



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 11, 2020

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. Wednesday, November 11, 2020.

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

2. Notice of the Board Meeting of the Company dated September 4, 2020.

Please be informed that the Board of Directors of the Company at its meeting held today i.e. Wednesday, November 11, 2020, 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 ended September 30, 2020; which has been duly reviewed and recommended by Audit Committee of the Company.
2. The Board also reviewed the progress of OTS offer of the Company with other two consortium Banks and noted that the sanction of the same is expected soon.

The meeting commenced at 12.30 p.m. and concluded at 02:00 p.m.

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

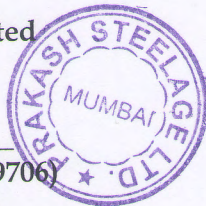
Kindly take the same on your record.

Thanking You,

Yours faithfully,
For Prakash Steelage Limited



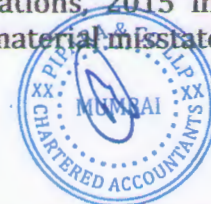
AshokM. Seth (DIN: 00309706)
Executive Director & CFO



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of Prakash Steelage Limited (the 'Company') Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Director's
Prakash Steelage Limited**

1. We were engaged to review the accompanying statement of unaudited financial results of Prakash Steelage Limited (the 'Company') for the quarter and half year ended September 30, 2020 and the statement of assets and liabilities as on that date and the statement of cash flows for the half year ended on that date ('the Unaudited Financial Results') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialed by us for identification purpose. The 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 the statement 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 Statement is free of material misstatement.
3. 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. 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 Indian 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' Wjng, 'A' Block Kamala Mills,
Senapati Bapat Marg,
Lower Parel.

Corporate Office :

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

Surat Office :

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

Delhi Office :

G-36, One Internet,
Connaught Place,
New Delhi - 110001.
India

Contact :

T: 91 22 24928899
F: 91 79 40 370376
E: madrecha@pipara.com
E: naman@pipara.com

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 and half year ended September, 2020 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 Lead Bank has approved the One Time Settlement (OTS) offer to settle the dues of all the consortium banks for an amount of INR 90 Crores subject to the concurrence by two other member banks, which the company has accepted conditionally. However, full clarity will come only after the sanction from other two member banks.
- d. We draw attention to Note no. 7 of the accompanying unaudited financial result, as regards to management's evaluation of uncertainties relating to COVID-19 and its consequential effect on the carrying value of assets as at September 30, 2020 and the operations of the company.

Our conclusion is not modified in respect of these matters.

For Pipara & Company LLP
FRN: 107929W/W100219



A handwritten signature in blue ink, appearing to be 'Bhawik Madrecha'.

Date: 11th November, 2020
Place: Mumbai

BHAWIK MADRECHA
PARTNER
M.No. 163412
UDIN: 20163412AAAAGJ3668

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
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

(Amount in Lakhs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
1 Income						
a) Revenue from Operations	545.91	367.83	889.16	913.74	1,535.91	3,250.44
b) Other Income	61.76	1.80	(7.24)	63.55	5.68	75.48
Total Income	607.67	369.62	881.92	977.30	1,541.60	3,325.92
2 Expenses						
a) Cost of materials consumed	432.00	69.11	512.93	501.10	1,014.89	2,019.86
b) Purchase of traded goods	79.42	51.68	19.61	131.10	19.61	111.90
c) Change in inventories of finished goods, work in progress and stock in trade	(196.80)	112.80	42.52	(84.00)	(50.47)	(149.94)
d) Employee benefits expense	59.29	43.20	49.98	102.49	98.79	204.67
e) Finance Costs	3.47	1.30	1.13	4.78	1.57	4.86
f) Depreciation and Amortization	41.03	41.46	53.73	82.49	107.02	202.03
g) Consumption of Stores and Spares	24.06	20.09	35.94	44.15	64.77	125.49
h) Other expenditure	98.71	87.91	142.44	186.62	241.21	575.15
Total Expenses	541.19	427.55	858.28	968.73	1,497.39	3,094.02
3 Profit/(Loss) before Exceptional Items (1-2)	66.49	(57.92)	23.64	8.56	44.21	231.90
4 Exceptional Item	-	-	-	-	-	(316.06)
5 Profit/(Loss) from Ordinary Activities before Tax (3+4)	66.49	(57.92)	23.64	8.56	44.21	(84.16)
6 Tax Expense						
Current Tax	-	-	-	-	-	-
Deferred Tax	-	-	-	-	-	5.65
Income Tax for earlier years	-	0.26	-	0.26	-	(66.02)
	-	0.26	-	0.26	-	(60.37)
7 Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	66.49	(58.18)	23.64	8.30	44.21	(23.79)
8 Other Comprehensive Income						
(i) Items that will not be reclassified to profit or loss (net of tax)	(0.42)	(0.42)	(1.56)	(0.83)	(3.11)	(1.67)
9 Total Comprehensive Income (7+8)	66.07	(58.60)	22.08	7.47	41.10	(25.46)
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 Other equity (excluding revaluation reserve)	-	-	-	-	-	26,843.97
12 Basic and Diluted Earning per Share (Rs.)	0.04	(0.03)	0.01	0.00	0.03	(0.01)



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 unaudited standalone financial result were reviewed by the audit committee and approve by the Board of Directors of the company at the meeting held on 11th November, 2020
- 3 The company has identified Manufacturing of Stainless Steel Tubes & Pipes business as its primary reporatble 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 The lead bank has approved the one time settlement (OTS) offer to settle the dues of all the consortium banks for an amount of Rs. 90.00 Crores subject to the concurrence by two other member banks, which the company has accepted conditionally. However, full clarity will come after the sanction from other two member banks.
- 7 The company has considered the possible effect that may result from the pendemic 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 beacause 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 expectes 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 statements.
- 8 Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.

