



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

26th May, 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. Friday, 26th May, 2017

Ref.: 1. Regulation 30 of SEBI (4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

2. Notice of the Board Meeting of the Company dated 16th May, 2017.

Please be informed that the Board of Directors of the Company (BM01/2017-18) at its meeting held today i.e. Friday, 26th May, 2017, at the registered office of the Company, has *inter alia* considered and approved:

1. the Audited Financial Results (Standalone) of the Company along with Auditors' Report for the quarter and year ended 31st March, 2017 which has been duly reviewed and recommended by the Audit Committee;
2. the appointment of M/s. P.C. Rathi & Associates, Chartered Accountants (Firm Registration No. 111799W) as the Internal Auditors of the Company for the financial year 2017-18;
3. the appointment of M/s. S. Anantha & Ved LLP (LLPIN-AAH-8229), Practicing Company Secretaries as the Secretarial Auditors of the Company for the financial year 2017-18;
4. the ratification of appointment of M/s. Batliboi & Purohit Chartered Accountants, Mumbai (Firm Registration No. 101048W) as the Statutory Auditors of the company at the ensuing Annual General Meeting subject to approval of the members of the Company; and

....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





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: 2 :

5. the appointment of M/s. Amish Parmar & Associates, (Firm Registration No.100502) as the Cost Auditors of the Company for the financial year 2017-18.

The meeting commenced at 5.00 p.m. and concluded at 10.25 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**

Dhaval N. Darji



Dhaval N. Darji

Company Secretary & Compliance Officer

Membership No: ACS-46381

Encl.:

- 1) Statement on Impact of Audit Qualification;
- 2) Audited Financial Results (Standalone) of the Company along with the Auditors' Report thereon for the quarter and financial year ended 31st March, 2017; and
- 3) Statement of Assets and Liabilities for the year ended 31st March, 2017.

Independent Auditor's Report on quarterly financial Results and Year to Date Results of Prakash Steelage Limited pursuant to the Regulation 33 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

To,
Board of Directors of Prakash Steelage Limited.

1. We have audited the accompanying quarterly financial results of Prakash Steelage Limited ["the Company"] for the quarter and year ended March 31st, 2017, and the year to date financial results for the period from April 1st, 2016 to March 31st, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. Attention is drawn to the fact that the figures for the quarter ended March, 2017 and the corresponding quarter ended in the previous year as reported in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subject to audit.
2. These quarterly financial results as well as year to date financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
3. We conducted our audit in accordance with the auditing standards issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the Management.

We believe our audit provides a reasonable basis for our audit opinion.

4. *During the current financial year 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 year on borrowings, to the extent the same have remained unpaid. Had the interest been provided, loss of the year would have been higher by Rs. 1,953.50 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



5. *The Financial Statement indicates that the Company has accumulated losses resulting in erosion of Net Worth and has incurred net cash losses in the current and immediately preceding Financial Year. These conditions cast serious doubt about the company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis. (Refer note no. - 7)*
6. In our opinion and to the best of our information and according to the explanations given to us, these quarterly as well as the year to date financial results:
- Are presented in accordance with the requirements of Regulation 33 of the SEBI[Listing Obligations and Disclosure Requirements] Regulations, 2015 in this regard and
 - Subject to our comments as mentioned in clauses no 4 and 5 above**, give a true and fair view of the net loss and other financial information of the Company for the quarter ended March 31, 2017 as well as the year to date results for the period from April 1, 2016 to March 31, 2017.
7. **We draw attention to:-**
- Note no. 4 of statement of audited financial results stating that exceptional items represent net amount of Rs.10,975.60 lakhs, being provision for doubtful debts of Rs.13,579.63 lakhs, sundry creditors written back which are no longer payable amounting to Rs. 2,551.03 lakhs and bad debts recovered amounting to Rs. 53 lakhs during the financial year ended on 31.03.2017.
 - Note no. 5 of statement of audited financial results stating that the Company has unfavorable market for steel industry, which has resulted in pressure on the realisation of receivables, stock and selling prices.
 - Note no. 6 of statement of audited financial results stating that loan account of the company with the consortium banks has become Non Performing Asset (NPA).

