CIN: L27106MH1991PLC061595

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

08th October, 2018

To,
The BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To,
The National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051

Sub.: **Adoption of 27th Annual Report of Prakash Steelage Limited** ("the Company")

Ref.: **Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Scrip Code: 533239 (BSE); PRAKASHSTL (NSE)

Dear Sir/Madam,

This is to inform you that the members of the Company have approved and adopted the 27th Annual Report of the Company at its 27th Annual General Meeting held on Friday, 28th September, 2018 at 01.30 p.m. at 101, Shatrunjay Apartment, 1st Floor, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai – 400 004.

In this regard, please find enclosed herewith a copy of 27th Annual Report of the Company.

This is for your information and record.

Thanking you,

Yours faithfully,

For **Prakash Steelage Limited**

PRAKASH STEELAGE LIMITED MUMBAI

Hemant P. Kanugo (DIN: 00309894)
Executive Director
Regd Off.: 101, Shatrunjay Apartment,
1st Floor, 28, Sindhi Lane,
Nanubhai Desai Road, Mumbai – 400 004.

PRAKASH STEELAGE LIMITED

27TH ANNUAL REPORT 2017 – 18

Manufacturers & Exporters of Stainless Steel Welded Pipes & Tubes

Board of Directors and Key Managerial Personnel

Prakash C. Kanugo
Chairman & Managing Director

Ashok M. Seth
Executive Director &
Chief Financial Officer

Hemant P. Kanugo
Whole Time Director

A. Prakashchandra Hegde
Independent Director

Himanshu J. Thaker
Independent Director

Neetta K. Bokaria
Independent Director

Company Secretary & Compliance Officer

Shikha A. Mishra
(w.e.f. 07th March, 2018)

Bankers

Vijaya Bank
Bank of India
Bank of Baroda
Union Bank of India

Statutory Auditors

M/s. Pipara & Co. LLP
Chartered Accountants (w.e.f. 11th July, 2018)

M/s. Batliboi & Purohit
Chartered Accountants

Internal Auditors

M/s. Luniya & Co.
Chartered Accountants (w.e.f. 28th May, 2018)

M/s. P. C. Rathi & Co.
Chartered Accountants

Registered Office

101, 1st Floor, Shatrunjay Apartment,
28, Sindhi Lane, Nanubhai Desai Road,
Mumbai - 400 004.
Tel. : 022 66134500
Fax : 022 66134599
Email : investorgrievances@prakashsteelage.com
Website : www.prakashsteelage.com

Corporate Identification Number

L27106MH1991PLC061595

Registrar & Share Transfer Agents

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Bldg.,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai-400 059.
Tel. : +91-022-62638204
Fax : +91-022-62638299
Email : babu@bigshareonline.com
Website : www.bigshareonline.com

Manufacturing Unit

Survey No. 46/1, Parjai Road,
Village : Kherdi, Silvassa - 396 230,
Union Territory Dadra & Nagar Haveli (India)

Contents

1.	Notice of 27th Annual General Meeting	**2**
2.	Letter from the Chairman	**13**
3.	Board's Report and it's Annexures	**14**
4.	Management Discussion & Analysis Report	**45**
5.	Corporate Governance Report	**47**
6.	Auditor's Report	**63**
7.	Financial Statements	**70**
8.	Attendance Slip & Communication Registration on Form	**102**
9.	Proxy Form	**103**
10.	AGM Venue Route Map	**104**

NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **27th (Twenty Seventh)** Annual General Meeting ("AGM") of the Members of **Prakash Steelage Limited** will be held on **Friday, 28th September, 2018 at 1:30 p.m. at 101, 1st Floor, Shatrunjay Apartment, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004** to transact the following business:

ORDINARY BUSINESS :

Item No. 1 - Adoption of Financial Statements:

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2018, along with the Reports of the Board of Directors and Auditors thereon.

Item No. 2 – Appointment of Director:

To appoint a Director in place of Mr. Prakash C. Kanugo (DIN: 00286366), who retires by rotation and being eligible, offers himself for re-appointment, and to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) & re-enactment thereof), the approval of the members of the Company be and hereby accorded to the re-appointment of Mr. Prakash C. Kanugo (DIN: 00286366), who retires by rotation and being eligible, offers himself for re-appointment."

"RESOLVED FURTHER THAT the above mentioned re – appointment of Mr. Prakash C. Kanugo as a Director liable to retire by rotation shall not in any way constitute a break in his existing office as the Chairman and Managing Director of the Company."

SPECIAL BUSINESS:

Item No. 3 – Appointment of M/s. Pipara & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 107929W/ W-100219) as the Statutory Auditors to fill the Casual Vacancy:

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), as recommended by Audit Committee and Board of Directors of the Company, M/s. Pipara & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 107929W/ W-100219), be and are hereby appointed as the Statutory Auditors of the Company, to fill the Casual Vacancy caused by the resignation of M/s. Batliboi & Purohit, Chartered Accountants, (Firm Registration No. : 101048W).

RESOLVED FURTHER THAT M/s. Pipara & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 107929W/ W-100219), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from July 11, 2018 until the conclusion of the 27th Annual General Meeting of the Company, at such a remuneration and out of pocket expense as mutually decided between the Statutory Auditors and the Board of Directors of the Company."

Item No. 4 – To appoint and fix the remuneration of M/s. Pipara & Co. LLP, Chartered Accountants, (Firm Registration No.107929W/ W- 100219) as the Statutory Auditors of the Company.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. Pipara & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 107929W/ W-100219), be and are hereby appointed as the

Statutory Auditors of the Company, to hold office for a first term of 5 (five) consecutive years, commencing from the conclusion of the 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting of the Company at such remuneration and out of pocket expense as mutually decided between the Statutory Auditors and the Board of Directors of the Company."

Item No. 5 – Ratification of remuneration payable to Cost Auditors for the financial year ending on 31st March, 2019:

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) / re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Amish Parmar & Associates, Cost Accountants (Firm Registration No.: 100502), Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019, as recommended by the Audit Committee of the Company and thereby approved by the Board of Directors of the Company, amounting to Rs. 50,000/- p.a. (Rupees Fifty Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

Item No. 6 – Re-appointment of Mr. Prakash C. Kanugo (DIN: 00286366) as the Managing Director of the Company:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Sections 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, read with Schedule V to the said Act, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Prakash C. Kanugo (DIN:00286366**)** as the Managing Director of the Company for a period of 5 (Five) years commencing from 01st October, 2018 to 30th September, 2023, at Nil remuneration**.**

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

Item No. 7 – Re-appointment of Mr. Hemant P. Kanugo (DIN: 00309894) as a Whole-time Director of the Company:

To consider and if thought fit, to pass the following resolution**,** as **an Ordinary Resolution:**

"RESOLVED THAT pursuant to Sections 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, read with Schedule V to the said Act, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Hemant P. Kanugo (DIN: 00309894) as a Whole-time Director of the Company for a period of 5 (Five) years commencing from 01st October, 2018 to 30th September, 2023, at Nil remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

For and on Behalf of the Board of Directors

Sd/-
Prakash C. Kanugo
Chairman & Managing Director
DIN : 00286366

Date : **13th August, 2018**
Place : **Mumbai**

NOTES FOR MEMBER'S ATTENTION

1. **Explantory Statment under Section 102 of the Companies Act ("the Act") :**

   An Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the Special Business to be transacted under Item No. 3, 4, 5, 6 and 7 of the Notice is annexed hereto.

2. **Closure of Register of Members and Share Transfer Books:**

   The Register of Members of the Company and Share Transfer Books shall remain closed from Saturday, 22nd September, 2018 to Friday, 28th September, 2018 (both days inclusive).

3. **Appointment of Proxy:**

   A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS SENT HEREWITH.

   Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (ten) per cent of the total paid – up share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however, shall not act as proxy for any other person or shareholder. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

   An instrument for appointment of proxy shall be valid only if it is duly filled, properly stamped and signed/executed. Incomplete, blank, undated proxy or proxy form which does not state the name of the proxy will not be considered as valid. If the Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered as valid. A valid proxy must be deposited at the Company's Registered Office, not less than 48 hours before the commencement of the Annual General Meeting.

   The proxy holder shall prove his identity at the time of attending the meeting.

