

PRAKASH STEELAGE LTD.



Manufacturers & Exporters of Stainless Steel Welded, Seamless Pipes, Tubes & U-Tubes

An ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007, PED Certified and AD-2000
Merkblatt W O EIL, Lloyds, IBR Approved and Government Recognised Export House

Regd. Office : 701, Mahalaxmi Chambers, Bhulabhai Desai Road, Mumbai - 400 026, India
Tel.: +91-22-6613 4500 • Fax : +91-22-2352 6576 • E-mail : marketing@prakashsteelage.com
Website : www.prakashsteelage.com • CIN : L27106MH1991PLC061595

To

The Secretary

Date: 13th February, 2015

The National Stock Exchange of India

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex,

Bandra (E), Mumbai 400 051

NSE Scrip Symbol: PRAKASHSTL

Dear Sir/Madam,

**Sub: Submission of outcome of the Board Meeting of the Company held on
13th February, 2015**

Ref.: Board Meeting under Clause 41 of the Listing Agreement

This is to inform you that a meeting of the Board of Directors of the Company was held on Friday, 13th February, 2015 and the following is the outcome of the Board Meeting:

1. The Board of Directors has approved the Un-Audited Quarterly Financial Results of the Company for the 3rd quarter ended 31st December, 2014, after review by the Audit Committee of the Company and the same has been taken on record. The copy of the Un-Audited Quarterly Financial Results along with the "Limited Review Report" is enclosed herewith.
2. The Board of Directors has approved the proposal to enter into a joint venture agreement with M/s. Tubacex, S.A., a company incorporated in Spain. Pursuant to the joint venture agreement, the Company proposes to transfer the seamless stainless steel tubes and pipes business of the Company (**Business**) to a new company to be initially incorporated as a wholly owned subsidiary of the Company (**Joint Venture Company**) and, subsequently, the majority of the share capital shall be held by Tubacex S.A. and the balance shareholding shall be held by the Company (**Proposed Transaction**). In order to effect the Proposed Transaction, the Joint Venture Company will purchase the Business from the Company as a going concern and the Business will be transferred by the Company to the Joint Venture Company in accordance with the terms and conditions set out in a business transfer agreement, to be entered into between the Joint Venture Company and the Company, at a later date. The Company will continue to own and operate all its other businesses including the stainless steel welded tubes and pipes business subsequent to the Proposed Transaction.
3. Appointment of Ms. Neetta K. Bokaria as an Additional Director and who will be a woman independent Director of the Company.



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4. The Board of Directors of the Company has proposed to conduct postal ballot to obtain approval of the members of the Company authorizing the Board of Directors for the Proposed Transaction and certain other matters.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

Yours truly,

For Prakash Steelage Limited



Pallavi Shedge

Company Secretary & Compliance Officer

Membership No. A29787



KHANDELWAL JAIN & CO.

Chartered Accountants
12-B, Baldota Bhavan,
5th Floor, 117, M.K. Road,
Mumbai – 400 020.

BATLIBOI & PUROHIT

Chartered Accountants
National Insurance Building, 204,
Dadabhoy Naoroji Road, Fort,
Mumbai – 400 001.

Independent Auditors' Review Report

The Board of Directors,
Prakash Steelage Limited,
Mumbai.

We have reviewed the accompanying statement of standalone unaudited financial results (“the Statement”) of ‘Prakash Steelage Limited’ for the quarter and nine months ended December 31, 2014 except for the disclosures regarding ‘Public Shareholding’ and ‘Promoter and Promoter Group Shareholding’ which have been traced from disclosures made by the Management and have not been reviewed by us. 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 the Statement based on our review.

We conducted our review 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results prepared in accordance with the applicable Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognized accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with the Stock Exchange including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **KHANDELWAL JAIN & CO.**

Chartered Accountants

Firm Registration No: 105049W



(NARENDRA JAIN)

PARTNER

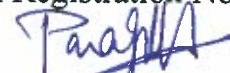
Membership No. 048725



For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Registration No: 101048W



(PARAG HANGEKAR)

PARTNER

Membership No. 110096



Place: Mumbai

Date : February 13, 2015

PRAKASH STEELAGE LIMITED

Registered Office : 701, "Mahalaxmi Chambers", Bhulabhai Desai Road, Mahalaxmi, Mumbai - 400026