Our opinion 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 : 26.05.2017



PRAKASH STEELAGE LIMITED

Registered Office : 101 Shatrunjay Apartment, 1st floor, 28 Sindhi Lane, Nanubhai Desai Road Mumbai-400004

CIN : L27106MH1991PLC061595

Tel. No. : 022 66134500,

Fax No. : 022 6613459

Email Id : cs@prakashsteelage.com

Website : www.prakashsteelage.com

Statement of Standalone Audited Financial Results for the Year Ended 31st March, 2017

(Rs. in Lacs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income					
	Gross Revenue from operations	769.43	1,125.53	19,041.76	14,489.25	56,462.07
	Other operating income	(40.70)	38.63	32.73	301.76	378.94
2	Other income	1,718.42	18.35	281.59	1,858.13	1,325.56
	Total Income	2,447.15	1,182.50	19,356.08	16,649.14	58,164.57
3	Expenses					
	(a) Cost of materials consumed	402.37	484.42	2,137.87	2,767.07	8,083.91
	(b) Purchase of stock-in-trade	258.29	279.10	16,148.52	12,780.14	41,415.49
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(66.48)	215.98	5,618.25	2,400.74	6,796.16
	(d) Excise duty on sales	52.85	61.73	246.10	277.31	1,326.51
	(e) Employee benefits expense	72.72	75.46	94.26	316.48	656.87
	(f) Finance costs	(1,176.87)	817.38	597.05	1,105.58	2,867.58
	(g) Depreciation and amortisation expense	76.79	77.66	125.01	332.28	782.16
	(h) Consumption of Stores & Spares	27.21	31.35	16.03	120.19	402.35
	(i) Other expenses	119.96	211.52	683.85	704.01	1,678.13
	Total Expenses	(235.08)	2,254.59	25,666.95	20,803.78	64,009.25
4	Profit / (Loss) from ordinary activities before exceptional items (1+2-3)	2,682.23	(1,072.10)	(6,310.87)	(4,154.65)	(5,844.69)
5	Exceptional items (Net)	(10,436.79)	-	(3,162.50)	(10,975.50)	(2,209.14)
6	Profit / (Loss) from ordinary activities before tax (4 - 5)	(7,754.56)	(1,072.10)	(9,473.36)	(15,130.25)	(8,053.83)
7	Tax expense					
	Current tax	-	-	(792.78)	-	-
	Deferred tax	9.20	-	633.86	9.20	-
	Income tax for earlier year(s)	0.30	-	17.12	0.30	90.67
		9.50	-	(141.79)	9.50	90.67
8	Net Profit / (Loss) from ordinary activities after tax (6 - 7)	(7,764.06)	(1,072.10)	(9,331.56)	(15,139.75)	(8,144.49)
9	Extraordinary items (net of tax expense)	-	-	-	-	-
10	Net Profit / (Loss) for the period (8 - 9)	(7,764.06)	(1,072.10)	(9,331.56)	(15,139.75)	(8,144.49)
11	Paid-up equity share capital (Face Value of the Share : Re.1/- each)	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00
12	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				(5,839.11)	9,300.83



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Statement of Standalone Audited Financial Results for the Year Ended 31st March, 2017

(Rs. in Lacs)

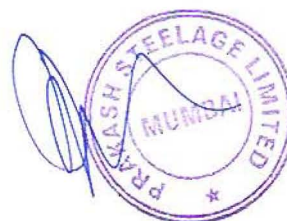
Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
12.i	Earnings per share (before extraordinary items) (of Re1/- each) (not annualised):					
	(a) Basic	(4.44)	(0.61)	(5.33)	(8.65)	(4.65)
	(b) Diluted	(4.44)	(0.61)	(5.33)	(8.65)	(4.65)
12.ii	Earnings per share (after extraordinary items) (of Re1/- each) (not annualised):					
	(a) Basic	(4.44)	(0.61)	(5.33)	(8.65)	(4.65)
	(b) Diluted	(4.44)	(0.61)	(5.33)	(8.65)	(4.65)



STATEMENT OF STANDALONE ASSETS AND LIABILITIES

Rs in lacs

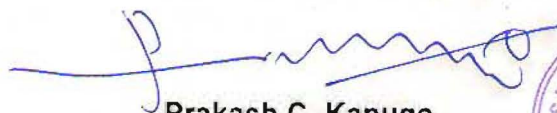
Sr. No.	Particulars	As At	
		31.03.2017	31.03.2016
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds-		
	(a) Share capital	1,750.00	1,750.00
	(b) Reserves and surplus	(5,839.11)	9,300.63
	Sub-total - Shareholders' funds	(4,089.12)	11,050.63
2	Non-current liabilities		
	(a) Long-term borrowings	2,726.73	2,703.88
	(b) Deferred tax liabilities (net)	655.84	646.64
	(c) Other long term Liabilities	2,040.83	3,225.90
	(d) Long-term provisions	35.68	45.40
	Sub-total - Non-current liabilities	5,459.08	6,621.82
3	Current liabilities		
	(a) Short-term borrowings	21,997.67	17,599.36
	(b) Trade payables	8,009.22	11,987.57
	(c) Other current liabilities	1,058.99	1,676.10
	(d) Short-term provisions	746.67	748.10
	Sub-total - Current liabilities	31,812.55	32,011.13
	TOTAL - EQUITY AND LIABILITIES	33,182.52	49,683.58
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible Assets	1,368.11	1,857.11
	(ii) Intangible Assets	-	80.28
	(iii) Capital Work In Progress	561.94	457.91
	(b) Non-current investments	324.70	334.70
	(c) Long-term loans and advances	227.14	2,231.03
	Sub-total - Non-current assets	2,481.89	4,961.03
2	Current assets		
	(a) Inventories	1,891.88	4,603.77
	(b) Trade receivables	13,652.30	29,864.11
	(c) Cash and cash equivalents	220.97	417.21
	(d) Short-term loans and advances	14,890.67	9,696.47
	(e) Other current assets	44.81	140.99
	Sub-total - Current assets	30,700.62	44,722.55
	TOTAL - ASSETS	33,182.51	49,683.58