For Prakash Steelage Limited



Ashok M Seth
CFO & Executive Director
DIN : 00309706

Place : Mumbai
Date : 11th November, 2020



UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2020

(Amount in Lakhs)

Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
A. ASSETS		
1. NON-CURRENT ASSETS		
a) Property, Plant and Equipment	1,004.06	1,081.54
b) Leasehold Land	-	-
b) Capital Work-in-Progress	-	-
b) Financial Assets		
i) Investments	324.70	324.70
ii) Other financial assets	11.19	11.19
c) Non-Current Tax Assets (Net)	7.53	32.71
d) Other non-current assets	15.98	15.98
Sub-total	1,363.46	1,466.12
2. CURRENT ASSETS		
a) Inventories	1,303.29	1,124.87
b) Financial Assets		
i) Trade receivables	900.09	890.93
ii) Cash and cash equivalents	16.11	6.20
iii) Bank balances other than (iii) above	29.23	29.23
iv) Loans	1.71	0.97
v) Other financial assets	61.16	60.74
c) Other current assets	177.16	206.63
Sub-total	2,488.75	2,319.56
Total	3,852.21	3,785.68
B. EQUITY AND LIABILITIES		
1. SHAREHOLDERS' FUNDS:		
a) Equity Share Capital	1,750.00	1,750.00
b) Other Equity	(28,577.51)	(28,584.98)
Sub-total	(26,827.50)	(26,834.97)
2. NON-CURRENT LIABILITIES:		
a) Deferred Tax Liabilities (NET)	693.61	693.61
b) Provisions	45.06	39.82
b) Non-Current Tax Liabilities (Net)	-	-
Sub-total	738.66	733.43
3. CURRENT LIABILITIES:		
a) Financial Liabilities		
i) Borrowings	24,294.74	24,294.74
ii) Trade Payables		
- Total outstanding dues of Micro and Small Enterprises	12.08	9.19
- Total outstanding dues other than Micro and Small Enterprises	5,408.59	5,354.01
iii) Other financial liabilities	1.57	1.57
b) Other current liabilities	203.55	209.38
c) Provisions	20.52	18.35
d) Current Tax Liabilities (Net)	-	-
Sub-total	29,941.05	29,887.23
Total	3,852.21	3,785.68



PRAKASH STEELAGE LIMITED

CIN: L27106MH1991PLC061595

UNAUDITED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED ON 30TH SEPTEMBER, 2020

(Amount in Lakhs)

Particulars	As at September 30, 2020		As at September 30, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit/(Loss) Before Taxation		7.21		41.10
Adjustment for:-				
- Depreciation (Net)	82.49		107.02	
- Interest Income	(0.47)		(0.96)	
- Profit on sale of Property, plant and equipment	0.02		(1.71)	
- Interest and other Financial Charges	4.78		1.57	
- Foreign Exchange (Gain)/ loss	(55.21)	31.60	39.32	145.24
Operating Profit before Working Capital Changes		38.81		186.34
Adjustment for:-				
Changes in Working Capital :				
Increase / (Decrease) in trade payable	112.68		(1,460.00)	
Increase / (Decrease) in provisions	7.41		8.70	
Increase / (Decrease) in other current liabilities	(5.83)		(3.99)	
(Increase) / Decrease in trade receivables	(9.16)		847.28	
(Increase) / Decrease in inventories	(178.43)		(18.26)	
(Increase) / Decrease in other current assets	29.48		158.04	
(Increase) / Decrease in other financial assets	(0.42)		301.54	
Increase / (Decrease) in other financial liabilities	-		(0.00)	
(Increase) / Decrease in non current assets	25.17		(2.48)	
Cash Form Operating Activities Before Direct Taxes paid / Refund		(19.09)		(169.18)
NET CASH FROM OPERATING ACTIVITIES (A)		19.98		17.16
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Change in Fixed Assets	(5.02)		(18.13)	
Long term Loans & Advances			-	
Short term Loans & Advances	(0.74)		(0.01)	
Interest Received	0.47	(5.29)	-	(18.14)
NET CASH FROM INVESTING ACTIVITIES (B)		(5.29)		(18.14)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest and Other Financial Charges Paid	(4.78)		(0.61)	
Short term Borrowings			0.00	
Total Proceeds from Borrowings (Net of Repayments)		(4.78)	-	(0.60)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(4.78)		(0.60)
D. NET INCREASE IN CASH & CASH EQUIVALENTS(D=A+B+C)		9.92		(1.59)
CASH AND CASH EQUIVALENTS AS AT 01st APRIL, 2020		6.20		37.15
CASH AND CASH EQUIVALENTS AS AT 30th SEPTEMBER, 2020		16.12		35.56