4. **Authorised Representative:**

   Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution, as per Section 113 of the Companies Act, 2013, together with their specimen signatures, authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting, to the Company or Company's Registrar & Share Transfer Agent.

5. **Resume of Director as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"):**

   The relevant details as required under Regulation 36(3) of the SEBI Listing Regulations, of the person seeking appointment/re-appointment as Director under Item No. 2, 6 & 7 of the Notice, is also annexed herewith as '***Annexure – A***'.

6. **Electronic Copy of Annual Report and Notice of Annual General Meeting:**

   Pursuant to Section 101 and Section 136 of the Companies Act, 2013, read with its relevant Rules made thereunder, Companies can serve Annual Report and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository Participants(s). For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.

   Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2017-18 will also be available on the website of the Company at www.prakashsteelage.com for downloading.

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service by notice/documents including Annual Report can be sent by e-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Registrar & Share Transfer Agent of the Company, M/s. Bigshare Services Private Limited (shubhangi@bigshareonline.com).

Members who have registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E – Communication Registration form'; forming part of this Notice; to M/s. Bigshare Services Private Limited (investor@bigshareonline.com) or to the Company (investorgrievances@prakashsteelage.com) or (cs@prakashsteelage.com).

7. Change(s)/Modification(s) in personal information;

Members are requested to notify immediately any change in their address / Bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical shares folios to the Registrars and Share Transfer Agent of the Company, **M/s. Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartment, Makwana Road, Marol, Andheri (East), Mumbai – 400 059.**

Non-Resident Indian Members are requested to inform M/s. Bigshare Services Private Limited, immediately of:

a. Change in their residential status on return to India for permanent settlement.

b. Particulars of their bank account maintained in India with complete name, branch, account type, account no. and address of the Bank with PIN Code No, if not furnished earlier.

8. Inspection of Register and Documents:

The Registers required to be maintained under the Companies Act, 2013 including the Register of Directors and Key Managerial Personnel and their Shareholding in the Company under Section 170 of the Companies Act, 2013 and the Register of Contracts maintained by the Company under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

All other relevant documents referred to in the accompanying Notice and Statement pursuant to Section 102(1) of the Act will be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days, from the date hereof up to the date of the Annual General Meeting.

Members desiring any information/queries as regards to the accounts of the Company are requested to forward their queries at the Corporate Office Address or mail at **cs@prakashsteelage.com** at least 10 days before the Annual General Meeting, so as to enable the Management of the Company to furnish the information /replies/ clarification at the Annual General Meeting.

9. Unclaimed Dividend & Share Application Money:

Members who wish to claim dividend, which remain unclaimed, are requested to correspond with the Registrar and Share Transfer Agent, M/s. Bigshare Services Private Limited, at their address.

The Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 125 of the Companies Act, 2013, be transferred to the Investors Education and Protection Fund.

The details of the un-encashed /unclaimed above-mentioned Dividend are as under:

Dividend for the Financial Year	Unclaimed / Un-encashed Dividend as on 31st March, 2018 (in Rs.)	Due date of transfer to Investor Education and Protection Fund
2011 - 12	22,061/-	20th September, 2019
2012 - 13	18,428/-	20th September, 2020
2013 - 14	15,516/-	26th October, 2021
2014 - 15	16,186/-	29th October, 2022

The Company had declared Dividend at 20th Annual General Meeting held on 12th August, 2011 at Walchand Hirachand hall, (4th floor) IMC building, Churchgate Mumbai-400 020, the amount lying in the Company's Refund Account as on 31st March, 2018 is Rs.22,734/-. The due date for transfer the amount to IEPF account of the Government of India is 18th September, 2018. Hence the members are requested to claim the amount lying in Refund account on or before 10th September, 2018.

10. **Members are requested to quote their Ledger Folio Number / Client ID Number in all their future correspondence.**

11. **Members/Proxy holders are requested to bring the Attendance Slip/Proxy Form sent herewith, duly filled in, for attending the meeting along with their copies of the Annual Report to the Annual General Meeting of the Company.**

12. **Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, permits Nomination by the members of the Company in the prescribed Form SH-13. Members are requested to avail this facility.**

13. **Voting**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to members to exercise their vote on the resolutions proposed to be passed at the 27th Annual General Meeting by electronic means.

The members, whose names appear in the Register of Members/list of Beneficial Owners as on Thursday, 20th September, 2018 i.e. the cut-off date, shall be entitled to vote on the resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the Annual General Meeting (i.e. remote e-voting). The remote e-voting period will commence on Tuesday, 25th September, 2018 at 9.00 a.m. and will end on Thursday, 27th September, 2018 at 5.00 p.m. The facility for voting, through Ballot Paper, will also be made available at the Annual General Meeting for members to exercise their right to vote at the meeting. The members who have cast their votes through remote e-voting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

The Company has appointed Mr. Ved Prakash, (ACS: 36837; CP No.: 16986), Designated Partner of S. Anantha & Ved LLP, Company Secretaries, (LLPIN - AAH-8229) to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

The members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter:

Procedure for Remote E-Voting
The Company has entered into an arrangement with Central Depository Services (India) Limited ('CDSL') for facilitating remote e-voting for 27th Annual General Meeting.

• E-Voting to commence	:	**On Tuesday, 25th September, 2018 at 9.00 a.m.**
• E-Voting to end	:	**On Thursday, 27th September, 2018 at 5.00 p.m.**
• URL	:	www.evotingindia.com

A) In case of members receving an e-mail from CDSL :

1. Log on to the e-voting website www.evotingindia.com
2. Click on "Shareholders" tab.
3. Now, select "Prakash Steelage Limited" from the drop down menu and click on "SUBMIT"
4. Now Enter your User ID:
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For instance, If your name is Ramesh Kumar with serial number 1, then enter 'RA00000001' in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field.

8. After entering these details appropriately, click on “SUBMIT” tab.
9. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for the relevant “Prakash Steelage Limited” on which you choose to vote.
12. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
14. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
15. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
17. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https:/www.evotingindia.co.in and register themselves as Corporates.
    They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:

Please follow all steps from Sr. No. (1) To Sr. No. (16) above, to cast vote.

The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

General Instructions

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under the "Help" section or write an email to helpdesk.evoting@cdslindia.com.

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at shubhangi@bigshareonline.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evotingindia.com.

The Scrutinizer shall, after the conclusion of voting at the 27th Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make, not later than 2 (two) days from the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company at www.prakashsteelage.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to BSE Limited and the National Stock Exchange of India Limited. The results shall be available for inspection at the Registered Office of the Company.

APPEAL TO MEMBERS

The Company would like to appeal to its members to hold their shares in Dematerialized (Demat) form. Managing your investment in securities is simple and easy in Demat / Electronic form and it has many advantages over managing it in physical form as there is no scope of loss, misplacement, theft or deterioration of securities in Demat form. The members may get in touch with M/s. *Bigshare Services Private Limited* at ***(investor@bigshareonline.com),*** our Registrar and Transfer Agent or the Company Secretary at ***(cs@prakashsteelage.com)*** for any query relating to Demat.

Members holding share in physical form are requested to convert their shareholding in dematerialized form latest by 05th December, 2018 pursuant to SEBI circular dated June 08, 2018 as the transfer of share in physical form will be discontinued from the date except for the transmission or transposition request.

Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities / capital market to furnish Income Tax Permanent Account Number (PAN). Accordingly all the shareholders are requested to submit their Permanent Account Number along with photocopy of both the sides of the PAN Card duly attested. Shareholders holding shares in electronic form are requested to furnish their PAN to their Depository Participant with whom they maintain their account along with documents as required by them.

Shareholders holding shares in physical form are requested to submit photocopy of the PAN Card of all the holders including joint holders duly attested by Notary Public/Gazette Officer/Bank Manager under their official seal and with full name and address either to the Company's Registered Office or at the office of its Registrar at the address mentioned above.