CIN : L27106MH1991PLC061595

Tel. No. : 022 66134500,

Fax No. : 022 23526576

Email id : cs@prakashsteelage.com

Website : www.prakashsteelage.com

PART I

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2014

(Rs. in lacs)

| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---------|--|------------------|------------------|------------------|-------------------|------------------|------------------|
| | | 31.12.2014 | 30.09.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 | 31.03.2014 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Income from operations | | | | | | |
| | Gross sales/income from operations | 25,762.45 | 25,223.11 | 25,749.33 | 71,917.22 | 63,087.66 | 95,633.85 |
| | Less : Excise duty | 277.57 | 325.28 | 308.66 | 1,100.19 | 1,298.37 | 1,794.96 |
| | (a) Net sales/income from operations | 25,484.88 | 24,897.83 | 25,440.67 | 70,817.03 | 61,789.29 | 93,838.89 |
| | (b) Other operating income | 215.25 | 230.24 | 181.49 | 668.49 | 420.01 | 582.89 |
| | Total income from operations (net) | 25,700.13 | 25,128.07 | 25,622.16 | 71,485.52 | 62,209.30 | 94,421.78 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 5,880.20 | 5,460.45 | 4,773.58 | 16,618.50 | 13,627.37 | 19,234.87 |
| | (b) Purchase of stock-in-trade | 18,308.62 | 18,219.51 | 17,010.96 | 51,455.78 | 41,330.42 | 67,492.51 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (1,099.53) | (2,378.08) | 1,456.23 | (6,270.12) | (855.18) | (3,384.57) |
| | (d) Conversion of land into stock in trade / Development Cost | 16.63 | 52.65 | - | 115.03 | - | 88.18 |
| | (e) Employee benefits expense | 259.09 | 263.45 | 257.32 | 777.45 | 775.61 | 999.51 |
| | (f) Depreciation and amortisation expense | 284.17 | 286.39 | 204.68 | 856.54 | 580.38 | 808.67 |
| | (g) Consumption of Stores & Spares | 248.64 | 418.04 | 193.42 | 974.49 | 713.74 | 939.13 |
| | (h) Other expenses | 695.87 | 824.65 | 525.58 | 2,173.63 | 1,838.45 | 2,766.69 |
| | Total expenses | 24,593.69 | 23,147.06 | 24,421.77 | 66,701.30 | 58,010.79 | 88,944.99 |
| 3 | Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2) | 1,106.44 | 1,981.01 | 1,200.39 | 4,784.22 | 4,198.51 | 5,476.79 |
| 4 | Other income | 301.05 | 244.70 | 58.78 | 707.43 | 259.21 | 411.77 |
| | Total Other Income | 301.05 | 244.70 | 58.78 | 707.43 | 259.21 | 411.77 |
| 5 | Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4) | 1,407.49 | 2,225.71 | 1,259.17 | 5,491.65 | 4,457.73 | 5,888.56 |
| 6 | Finance costs | 964.68 | 934.19 | 826.18 | 2,789.21 | 2,391.66 | 3,532.10 |
| 7 | Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6) | 442.81 | 1,291.52 | 432.99 | 2,702.44 | 2,066.07 | 2,356.46 |
| 8 | Exceptional items | - | - | - | - | - | 175.00 |
| 9 | Profit / (Loss) from ordinary activities before tax (7 - 8) | 442.81 | 1,291.52 | 432.99 | 2,702.44 | 2,066.07 | 2,531.46 |
| 10 | Tax expense | | | | | | |
| | Current tax | 176.86 | 451.46 | 109.17 | 988.31 | 685.29 | 800.91 |
| | Deferred tax | (14.79) | (25.76) | 48.45 | (63.88) | 41.81 | 74.24 |
| | Income tax for earlier year(s) | 0.44 | - | (0.00) | 0.44 | 1.39 | 1.39 |
| | | 162.51 | 425.70 | 157.62 | 924.87 | 728.49 | 876.54 |
| 11 | Net Profit / (Loss) from ordinary activities after tax (9 - 10) | 280.30 | 865.82 | 275.37 | 1,777.57 | 1,337.58 | 1,654.92 |
| 12 | Extraordinary items (net of tax expense) | - | - | - | - | - | - |
| 13 | Net Profit / (Loss) for the period (11 - 12) | 280.30 | 865.82 | 275.37 | 1,777.57 | 1,337.58 | 1,654.92 |
| 14 | Paid-up equity share capital (Face Value of the Share : Rs.10/- each) | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 | 1,750.00 |
| 15 | Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year | | | | | | 16,204.31 |



