share)	1750	1750	1750	1750	1750
<b>11 Basic and Diluted Earning per Share (Rs.)</b>	0.19	-14.61	-1.15	-14.42	-3.61

## Notes :

- The results of the quarter and six months ended September 30, 2017 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29th November 2017. They have been subjected to limited review by the statutory auditor.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April, 2017, the Company has for the first time adopted Ind AS with a transition date of 1st April, 2016.
- The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013, which are applicable to Companies that are required to Comply with Ind AS.
- Statement of unaudited financial results stating that exceptional item represents provision for doubtful debts of Rs. 25058 lacs. Sundry Creditors written back which are no longer payable amounting of Rs.3 Lacs. In the said exceptional items the company has initiated legal action to recover the long outstanding debts. In few cases the debtors has also initiated cases against the company raising quality concerns. As a result the company foresee remote chances of recovery of the said debts and hence provided for doubtful debts.
- Sales for the quarter ended September 30, 2017 is net of Goods and Service Tax (GST), however sales till the period ended 30 June 2017 and other comparative periods are gross of Excise Duty.

The Net revenue from operations (Net of GST/ Excise duty) as applicable are as stated below:

	For the Quarter Ended			For the Half Year Ended	
	30-Sep-17 (Unaudited)	30-Jun-17 (Unaudited)	30-Sep-16 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)
Net Revenue from operations	1423.60	1109.88	3549.64	2533.48	12735.49

- The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS for the quarter and six month ended September 30, 2016 is given below:

Particulars	Quarter ended	Six month ended
	30.09.2016 Unaudited	30.09.2016 Unaudited
Net loss after tax for the quarter as per Previous GAAP	(2,016)	(6,304)
Add / (Less) : Adjustments for GAAP Differences		
Reclassification of actuarial (gain)/loss in respect of defined benefit plan to "Other Comprehensive Income"	(6)	(11)
<b>Net loss after tax for the quarter as per Ind AS</b>	<b>(2,021)</b>	<b>(6,315)</b>
Other Comprehensive Income	6	11
<b>Total Comprehensive income</b>	<b>(2,015)</b>	<b>(6,304)</b>

- The Ind AS compliant corresponding figures for the quarter and six months ended September 30, 2016 have not been subjected to review. However, the Company's Management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- The Company has identified Manufacturing of Stainless Steel Tubes & Pipe business as its only primary reportable segment in accordance with the requirement of Ind AS 108, 'Operating Segments'. Accordingly, no separate segment information has been provided.
- Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.

## Prakash Steelage Ltd.

CIN : L27106MH1991PLC061595 Tel. No. : 022 66134500, Fax No. : 022 6613459  
Registered Office : 101, Shatrunjay Apartment, 1st Floor, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai-400 004

## STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2017

Particulars	Amount in Rs.	
	As at 30.09.2017 (Unaudited)	
<b>ASSETS</b>		
<b>Non-current Assets</b>		
(a) Property, plant and equipment		17,86,27,837
(b) Financial assets		
(i) Investments		
a) Investments in associates		3,24,70,000
(ii) Other financial assets		12,36,547
(c) Tax assets		
(i) Deferred Tax Asset (net)		1,53,41,449
(ii) Current Tax Asset (Net)		
(d) Other non-current assets		55,64,350
<b>Total Non-current Assets</b>		<b>23,32,40,184</b>
<b>Current Assets</b>		
(a) Inventories		10,90,90,027
(b) Financial assets		
(i) Trade receivables		13,36,44,598
(ii) Cash and cash equivalents		19,23,900
(iii) Bank balances other than (ii) above		2,09,31,919
(iv) Other financial assets		21,13,27,779
Current tax assets (Net)		-
Other current assets		3,16,78,312
<b>Total Current Assets</b>		<b>50,85,96,534</b>
<b>Total Assets</b>		<b>74,18,36,726</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital		17,50,00,390
(b) Other Equity		-3,10,73,02,830
<b>Total Equity</b>		<b>-2,93,23,02,440</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Other financial liabilities		95,375
(b) Provisions		36,89,544
(c) Deferred tax liabilities (Net)		6,55,83,958
<b>Total Non-current Liabilities</b>		<b>6,93,68,876</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings		2,44,99,86,236
(ii) Trade and other payables		98,64,21,149
(b) Provisions		3,56,732
(c) Current tax liabilities (Net)		7,38,03,227
(d) Other current liabilities		9,42,02,945
<b>Total Current Liabilities</b>		<b>3,60,47,70,290</b>
<b>Total Equity and Liabilities</b>		<b>74,18,36,726</b>




## Notes to Standalone Audited Financial Result

1. The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29<sup>th</sup> November, 2017.
2. The Company's operation predominantly relates to manufacturing and trading of "Stainless Steel Tubes and Pipes". Hence, there is no separate reportable segment as the Company has identified Manufacturing of Stainless Steel Tubes & Pipe business as its only primary reportable segment in accordance with the requirement of Ind AS 108, 'Operating Segments'. Accordingly, no separate segment information has been provided.
3. Other expenses/Income, includes foreign currency exchange gain of Rs. 3 lakhs and Rs. 3.84 lakhs for quarter ended 30<sup>th</sup> June, 2017 and year ended 31<sup>st</sup> March, 2017 respectively and Foreign currency exchange loss of Rs 9.46 lakhs, Rs. 1.43 lakhs, Rs. 12.46 lakhs and Rs. 16.02 lakhs for the quarter ended 30<sup>th</sup> September, 2017, 30<sup>th</sup> September, 2016, half-year ended 30<sup>th</sup> September, 2017 and 30th September, 2016 respectively.
4. Statement of unaudited financial results stating that exceptional item represents provision for doubtful debts of Rs. 25,058 lakhs. Sundry Creditors written back which are no longer payable amounting of Rs.3 Lakhs.