For and on Behalf of the Board of Directors

Sd/-
Prakash C. Kanugo
Chairman & Managing Director
DIN : 00286366

Date : **13th August, 2018**
Place : **Mumbai**

Explanatory Statement

(Pursuant to Section 102(1) of the Companies Act, 2013)

As required by Section 102 (1) of the Companies Act, 2013 ("Act"), the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3 & 4:

M/s. Batliboi & Purohit, Chartered Accountants, (Firm Registration No.: 101048W), have tendered their resignation from the position of Statutory Auditors due to pre occupation in other assignment, resulting into a casual vacancy in the office of Statutory Auditors of the company. As envisaged by section 139(8) of the Companies Act, 2013 ("Act"), casual vacancy caused by the resignation of Statutory Auditors can only be filled up by the Company in General Meeting. The Board proposes that M/s. Pipara & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 107929W/ W-100219), be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Batliboi & Purohit, Chartered Accountants, (Firm Registration No. : 101048W).

M/s. Pipara & Co. LLP Chartered Accountants, Mumbai (Firm Registration No. 107929W/ W-100219), have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

A Special notice has been given to the members of the Company in terms of Section 140(4)(i) of the Companies Act, 2013 for the proposed appointment of M/s.Pipara & Co. LLP, as Statutory Auditors of the Company, in place of M/s. Batliboi & Purohit, the outgoing Auditors.

The Board of Directors of your Company, hence recommends the resolutions as set out under Item No.3 & 4, in relation to appointment of M/s. Pipara & Co. LLP, Chartered Accountants, as the Statutory Auditors and to fix their remuneration for the approval of the shareholders of the Company, to be passed as an Ordinary Resolution.

Copy of all the documents mentioned herein above, would be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the AGM.

None of the Directors and Key Managerial Personnel of the Company and their relatives is interested or concerned, financially or otherwise, in the proposed Ordinary Resolution set out in Item No. 3 & 4 of the Notice.

Item No. 5:

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an Individual or a firm, who is Cost Accountant in Practice, on the recommendation of the Audit Committee, which shall also recommend remuneration for such Auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders, as per Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

On the recommendation of the Audit Committee at its meeting held on 13th August, 2018, the Board has considered and approved the appointment of M/s. Amish Parmar & Associates, Cost Accountants (Firm Registration No.: 100502), as the Cost Auditors of the Company to conduct audit of cost accounting records maintained by the Company for the financial year ending on 31st March, 2019.

The Board of Directors of your Company, hence recommends the resolution as set out under Item No. 5, in relation to ratification and confirmation of the remuneration to be paid to M/s. Amish Parmar & Associates, Cost Accountants, for the financial year 2018-19, for the approval of the shareholders of the Company, to be passed as an Ordinary Resolution.

Copy of all the documents mentioned herein above, would be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the AGM.

None of the Directors and Key Managerial Personnel of the Company and their relatives is interested or concerned, financially or otherwise, in the proposed Ordinary Resolution set out in Item No. 5 of the Notice.

Item No. 6:

RE-APPOINTMENT OF MR. PRAKASH C. KANUGO AS THE MANAGING DIRECTOR

On the recommendations of the Nomination and Remuneration Committee and Audit Committee, the Board of Directors of the Company at its meeting held on 13th August, 2018, have approved the re-appointment of Mr. Prakash C. Kanugo (DIN : 00286366) as the Managing Director for a further period of 5 years commencing from 01st October, 2018 to 30th September, 2023.

Mr. Prakash C. Kanugo is the first Promoter of the Company and has been actively involved in the business operations of the Company since its inception.

The brief profile of Mr. Prakash C. Kanugo as per Secretarial Standard – 2, Issued by the Institute of Company Secretaries of India is mentioned below:

Name of the Director	**Mr. Prakash C. Kanugo**
Directorship Identification Number (DIN)	00286366
Date of Birth / Age	02nd July, 1953
Date of Appointment/Re-appointment	01st October, 2013
Qualifications	Metric
Brief Resume	Mr. Prakash C. Kanugo is a Matriculate and has more than 25 years of experience in trading of stainless steel products, and he looks after the entire management of the Company more particularly the domestic procurement of raw material.
Expertise in specific function area	He is responsible for day-to-day management of the Company, subject to overall supervision, control and direction of the Board of Directors.
Number of Board meeting of the company attended during the year	4
Directorships in other Companies and membership /Chairmanship of committees of other Boards	1
Shareholding in the company as on the date of appointment as required under Regulation 36 (3) (e)	3,53,35,000 (20.19%)
Relationship with other Directors	Mr. Prakash C. Kanugo is father of Mr. Hemant P. Kanugo (Whole-Time Director) of the Company.

The Board recommends the resolution as set out under Item No. 6 of the Notice for the approval of the members of the Company, to be passed as an Ordinary Resolution.

Copy of all the documents mentioned herein above, would be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the AGM.

None of the Directors and Key Managerial Personnel of the Company except Mr. Prakash C. Kanugo (Self), Mr. Hemant P. Kanugo (son) and their relatives may be deemed to be concerned or interested, financially or otherwise in the said Resolution, to the extent of shareholding, if any in the Company.

Item No. 7:

RE-APPOINTMENT OF MR. HEMANT P. KANUGO AS THE WHOLE TIME DIRECTOR

On the recommendation of the Nomination and Remuneration Committee, and Audit Committee, the Board of Directors of the Company at its meeting held on 13th August, 2018, have approved the re-appointment of Mr. Hemant P. Kanugo (DIN : 00309894) as a Whole-time Director of the Company for a further period of 5 years commencing from 01st October, 2018 to 30th September, 2023.

Mr. Hemant P. Kanugo has done B.Com & MBA and has more than 15 years of experience in the Stainless Steel Industry. He looks after the production unit of the Company.

The brief profile of Mr. Hemant P. Kanugo as per Secretarial Standard – 2, Issued by the Institute of Company Secretaries of India is mentioned below:

Name of the Director	**Mr. Hemant P. Kanugo**
Directorship Identification Number (DIN)	00309894
Date of Birth / Age	14th October, 1979
Date of Appointment / Re-Appointment	01st October, 2013
Qualifications	B. Com. & MBA
Brief Resume	Mr. Hemant P. Kanugo has done B.Com & MBA and has more than 15 years of experience in the Stainless Steel Industry. He looks after the production unit of the Company.
Expertise in specific functional area	He looks after the production unit of the Company.
Number of Board meeting of the company attended during the year	4
Directorships in other Companies and membership /Chairmanship of committees of other Boards	4
Shareholding in the company as on the date of appointment as required under Regulation 36 (3) (e)	56,17,530 (3.21%)
Relationship with other Directors	Mr. Hemant P. Kanugo is son of Mr. Prakash C. Kanugo, Chairman & Managing Director of the Company.

The Board recommends the resolution as set out under Item No. 7 of the Notice for the approval of the members of the Company, to be passed as an Ordinary Resolution.

Copy of all the documents mentioned herein above, would be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the AGM.

None of the Directors and Key Managerial Personnel of the Company except Mr. Hemant P. Kanugo (Self), Mr. Prakash C. Kanugo (father) and their relatives may be deemed to be concerned or interested, financially or otherwise in the said Resolution, to the extent of shareholding, if any in the Company.

For and on Behalf of the Board of Directors

Sd/-
Prakash C. Kanugo
Chairman & Managing Director
DIN: 00286366

Date : 13th August, 2018
Place : Mumbai
Registered Office :
101, 1st Floor, Shatrunjay Apartment,
28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004.
CIN: L27106MH1991PLC061595 || Tel.: +91 22 6613 4500 || Fax: +91 22 6613 4599
Website: www.prakashsteelage.com || E-Mail: investorsgrievances@prakashsteelage.com

Annexure - A

Details of Director seeking appointment / re-appointment at the 27th Annual General Meeting
[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SS-2]

Name of Director	Mr. Prakash C. Kanugo	Mr. Hemant P. Kanugo
Designation	Chairman & Managing Director	Whole Time Director
Directorship Identification Number	00286366	00309894
Date of Birth	02nd July, 1953	14th October, 1979
Date of Appointment/Re-Appointment	01st October, 2013	01st October, 2013
Qualifications	Metric	B. Com. & MBA
Expertise in specific functional areas	Has more than 25 year of experience in trading of stainless steel products.	He has more than 15 years of experience in stainless steel industry. He looks after the production unit at Silvassa.
Brief Resume of the Director	Mr. Prakash C. Kanugo (65 years) the Chairman and Managing Director of the Company. He has experience in trading and manufacturing of Stainless Steel pipe and tubes. He is one person who is responsible for successfully managing and expanding the business of Prakash Steelage Limited.	Mr. Hemant P. Kanugo, (38 years) the Company. He is a Commerce Graduate from University of Mumbai. After Completing his studies he joined the family business. He has more than 15 years of experience in the Stainless Steel Industry. He looks after the production unit at Silvassa.
Disclosure of relationships between directors inter se	Promoter Mr. Prakash C. Kanugo is father of Mr. Hemant P. Kanugo (Whole-time Director)	Promoter Group Mr. Hemant P. Kanugo is son of Mr. Prakash C. Kanugo (Chairman & Managing Director)
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1	4
Memberships/Chairmanships of committees of other public companies Committee and Stakeholders' Relationship Committee)	Nil	Nil
Number of shares held in the Company	3,53,35,000 (20.19%)	56,17,530 (3.21%)

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of Mr. Prakash C. Kanugo and Mr. Hemant P. Kango; please refer to the Corporate Governance Report.