Notes to Standalone Audited Financial Result

1. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26th May, 2017. The above results have been audited by the Statutory Auditors of the Company.
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 per Accounting Standard 17 "Segment Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
3. Other expenses/Income, includes foreign currency exchange gain of Rs 98.65 lakhs, Loss Of Rs.64.28 Lakhs, Gain of Rs 18.35 lakhs, Gain of Rs 3.84 lakhs loss of Rs 8.76 lakhs for the quarter ended 31st March 2017, 31st December, 2016, quarter ended 31st March 2016 and year ended 31st March 2017 and 31st March, 2016 respectively.
4. The exceptional Items represents provision for doubtful debts of Rs.13,579.63 lakhs, sundry creditors written back which are no longer payable amounting to Rs. 2,551.03 lakhs and bad debts recovered amounting to Rs. 53 lakhs during the financial year 31.03.2017, thereby resulting in a net balance of Rs.10,975.60 lakhs.
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 Year ended 31st March, 2017.
6. The loan account of the Company with its consortium banks has become Non Performing Assets (NPA). 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 year 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 31.03.2017 and 31.03.2016 are the balancing figures between the audited figure of the full financial year and published year to date figures upto the third quarter of the relevant financial year.
9. The figures of the previous period/ year have been rearranged/ regrouped wherever necessary to make them comparable.

For Prakash Steelage Limited



Prakash C. Kanugo
Chairman
DIN : 00286366



Place : Mumbai
Date : 26th May, 2017





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ANNEXURE I

Statement on Impact of Audit Qualifications

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017. [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs In lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs In lakhs)
	1.	Turnover /Total income	16,649.14	16,649.14
	2.	Total Expenditure	20,803.78	22,757.28
	3.	Net Profit/(Loss)	(15,139.75)	(17,093.25)
	4.	Earnings Per Share	(8.65)	(9.77)
	5.	Total Assets	33,182.51	33,182.51
	6.	Total Liabilities	33,182.51	33,182.51
	7.	Net Worth	(4,089.10)	(6,042.60)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<u>Audit Qualification:</u> A. Details of Audit Qualification: During the year the account of the Company with its consortium Banks had turned Non Performing Asset during the current financial year on various dates. In view of uncertainty the Company has not provided interest including penal interest and other dues for the year on borrowings, to the extent the same have remained unpaid. Had the interest been provided, loss of the year would have been higher by Rs. 1,953.50 lakhs with a corresponding increase in liabilities towards interest. Also the Reserves & Surplus overstated to that extent B. Type of Audit Qualification : Qualified Opinion C. Frequency of qualification: Appeared first time D. Management's View: Due to adverse condition in steel industries on account of drastic fall in the prices of steel the Company has been suffering losses since couple of years which is impacting the net worth of the Company. Loan account had been classified as NPA by the consortium of the banks and 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 year on borrowings, to the extent the same have remained unpaid.			

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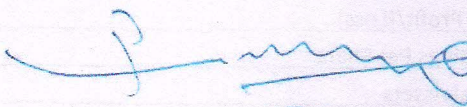
III.

Audit Qualification:

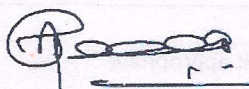
- A. **Details of Audit Qualification:** The Financial Statement indicates that the Company has accumulated losses resulting in erosion of Net Worth and has incurred net cash losses in the current and immediately preceding Financial Year. These conditions cast serious doubt about the company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis.
- B. **Type of Audit Qualification :** Qualified Opinion
- C. **Frequency of qualification:** Appeared first time
- D. **Management's View:** The erosion of net worth of the Company should not be constituted as doubt on the continuity of the Company as going concern. 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

Signatories:

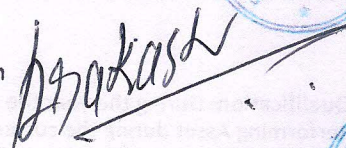
- CEO/Managing Director



- CFO



- Audit Committee Chairman



- Statutory Auditor



Place: Mumbai

Date: 26th May, 2017