In the said exceptional items the Company has initiated legal action to recover the long outstanding debts. In few cases the debtors has also initiated cases against the Company raising quality concerns. As a result the Company foresees remote chances of recovery of the said debts and hence provided for doubtful debts.

5. Due to unfavorable market for steel industry there has been pressure on the realisability of our receivables, stocks and selling prices, which has resulted into operational losses during the Quarter end 30<sup>th</sup> June, 2017, Half Year ended 30<sup>th</sup> September, 2017.
6. 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.
7. The accounts have been prepared on going concern basis as 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.
8. The figures of the last quarter ended 30.09.2017 and 30.09.2016 are the balancing figures between the unaudited figures up to the Second quarter of the relevant financial year.
9. The figures of the previous period/ year have been rearranged/ regrouped wherever necessary to make them comparable.



Place : Mumbai  
Date : 29<sup>th</sup> November, 2017

**For Prakash Steelage Limited**

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



**Independent Auditor's Review Report on interim financial Results of Prakash Steelage Limited for the quarter and half-year ended 30<sup>th</sup> September, 2017 pursuant to the Regulation 33 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.**

To,  
The Board of Directors,  
Prakash Steelage Limited,  
Mumbai

1. We have reviewed the accompanying statement of unaudited financial results of **Prakash Steelage Limited** for the quarter and half-year ended 30<sup>th</sup> September, 2017. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review 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 financial statements are free of material misstatement. 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.
3. We have reviewed the accompanying statements of unaudited Financial Results of **Prakash Steelage Limited** ("the Company") for the quarter and half-year ended 30<sup>th</sup> September, 2017 ("the statement") attached herewith, being submitted by the company pursuant to the requirement terms of Regulations 33 of SEBI (Listing Obligations and Disclosure Requirements), 2015, read with SEBI Circular No. CIR/CFD/CMD/15/2015 dated 30<sup>th</sup> November, 2015 and SEBI Circular No. CIR/CFD/CMD/15/2015 dated 5<sup>th</sup> July, 2016. This statement, which is the responsibility of the company's management approved by the board of directors, has been compiled from the related "Interim Financial Reporting" ("IND AS 34"), specified under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on statement based on our review of such financial statements.
4. We are neither engaged to review, nor have we reviewed the comparative figures including reconciliation to the Total Comprehensive Income for the quarter and half-year ended 30<sup>th</sup> September, 2016 and accordingly we do not express any conclusion on the results in the Statement for quarter and half-year ended 30<sup>th</sup> September, 2016. As set out in Note 7 to the statement, these figures have been furnished by the Management.
5. We draw attention to:-
  1. *The account of the Company with its consortium Banks had 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 quarter on borrowings, to the extent the same have remained unpaid. Had the interest been provided, loss of the quarter would have been higher by Rs. 755 lakhs with a corresponding increase in liabilities towards interest. Also the Reserves & Surplus have been overstated to that extent. (Refer note no. - 6)*



**BRANCHES :**

NAVI MUMBAI : 302 / 304 Arenja Corner, Sector 17, Vashi, Navi Mumbai - 400 703. • Tel. : +91-22-2766 6478  
DELHI : A-97, Jagat Puri, Delhi -110 051. • Cell : +91-98107 30767

2. *The Company has accumulated losses resulting in erosion of Net Worth and has incurred net cash losses in the current period ending on 30<sup>th</sup> September, 2017 and immediately preceding Financial Year. 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. - 7)

3. Note no. 4 of statement of unaudited financial results stating that exceptional item represents provision for doubtful debts of Rs.25,058 Lakhs. Sundry Creditors written back which are no longer payable amounting of Rs.3 Lakhs.

In the said exceptional items the company has initiated legal action to recover the long outstanding debts. In few cases the debtors has also initiated cases against the company raising quality concerns. As a result the company foresees remote chances of recovery of the said debts and hence provided for doubtful debts.

4. Note no. 5 of statement of unaudited financial results stating that the Company has unfavorable market for steel industry, which has resulted in pressure on the realization of receivables, stock and selling prices.

5. Note no. 6 of statement of unaudited financial results stating that loan account of the company with the consortium banks has become Non Performing Assets (NPAs)

Our conclusion is not modified in respect of these matters

**For Batliboi & Purohit**  
**Chartered Accountants**

Firm Registration Number: 101048W



**CA. Gaurav Dhebhar**  
Partner  
Membership Number: 153493  
Place: Mumbai  
Date: 29.11.2017