LETTER FROM THE CHAIRMAN

Dear Members,

I would like to extend my warm welcome to you all, to the 27th Annual General Meeting of the Company.

As you all are aware that financial year 2017 - 18, was a very challenging year for the global economy and the steel industry in particular. These unfavorable conditions inevitably affected our results adversely.

Due to the unfavorable market conditions in steel industry and meltdown in the prices of nickel, chromium, molybdenum, and levy of taxes on Import there was pressure on the receivables, stock valuations and selling prices which resulted into heavy operational losses during the financial year 2017-18.

On the operational front, the Company on standalone basis has recorded net revenue of Rs. 4663.35 Lakhs as compared to Rs. 14,513.70 Lakhs of previous year. The net loss before tax is Rs. 24,826.70 Lakhs as compared to previous year's loss before tax of Rs. 15,130.24. Lakhs. The Company has suffered net loss after tax of Rs. 24,076.33 Lakhs as compared to previous year's loss after tax of Rs. 15,139.75 Lakhs. The Earning Per Share (EPS) stood at (13.76).

Despite of all the above adverse situations, including levy of anti dumping duty by US government, the Company continues to work and to strive towards making permanent structural changes that will allow the company not just to survive, but to grow in the future.

We are facing serious challenges, but we will not be bowed down from achieving our principal objective i.e. to earn a pre eminent position in manufacturing high grade stainless steel products in India.

We are quite hopeful for the future as present government is coming up with new avenues for Stainless Steel Products, which would be in favour of your Company.

We are committed and determined to make the Company once again profitable, competitive and capable to achieve even greater success in the future.

I would like to express my sincere appreciation to our shareholders for the support and confidence reposed on us, and all other stakeholders and Government agencies, our bankers for the continuing commitment and support your Company.

We look forward for your continued support in this crucial time with the Company.

For **Prakash Steelage Limited**

Sd/-
Prakash C. Kanugo
Chairman & Managing Director
DIN : 00286366

Board's Report

To the Members
Prakash Steelage Limited

The Board of Directors present the 27th Annual Report of your Company, along with the Audited Financial Statements for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

The financial highlights of the Company for the year ended 31st March, 2018 are summarized below:

(Rs. in Lakh)

Particulars	Year Ended	
	31.03.2018	31.03.2017
Total Revenue	4,930.17	16,649.14
Less: Expenditure	29,473.68	31,447.09
Profit before Depreciation & Tax (PBDT)	(24,543.51)	(14,797.95)
Less: Depreciation	283.19	332.28
Profit Before Tax (PBT)	(24,826.70)	(15,130.23)
Less: Taxation	750.37	9.50
Profit / (Loss) After Tax (PAT)	**(25,577.07)**	**(15,139.73)**

(Note: For the Financial Year ending March 31, 2018 the accounts of the Company has not been consolidated as the Company has not received the Audited Accounts of Tubacex Prakash India Private Limited for the financial year 2017-18.)

FINANCIAL PERFORMANCE/OVERVIEW

During the year under review, the total revenue for the year ended 31st March, 2018 is Rs. 4,930.17 Lakhs as compared to Rs.16,649.14 Lakhs in the previous year on Standalone basis. The Company suffered a loss of Rs.25,557.07 Lakhs as compared to previous year's loss of Rs.15,139.73 Lakhs, due to the meltdown in the prices of nickel, chromium, molybdenum and unfavorable market for steel industry, which had a pressure on the realisability of our receivables, stock and selling prices, resulting into operational losses during the year under review.

Due to financial constraints, the Company defaulted in making payments to its Bankers and had received a notice from the Lead Bank in terms of Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The Company has submitted a workable re-scheduled proposal to the Banks.

SHARE CAPITAL

The paid up share capital of the Company as on 31st March, 2018 stood at Rs.17.50 Crores comprising of 175,000,390 Equity Shares of Re.1/- each.

The Company has not issued shares with or without differential voting rights nor has granted any employee stock options or sweat equity shares.

As on 31st March, 2018, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

DIVIDEND AND RESERVES

Your Directors do not recommend any dividend for the financial year 2017–18 on account of loss incurred by the Company in the year under review.

Further, your Company has not transferred any amount to its reserves for the financial year 2017–18.

DETAILS OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE

The Company has prepared its Standalone Financial Statements for the financial year ended 31st March, 2018,

as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Company has not received the Audited Accounts for the financial year 2017-18 in respect of Tubacex Prakash India Private Limited ("the Associate Company"). For the purpose of valuation, the unaudited accounts for the financial year 2017-18 of the Associate Company have been considered.

The salient features of the financial statements of Company's associate company are given in **'Annexure I'** which forms part of this report.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place adequate internal financial control with reference to financial statements, some of which are outlined below.

Your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as amended by the Companies (Indian Accounting Standards) Rules, 2016, The Companies (Indian Accounting Standards) Rules, 2017 and that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013, to the extent applicable. These are in accordance with Generally Accepted Accounting Principles (GAAP) in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary. Internal Auditors have been appointed which report on quarterly basis on the operations of the Company. The observations, if any, of the Internal Auditors, are resolved to their satisfaction and are implemented across all the sites.

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT – 9 in accordance with Section 92(3) & 134(3)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as **'Annexure II'** to this report.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, the Board of your Company met four times, on following occasions:

Sr. No.	Date of the Board Meetings
1.	26th May, 2017
2.	28th August, 2017
3.	29th November, 2017
4.	14th February, 2018

The intervening gap between the meetings did not exceed 120 days as stipulated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred to as “SEBI (LODR)”.

The Details of the meetings of the Board and its Committees alongwith the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report.

In terms of requirements of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors was also held on 14th February, 2018 to review the performance of Non-Independent Directors, the entire Board and quality, quantity and timelines of the flow of information between the Management and the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(3)(c) of the Companies Act, 2013, the Board of Directors confirm that:

(a) the preparation of the annual accounts of the Company for the year ended 31st March, 2018, the applicable accounting standards have been followed, along with proper explanation relating to material departures, if any;

(b) the accounting policies as mentioned in the notes to the Financial Statements for the year ended 31st March, 2018 have been selected and applied consistently and made judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2018 and of the loss of the Company for the year ended as on that date;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual financial statements for the year ended 31st March, 2018 have been prepared on a "going concern" basis;

(e) the internal financial controls laid down by the company are being followed and such internal financial controls are adequate and are operating effectively; and

(f) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

DETAILS OF FRAUD REPORTED BY AUDITORS

No fraud has been reported by any auditor of the Company under of Section 143 (12) of the Act.

STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS

Your Company has received the declarations from all the Independent Directors viz., Mr. A. Prakashchandra Hegde, Mr. Himanshu J. Thaker and Mrs. Neetta K. Bokaria confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR).

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR THEIR PERFORMANCE EVALUATION

The Board, on the basis of the criteria/manner as recommended by the Nomination & Remuneration Committee of the Board of Directors, evaluates the performance of the Directors pursuant to the provisions of the Companies Act, 2013, read with Rules framed there under along with the corporate governance requirements as laid down by Securities Exchange Board of India (“SEBI”) under “SEBI (LODR)”.