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PART I

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2014

(Rs. in lacs)

| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---------|--|---------------|-------------|-------------|-------------------|-------------|------------|
| | | 31.12.2014 | 30.09.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 | 31.03.2014 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 16.i | Earnings per share (before extraordinary items) (of Rs10/- each) (not annualised): | | | | | | |
| | (a) Basic | 1.60 | 4.95 | 1.57 | 10.16 | 7.64 | 9.46 |
| | (b) Diluted | 1.60 | 4.95 | 1.57 | 10.16 | 7.64 | 9.46 |
| 16.ii | Earnings per share (after extraordinary items) (of Rs10/- each) (not annualised): | | | | | | |
| | (a) Basic | 1.60 | 4.95 | 1.57 | 10.16 | 7.64 | 9.46 |
| | (b) Diluted | 1.60 | 4.95 | 1.57 | 10.16 | 7.64 | 9.46 |

PART II : Select information for the quarter and nine months ended 31st December, 2014

| A | PARTICULARS OF SHAREHOLDING | | | | | | |
|---|--|---------------------------------|-----------|------------|-----------|------------|------------|
| 1 | Public shareholding | | | | | | |
| | - Number of shares | 5,773,015 | 5,773,015 | 5,894,637 | 5,773,015 | 5,894,637 | 5,773,015 |
| | - Percentage of shareholding | 32.99 | 32.99 | 33.68 | 32.99 | 33.68 | 32.99 |
| 2 | Promoters and Promoter Group Shareholding | | | | | | |
| | a) Pledged / Encumbered | | | | | | |
| | - Number of shares | 2,071,593 | 1,826,593 | 1,308,093 | 2,071,593 | 1,308,093 | 800,093 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 17.67 | 15.58 | 11.27 | 17.67 | 11.27 | 6.82 |
| | - Percentage of shares (as a % of the total share capital of the company) | 11.84 | 10.44 | 7.47 | 11.84 | 7.47 | 4.57 |
| | b) Non - encumbered | | | | | | |
| | - Number of shares | 9,655,431 | 9,900,431 | 10,297,309 | 9,655,431 | 10,297,309 | 10,926,931 |
| | - Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group) | 82.33 | 84.42 | 88.73 | 82.33 | 88.73 | 93.18 |
| | - Percentage of shares (as a % of the total share capital of the company) | 55.17 | 56.57 | 58.84 | 55.17 | 58.84 | 62.44 |
| B | INVESTOR COMPLAINTS | Quarter ended 31.12.2014 | | | | | |
| | Pending at the beginning of the quarter | NIL | | | | | |
| | Received during the quarter | NIL | | | | | |
| | Disposed of during the quarter | NIL | | | | | |
| | Remaining unresolved at the end of the quarter | NIL | | | | | |



Notes to Standalone Financial Results:

1. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 13th February, 2015. The above results have been reviewed by the Statutory Auditors of the Company.
2. The Company's operations predominantly relate to 'Stainless Steel Tubes & Pipes' and the revenue / profit from Real Estate segment is insignificant hence there is no separate reportable segment as per Accounting Standard 17 "Segment Reporting" as notified under the Companies Accounting Standards Rules, 2006.
3. Other expenses, includes foreign currency exchange loss (net) of Rs.86.01 lacs, Rs. 92.72 lacs, Rs. 175.12 lacs, Rs. 417.69 lacs and Rs. 290.72 lacs for the quarter ended 31st December, 2014, 30th September, 2014, nine months ended 31st December, 2014, 31st December, 2013 and year ended 31st March, 2014 respectively and other income includes foreign currency exchange gain (net) of Rs.133.35 lacs for the quarter ended 31st December, 2013.
4. Pursuant to the guidelines under Schedule II of the Companies Act, 2013, the carrying amount of the fixed assets as on 1st April, 2014 has been depreciated over the remaining revised useful life of the fixed assets. As a result, the depreciation charge for the quarter and nine months ended 31st December, 2014 is higher by Rs. 58.02 lacs and Rs.180.10 lacs respectively and profit before tax for the quarter and nine months ended 31st December, 2014 is lower to the said extent. Further, based on the transitional provisions provided in note 7(b) of the Schedule II, fixed assets whose useful life has already been completed as on 1st April, 2014, the carrying value of those fixed assets amounting to Rs. 90.70 lacs and the corresponding deferred tax thereon amounting to Rs. 30.83 lacs have been debited and credited respectively to the opening balance of 'Retained Earnings'.
5. The figures for the previous period / year have been re-arranged / re-grouped, wherever necessary to conform to current period's presentation.

For Prakash Steelage Limited


Prakash C. Kanugo

Chairman & Managing Director

DIN : 00286366



Place : Mumbai

Date: 13th February, 2015