The performance of the Board and its Committees is evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria as recommended by Nomination & Remuneration Committee of the Board of Directors such as adequacy of the composition of the Board, its Committees, Board culture, execution, effectiveness of board processes, performance and functioning of specific duties, obligations, governance, etc. in accordance with the provisions of the Companies Act, 2013 read with rules framed there under and the “SEBI (LODR)”.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman is evaluated, taking into account the views of Executive and Non-Executive Directors and also assessed the flow of information between the Management and the Board to effectively and reasonably perform their duties. The same is discussed in the Board Meeting that follows the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors is also discussed in accordance with the requirement of Regulation 25(4) of the“SEBI (LODR)”.

A brief extract of the Remuneration Policy on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel is provided as **Annexure –III** to this Annual Report.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Pursuant to the provisions of Regulation 25(7) of the“SEBI (LODR)” the Company prepared and pursued the Familiarization Program for Independent Directors as hosted on Company's website (www.prakashsteelage.com) during the year under review.

STATUTORY AUDITORS

At the 24th Annual General Meeting of the Company held on 29th September, 2015, M/s. Batliboi & Purohit,

Chartered Accountants, Mumbai (Firm Registration No. 101048W) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from conclusion of the 24th Annual General Meeting of the Company till the conclusion of the 29th Annual General Meeting of the Company to be held for the financial year 2019-2020, subject to ratification of their appointment by the members at each Annual General Meeting.

On 29th June, 2018, the Company received resignation letter from Statutory Auditors M/s. Batliboi & Purohit, Chartered Accountants, that due to their pre occupation they will not be able to continue as the Statutory Auditors of the Company. The Board on the recommendation of the Audit Committee appointed M/s. Pipara & Company LLP, Chartered Accountants in the said casual vacancy. The members are requested to approve the said appointment.

The Audit Committee and the Board of Directors of the Company recommend to the members of the Company, the appointment of M/s. Pipara & Company LLP, Chartered Accountants, as the Statutory Auditors of the Company for the first term of five consecutive years commencing from conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the 32nd Annual General Meeting of the Company to be held for the financial year 2022 -2023.

The Company has received a letter dated 05th July, 2018 from M/s. Pipara & Co. LLP, confirming that they are eligible for appointment.

AUDITORS REPORT

The management reply on the auditor's qualifications is as under:-

Statement on Impact of Audit Qualifications

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [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 lakh)	Adusted Figures (audited figures after adjusting for qualifications) (Rs. in lakh)
	1.	Turnover / Total Income	4,930.17	4,930.17
	2.	Total Expenditure	4,839.99	4,839.99
	3.	Net Profit / (Loss)	(24,088.46)	(24,088.46)
	4.	Earning Per Share	(13.46)	(13.46)
	5.	Total Assets	6,554.64	6,554.64
	6.	Total Liabilities	6,554.64	6,554.64
	7.	Net Worth	(28,177.57)	(28,177.57)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. **Audit Qualification :**

A: Details of Audit Qualification: The account of the Company with its consortium Banks has 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 ended March 31st 2018 on 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 & Surplus is not ascertainable

B. Type of Audit Qualification : Qualified Opinion

C. Frequency of qualification: Appeared Second 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.

III. Audit Qualification :

A: Audit Qualification :

Details of Audit Qualification : 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 audited financial results of the Company has been prepared on a going concern basis.

B. Type of Audit Qualification : Qualified Opinion

C. Frequency of qualification : Appeared Second 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.

Emphasis of Matter by Auditor and Management reply on that as follows:

I. **Note no. 36** of statement of audited financial results which states that exceptional item represents provision for doubtful debts of Rs. 24,916.88 Lakhs. In the said exceptional items, the Company has initiated legal action to recover the long outstanding debts. In few cases the debtors have 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 has provided for doubtful debts.

Management Reply: With respect to the provision made by the Company stipulated by Statutory Auditor as Emphasis of Matter, Exceptional item represents provision for doubtful debts of Rs. 24, 916.88 Lakhs. In the said exceptional items the Company has initiated legal action to recover the long outstanding debts. In few cases the debtors have also initiated cases against the Company raising quality concerns, As a result the Company foresees remote chances of recovery of the said debts and has provided for doubtful debts.

II. **Note no. 40** of statement of audited financial results stating that the Company has unfavorable market conditions for steel industry, which has resulted in pressure on the realization of receivables, stock and selling prices.

Management Reply: with respect to the provision made by the Company stipulated by Statutory Auditor as Emphasis of Matter, due to unfavorable market for steel Industry, there has been pressure on the realisability of receivables, stocks and selling prices, which has resulted into operational losses during the year ended 31st March, 2018.

III. **Note no. 41** of statement of audited financial results stating that the company has submitted its proposal to the consortium banks towards settlement of its borrowing through the Assets Reconstruction Company (ARC) route. This proposal is under active consideration by the consortium banks. Meanwhile, the bankers have taken symbolic possession of the collaterals of the company comprising of factory land, factory building, office building and plant and machinery located at Silvassa.

Management Reply : with respect to the provision made by the Company stipulated by Statutory Auditor as Emphasis of Matter, the company has submitted its proposal to the consortium banks towards settlement of its borrowing through the Assets Reconstruction Company (ARC) route. This proposal is under active consideration by the consortium banks. Meanwhile, the bankers have taken symbolic possession of the collaterals of the company comprising of factory land, factory building, office building and plant and machinery located at Silvassa.

IV. Some of the balances of Trade Receivables, Deposits, Loans & Advances, Advances received from customers, Liability for expenses and Trade Payables are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any.

Management Reply : with respect to the provision made by the Company stipulated by Statutory Auditor as Emphasis of Matter, the balances of Trade Receivables, Deposits, Loans & Advances, Advances received from customers, Liability for expenses and Trade Payables are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from.

V. **Note no. 37** of statement of audited financial results stating that the Company has reversed the income tax provisions for the earlier years, as according to management same is no longer payable.

Management Reply: with respect to the provision made by the Company stipulated by Statutory Auditor as Emphasis of Matter, the Company has reversed the income tax provision for the earlier years, according to the management same is no longer payable.

COST AUDITORS

Your Company has received a consent letter from M/s. Amish Parmar & Associates, Cost Accountants (Firm Registration No.: 100502), to act as the Cost Auditors of your Company dated 01st August, 2018; to continue as the Cost Auditor of the Company for the financial year 2018-19.

The Board, on the recommendations made by the Audit Committee, in their meeting held on 13th August, 2018, has approved their appointment as Cost Auditor of the Company, in accordance with the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013.

The remuneration proposed to be paid to the Cost Auditors, subject to the ratification by the members at the ensuing Annual General Meeting, would be Rs. 50,000/- plus applicable Taxes and out of pocket expenses, if any. Necessary resolution seeking your ratification for the proposed remuneration to be paid to the Cost Auditors has been included in the notice of the Annual General Meeting.

COST RECORDS

The Company is maintaining the Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

INTERNAL AUDITORS

Your Company has received the consent letter from M/s. Luniya & Co., Chartered Accountants, Mumbai (Firm Registration No. 129787W) dated 28th May, 2018, to act as Internal Auditors of the Company for the financial year 2018-19 pursuant to the provisions of Section 138 of the Companies Act, 2013. They have also confirmed their eligibility and willingness to act as Internal Auditors of the Company pursuant to the provisions of the Companies Act, 2013 read with rules framed thereunder.

SECRETARIAL AUDITORS

Mr. Ved Prakash, Designated Partner of M/s. S. Anantha & Ved LLP, (LLP IN: AAH-8229) Practicing Company Secretary, were appointed as the Secretarial Auditors of the Company, to conduct Secretarial Audit for the year under review, pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the year under review is annexed as '**Annexure IV**' to this report.

Necessary explanation to the observations made in the Secretarial Audit Report is given below:

- 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;

- 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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of loans, guarantees and investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 05 to the Standalone Financial Statements of the Company for the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

All contract(s) / arrangement(s) /transaction(s) entered into by the Company with its related parties were in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR), 2015.

There are no materially significant Related Party Transactions entered into by the Company with promoters, Directors, Key managerial Personnel, which may have potential conflict with the interest of the Company at large. Further, necessary disclosures as required under (Ind AS -24) have been made in the Notes to the financial statements.

Accordingly, the disclosure of particulars of contracts or arrangements with related parties in Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014, is not applicable.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive in nature and/or entered in the ordinary course of business and are at arm's length.

Your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at www.prakashsteelage.com.

The Policy intends to ensure that proper reporting approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

The particulars of every contract(s) or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto given as per point No. 34 of notes which forms part to financial statement which is provided in this report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company between the end of the financial year as on 31st March, 2018 of the Company and date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption foreign exchange earnings and outgo are stated in **"Annexure V"** to this report, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

RISK MANAGEMENT POLICY

The Board has constituted a Risk Management Committee of the Board ("RMC"), to assist the Board with regards to the identification, evaluation and mitigation of operational, strategic and external risks. The said Committee has overall responsibility for monitoring and reviewing the Risk Management Plan and associated practices of your Company.

Further, considering the susceptibility of the Company to inherent business risks, Board of your Company, on recommendation of RMC, has adopted a Risk Management Policy, to

- develop and implement Risk Management procedure/ plan including identification therein of elements of risk, if any, which may threaten the existence of the company;
- enable the Company to proactively manage the uncertainty, changes in the internal &external environment to limit negative impacts; and
- Capitalize on opportunities along with minimization of identifiable risks, in compliance with the provisions of the Companies Act, 2013 and the "SEBI (LODR)" which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

More details on risks and threats have been disclosed in the section of "Management Discussion and Analysis Report", forming part of this Annual Report.

The details with respect to constitution, scope and functions of the Committee are available on the website of the Company (www.prakashsteelage.com).

CORPORATE SOCIAL RESPONSIBILITY ("CSR") INITIATIVES

The brief outline of the Corporate Social Responsibility ("CSR") Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in '**Annexure VI'** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Details with respect to the composition and scope of the CSR Committee are provided in the Corporate Governance Section which forms part of this Annual Report.

The Company is not required to spent any amount towards CSR, as the average Net Profit of the Company for

the last three financial years is negative. Further, due to cash losses and weak financial position, the Company is unable to spent the accumulated amount of Rs.5,936,962 of the previous financial years viz.: 2014-15 & 2015-16.

The Company ensures that the unspent amount will be spent in future as per the CSR Policy of the Company.

The policy is available on the website of the Company (www.prakashsteelage.com).

DEPOSITS

The Company has not accepted any Deposit from public during the year under review within the meaning of the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Dhaval N. Darji had resigned from the designation of Company Secretary & Compliance Officer of the Company w.e.f. 06th March, 2018.

Further, on the recommendations of the Nomination and Remuneration Committee the Board of Directors at its meeting held on 14th February, 2018, appointed Ms. Shikha A. Mishra as the Company Secretary & Compliance Officer of the Company w.e.f. 07th March, 2018.

On the recommendation of the Nomination and Remuneration Committee and Audit Committee, the Board of Director at its meeting held on 13th August, 2018, re-appointed Mr. Prakash C. Kanugo (DIN: 00286366) as the Managing Director and Mr. Hemant P. Kanugo (DIN: 00309894) as the whole-time Director of the Company, subject to approval of the shareholders in the ensuring AGM. Appropriate resolution, seeking your approval for the same have already been included in the Notice of Annual General Meeting.

Further, in accordance with the provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Prakash C. Kanugo (DIN: 00286366), Managing Director of the Company, will retire by rotation at the ensuing 27th Annual General Meeting and being eligible, offers himself for re-appointment. The necessary resolution for his re-appointment forms part of the Notice for the ensuing 27th Annual General Meeting of the Company.

As required under the provisions of the Companies Act, 2013 and Regulation 36(3) of the SEBI (LODR) Regulations, 2015, the brief resume and other details of Directors being re-appointed is provided as **"Annexure-A"** to the Notice of the ensuing 27th Annual General Meeting of the Company.

In accordance with Section 2(51) and 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:
1. Mr. Prakash C. Kanugo, Chairman & Managing Director;
2. Mr. Ashok M. Seth, Whole-Time Director & Chief Financial Officer; and
3. Ms. Shikha A. Mishra, Company Secretary & Compliance Officer.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

INTERNAL CONTROL SYSTEMS

Your Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures.

The Company had entrusted the internal audit to M/s. Luniya & Co., Chartered Accountants, Mumbai (Firm Registration No. 129787W). However, the initial object of the internal audit process is to test and review of controls, independent appraisal of risks, business process and bench marking internal controls with best practices.

The Audit Committee of the Board of Directors actively reviews, the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen them.

The Company has a robust Management Information System, which is an integral part of the control mechanism.

The members of Audit Committee and Statutory Auditors are periodically apprised of the Internal Audit findings and corrective action taken. Internal audit plays a key role in providing assurance to the Board of Directors.

COMPOSITION OF THE COMMITTEES

Audit Committee	1. Mr. A. Prakashchandra Hegde 2. Mr. Himanshu J. Thaker 3. Mr. Ashok M. Seth 4. Mrs. Neetta K. Bokaria
Nomination & Remuneration Committee	1. Mr. Himanshu J. Thaker 2. Mr. A. Prakashchandra Hegde 3. Mrs. Neetta K. Bokaria
Stakeholders' Relationship Committee	1. Mr. A. Prakashchandra Hegde 2. Mr. Himanshu J. Thaker 3. Mr. Ashok M. Seth
Corporate Social Responsibility Committee	1. Mr. A. Prakashchandra Hegde 2. Mr. Ashok M. Seth 3. Mr. Hemant P. Kanugo
Risk Management Committee	1. Mr. Ashok M. Seth 2. Mr. Prakash C. Kanugo 3. Mr. Hemant P. Kanugo
Executive Committee	1. Mr. Prakash C. Kanugo 2. Mr. Ashok M. Seth 3. Mr. Hemant P. Kanugo

*Note: All the Recommendations made by the Committee were accepted by the Board.

The brief details with respect to the constitution, meetings, scope and functions of the above mentioned Committees of the Company have been provided in Corporate Governance section forming part of this Annual Report.

VIGIL MECHANISM UNDER WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the “SEBI (LODR)”, the Board of Directors has on recommendation of its Audit Committee, adopted 'Whistle Blower Policy” at their meeting held on 29th May, 2014 for Directors and Employees of the Company, to report concerns about unethical behavior, actual or suspected fraud or violation of your Company's Code of Conduct and to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal. Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

None of the personnel of the Company has been denied access to the Audit Committee of the Board of Directors of the Company. The said policy is hosted on the website of the Company (www.prakashsteelage.com).

PARTICULARS OF EMPLOYEES AS PER SECTION 197(12) & RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details of employee remuneration as required under provisions of Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure VII** to the Report.

The details of top ten employees of the Company is annexed as **Annexure VII-A** to this Report.

None of the Employee has drawn the remuneration more than the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the “SEBI (LODR)” is presented in a separate section of this Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to follow the best practices of Corporate Governance, including the requirements under the "SEBI (LODR)" and the Board is responsible to ensure the same, from time to time.

The Company has duly complied with the Corporate Governance requirements as set out under Regulation 34(3) and Schedule V of the "SEBI (LODR)", from time to time and the Secretarial Auditors of the Company viz. M/s. S. Anantha & Ved LLP, Company Secretaries, have, confirmed that the Company is and has been compliant with the conditions stipulated in the Regulation 34(3) and Schedule V of the "SEBI (LODR)".

The said certificate is annexed to this report as '**Annexure VIII**'. Further, a separate report on Corporate Governance forms part of this Annual Report.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has formulated a Policy known as "The Anti – Sexual Harassment Policy" ("Policy") which aims to provide a safe working environment and prohibits any form of sexual harassment. This policy intends to prohibit occurrences of any form of sexual harassment and also details procedures to follow when an employee believes that a violation of the policy has occurred within the ambit of all applicable regulations regarding Sexual harassment. The said policy is hosted on the website of the Company (www.prakashsteelage.com).

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Board has constituted an Internal Complaints Committee ("ICC") to redress the complaints received regarding sexual harassment. All employees (whether permanent, contractual, temporary, trainee) are covered under this policy.

During the year under review, no complaints were received under the said policy. Further, the Company is conducting the awareness programs at regular interval of time.

SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

The Company complies with the Secretarial Standards issued by ICSI, one of the premier professional bodies in India.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation to stock exchanges, shareholders, banks, government authorities, business associates and other stakeholders. The Board also recognizes the contribution of the valued customers in the growth of the Company and takes this opportunity to pledge the Company's commitment to serve them.

Your Directors also wish to place on record their deep sense of appreciation for hard work, co-operation, solidarity, dedication & commitment displayed by all executives officer, Staffs during the year.

For and on Behalf of the Board of Directors

Sd/-
Prakash C. Kanugo
(Chairman & Managing Director)
DIN: 00286366

Place : Mumbai
Date : 13th August, 2018

Annexure - I

FORM AOC - 1

[Pursuant to the first proviso to sub - section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing the salient features of the financial statement of subsidiary(s) / associate Company(s) / joint venture(s)

Part "A" : Subsidiary(s) :
NIL

Part "B" : Associate(s)

[Statement pursuant to Section 129(3) of the Companies Act, 2013, related to Associate Company]

Name of the Associate Company	Tubacex Prakash India Private Limited
1. Latest Audited Balance Sheet Date	The Company has not received the Audited Balance Sheet as on 31st March, 2018 from the Associate Company
2. Shares of Associates held by the Company on the year end **a) No.** **b) Amount of Investment in Associate** **c) Extend of Holding (%)**	 32,47,000 Rs. 3,24,70,000 (as per the face value of equity shares of the Associate Company) 32.47%
3. Description of how there is significant influence	The Company is holding more than 20% of share capital.
4. Reason why the associate is not consolidated	i) There is no intention of holding the investment in the near future, as the Tubacex S.A. Spain, being the majority holder, enjoys a call option within 3-5 years. ii) There is no control over the Associate Company. iii) The stake of the Company is less than 51%.
5. Net worth attributable to shareholding as per latest Audited Balance Sheet	Not Applicable
6. Profit / (Loss) for the year **i) Considered in Consolidation** **ii) Not Considered in Consolidation**	 Not Applicable Not Applicable

For and on Behalf of the Board of Directors

For Batliboi & Purohit
Firm Registration No. 101048W

Sd/-	Sd/-	Sd/-	Sd/-
Prakash C. Kanugo Chairman & Managing Director (DIN : 00286366)	**Ashok M. Seth** Executive Director & Chief Financial Officer (DIN : 00309706)	**Shikha A. Mishra** Company Secretary & Compliance Officer (M. No. 53469)	**CA R. D. Hangekar** Partner (M. No. 030615)

Place : **Mumbai**
Date : **28th May, 2018**

Annexure - II

Form No. MGT - 9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Extract of Annual Return as on the financial year ended on 31st March, 2018

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	**L27106MH1991PLC061595**
ii)	Registration Date	:	**09th May, 1991**
iii)	Name of the Company	:	**Prakash Steelage Limited**
iv)	Category / Sub-Category of the Company	:	**Company Limited by Shares / Public Non-Government Company**
v)	Address of the registered office and contact details	:	**101, 1st Floor, Shatrunjay Apartment, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai-400 004. Tel.: +91 22 6613 4500**
vi)	Whether listed company	:	**Yes**
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	:	**M/s. Bigshare Services Private Limited, Address : 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400 059. Tel.: +91 22 6263 8204**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	Manufacturing and trading of stainless steel tubes and pipes	24106	98.11
2.	Other	-	1.89
		Total	**100.00%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subidiary / Associate	% of Share held	Applicable Section
1.	Tubacex Prakash India Private Limited(2) Address : Level 9, Platina, C-59, G - South, BKC, Bandra (E), Mumbai - 400 051.	U28113MH2015PTC263656	Associate Company(1)	32.47	2(6)

(1) w.e.f. 27th July, 2015

IV. SHARE HOLDING PATTERN
(Equity Share Capital Breakup as percentage of total equity)

(i) Category - wise Shareholding :

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total share capital	Demat	Physical	Total	% of total share capital	
A. Promoter & Promoter Group									
1) Indian									
(a) Individuals / Hindu Undivided Family	36,04,370	0	36,04,370	2.06	36,04,370	0	36,04,370	2.06	0.00
(b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Others (Directors Relatives)	6,63,97,130	0	6,63,97,130	37.94	6,63,97,130	0	6,63,97,130	37.94	0.00
(e) Any Others (Group Companies)	1,43,22,073	0	1,43,22,073	8.18	1,43,22,073	0	1,43,22,073	8.18	0.00
Sub - Total (A)(1)	**8,43,23,573**	**0**	**8,43,23,573**	**48.18**	**8,43,23,573**	**0**	**8,43,23,573**	**48.18**	**00.00**
2) Foreign									
(a) Non - Resident Individuals / Foreign Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub - Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**8,43,23,573**	**0**	**8,43,23,573**	**48.18**	**8,43,23,573**	**0**	**8,43,23,573**	**48.18**	**0.00**
B. Public Shareholding									
1) Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Venture Capital Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Foreign Portfolio Investors	38,23,610	0	38,23,610	2.18	38,23,610	0	38,23,610	2.18	0.00
(f) Financial Institutions / Banks	53,98,020	0	53,98,020	3.08	53,98,020	0	53,98,020	3.08	0.00
(g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h) Provident Funds / Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Others (FII'Ss)	35,76,310	0	35,76,310	2.04	35,76,310	0	35,76,310	2.04	0.00
Sub - Total (B)(1)	**1,27,97,940**	**0**	**1,27,97,940**	**7.30**	**1,27,97,940**	**0**	**1,27,97,940**	**7.30**	**0.00**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total share capital	Demat	Physical	Total	% of total share capital	
2) Non-Institutions									
(a) Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	4,62,61,559	40	4,62,61,599	26.44	4,96,31,300	5140	4,96,36,440	28.36	1.9269
(b) Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	84,64,140	0	84,64,140	4.84	83,85,849	0	83,85,849	4.7919	-0.04
(c) Bodies Corporate	2,02,15,194	0	2,02,15,194	11.55	1,85,40,751	0	1,85,40,751	10.59	-0.96
(d) Clearing Members	23,50,457	0	23,50,457	1.34	7,97,078	0	7,97,078	0.46	-0.88
(e) Non - Resident Indians (NRIs)	5,87,487	0	5,87,487	0.33	5,18,759	0	5,18,759	0.30	-0.03
Sub - Total (B)(2)	7,78,78,837	40	7,78,78,877	44.50	7,78,73,737	5140	7,78,73,737	44.50	0.00
Total Shareholding of Public (B)=(B)(1)+(B)(2)	**9,06,76,777**	**40**	**9,06,76,817**	**51.82**	**9,06,71,677**	**5140**	**9,06,76,817**	**51.82**	**0.00**
C. Shares held by Custodian for GRSs. & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Custodian = (C)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A) + (B) + (C)	**17,50,00,350**	**40**	**17,50,00,390**	**100.00**	**17,49,95,250**	**5140**	**17,50,00,390**	**100.00**	**0.00**

(ii) Shareholding of Promoters (including Promoter Group) :

Sr. No.	Name of Promoters	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% change in share holding during the year
		No. of shares	% of total share capital	% of Shares pledged / encumbered to total shares	No. of shares	% of total share capital	% of shares pledged / encumbered to total shares	
1.	Prakash C. Kanugo	3,53,35,000	20.19	53.77	3,53,35,000	20.19	53.77	0.00
2.	AMS Trading and Investment Private Limited	7,13,333	0.41	8.41	7,13,333	0.41	8.41	0.00
3.	Seth Iron and Steel Private Limited	1,25,00,000	7.14	64.00	1,25,00,000	7.14	64.00	0.00
4.	Kirti P. Kanugo	58,30,740	3.33	0.00	58,30,740	3.33	0.00	0.00
5.	Hemant P. Kanugo	56,17,530	3.21	0.00	56,17,530	3.21	0.00	0.00
6.	Kamal P. Kanugo	55,77,520	3.19	0.00	55,77,520	3.19	0.00	0.00
7.	Vimal P. Kanugo	50,51,590	2.89	0.00	50,51,590	2.89	0.00	0.00
8.	Ashok M. Seth	44,84,000	2.56	0.00	44,84,000	2.56	0.00	0.00
9.	Babita P. Kanugo	30,00,750	1.71	0.00	30,00,750	1.71	0.00	0.00
10.	Prakash C. Kanugo (HUF)	26,04,370	1.49	0.00	26,04,370	1.49	0.00	0.00
11.	Seth Steelage Private Limited	11,08,740	0.63	0.00	11,08,740	0.63	0.00	0.00
12.	Seth Ashok Mafatlal (HUF)	5,00,000	0.29	0.00	5,00,000	0.29	0.00	0.00
13.	Dheliben M. Seth	5,00,000	0.29	0.00	5,00,000	0.29	0.00	0.00
14.	Mafatlal C. Seth	5,00,000	0.29	0.00	5,00,000	0.29	0.00	0.00
15.	Mafatlal Chogamal Seth (HUF)	5,00,000	0.29	0.00	5,00,000	0.29	0.00	0.00
16.	Nirmala A. Seth	5,00,000	0.29	0.00	5,00,000	0.29	0.00	0.00

(iii) Change in Promoters' Shareholding :

There was no changes in promoter shareholding during F.Y. 2017-2018.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top ten shareholders	No. of shares held at the beginning of the year (April 1, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
1	**General Insurance Corporation of India**				
	At the beginning of the year	53,98,020	3.08	53,98,020	3.08
	Bought during the year (increase)	0	0.00	0.00	0.00
	Sold during the year (decrease)	0	0.00	0.00	0.00
	At the end of the year	53,98,020	3.08	53,98,020	3.08
2	**Avani Impex Private Limited**				
	At the beginning of the year	45,76,864	2.62	45,76,864	2.62
	Bought during the year (increase)	0	0	0	0
	Sold during the year (decrease)	0	0.00	0	0.00
	At the end of the year	45,76,864	2.62	45,76,864	2.62
3	**Logisys Advisors Private Limited**				
	At the beginning of the year	39,50,000	2.26	39,50,000	2.26
	Bought during the year (increase)	0	0	0	0
	Sold during the year (decrease)	3,82,758	0.22	35,67,242	2.04
	At the end of the year	35,67,242	2.04	35,67,242	2.04
4	**LTS Investment Fund Ltd.**				
	At the beginning of the year	38,23,610	2.18	38,23,610	2.18
	Bought during the year (increase)	0	0.00	0	0.00
	Sold during the year (decrease)	0	0.00	0	0.00
	At the end of the year	38,23,610	2.18	38,23,610	2.18
5	**Emerging India Focus Funds**				
	At the beginning of the year	35,76,310	2.04	35,76,310	2.04
	Bought during the year (increase)	0	0.00	0	0.00
	Sold during the year (decrease)	0	0.00	0	0.00
	At the end of the year	35,76,310	2.04	35,76,310	2.04
6	**Parami Investment Pvt. Ltd.**				
	At the beginning of the year	18,80,267	1.07	18,80,267	1.07
	Bought during the year (increase)	0	0.00	0	0.00
	Sold during the year (decrease)	0	0	0	0
	At the end of the year	18,80,267	1.07	18,80,267	1.07

Sr. No.	For each of the Top 10 shareholders	No. of shares held at the beginning of the year (April 1, 2017)		Cummulative shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
7	**Premier Road Carriers Limited**				
	At the beginning of the year	13,00,000	0.74	13,00,000	0.74
	Bought during the year (increase)	0	0.00	0	0.00
	Sold during the year (decrease)	0	0.00	0	0.00
	At the end of the year	13,00,000	0.74	13,00,000	0.74
8	**Pratik Agrawal**				
	At the beginning of the year	12,00,000	0.69	12,00,000	0.69
	Bought during the year (increase)	0	0.00	0	0.00
	Sold during the year (decrease)	8,50,000	0.49	3,50,000	0.20
	At the end of the year	3,50,000	0.20	3,50,000	0.20
9	**Arshad Liaquat**				
	At the beginning of the year	11,34,936	0.65	11,34,936	0.65
	Bought during the year (increase)	0	0.00	0	0.00
	Sold during the year (decrease)	7,84,082	0.45	3,50,854	0.20
	At the end of the year	3,50,854	0.20	3,50,854	0.20
10	**Beautiful Tradelink Private Limited**				
	At the beginning of the year	11,00,000	0.63	11,00,000	0.63
	Bought during the year (increase)	0	0.00	0	0.00
	Sold during the year (decrease)	3,00,000	0.17	8,00,000	0.46
	At the end of the year	8,00,000	0.46	8,00,000	0.46
11	**Beetal Trading Pvt. Limited**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year (increase)	10,30,875	0.00	10,30,875	0.59
	Sold during the year (decrease)	0	0.00	0	0.00
	At the end of the year	10,30,875	0.00	10,30,875	0.59
12	**Ajai Singh Thandi**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year (increase)	9,91,000	0.00	9,91,000	0.57
	Sold during the year (decrease)	0	0.00	0	0.00
	At the end of the year	9,91,000	0.00	9,91,000	0.57
13	**Shashank V. Khunkar**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year (increase)	8,73,777	0.00	8,73,777	0.50
	Sold during the year (decrease)	0	0.00	0	0.00
	At the end of the year	8,73,777	0.00	8,73,777	0.50
14	**Mentor Capital Limited**				
	At the beginning of the year	7,39,587	0.42	7,39,587	0.42
	Bought during the year (increase)	0	0.00	0	0.00
	Sold during the year (decrease)	0	0.00	0	0.00
	At the end of the year	7,39,587	0.42	7,39,587	0.4226

(v) Shareholding of Directors and Key Managerial Personnel (KMP) :

Sr. No.	Particulars of the Directors & Key Managerial Personnel	Designation	No. of shares held at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
1.	**Mr. Prakash C. Kanugo**	**Chairman & Managing Director**				
	At the beginning of the year		3,53,35,000	20.19	3,53,35,000	20.19
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year		3,53,35,000	20.19	3,53,35,000	20.19
2.	**Mr. Ashok M. Seth**	**Whole Time Director & Chief Financial Officer**				
	At the beginning of the year		44,84,000	2.56	44,84,000	2.56
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year		44,84,000	2.56	44,84,000	2.56
3.	**Mr. Hemant P. Kanugo**	**Whole Time Director**				
	At the beginning of the year		56,17,530	3.21	56,17,530	3.21
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year		56,17,530	3.21	56,17,530	3.21
4.	**Mr. Himanshu J. Thaker**	**Independent Director**				
	At the beginning of the year		0	0.00	0	0.00
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year		0	0.00	0	0.00
5.	**Mr. A. Prakashchandra Hegde**	**Independent Director**				
	At the beginning of the year		0	0.00	0	0.00
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year		0	0.00	0	0.00
6.	**Ms. Neetta K. Bokaria**	**Independent Director**				
	At the beginning of the year		0	0.00	0	0.00
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year		0	0.00	0	0.00
7.	**Mr. Dhaval N. Darji[@]**	**Company Secretary**				
	At the beginning of the year		NA	NA	NA	NA
	Date wise increase / decrease		NA	NA	NA	NA
	At the end of the year		NA	NA	NA	NA
8.	**Ms. Shikha A. Mishra[$]**	**Company Secretary**				
	At the beginning of the year		NA	NA	NA	NA
	Date wise increase / decrease		NA	NA	NA	NA
	At the end of the year		NA	NA	NA	NA

[@] Appointed w.e.f. 26th December, 2016, however, he tendered his resignation on 06th March, 2018.
[$] Appointed w.e.f. 07th March, 2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the begining of the financial year				
i) Principal Amount	2,19,97,67,172	27,26,72,728	-	**247,24,39,900**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	-	-	-	**-**
Total (i+ii+iii)	2,19,97,67,172	27,26,72,728	-	**247,24,39,900**
Change in Indebtedness during the financial year				
• Addition	-	-	-	**-**
• Reduction	(2,12,58,027)	(2,17,13,659)	-	**(4,29,71,686)**
Net Change	(2,12,58,027)	(2,17,13,659)	-	**(4,29,71,686)**
Indebtedness at the end of the financial year				
i) Principal Amount	217,85,09,145	25,09,59,069	-	**242,94,68,214**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	217,85,09,145	25,09,59,069	-	**242,94,68,214**

VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and / or Manager :

(Amount in Rs. [p.a.])

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Prakash C. Kanugo	Ashok M. Seth	Hemant P. Kanugo	
		Managing Director	Executive Director & CFO	Whole Time Director	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	-	-	3,60,000	**3,60,000**
	(b) Value of perquisities u/s 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweet Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (1+2+3+4+5)	**-**	**-**	**3,60,000**	**3,60,000**
	Celling as per the Act	Pursuant to Schedule V of the Companies Act, 2013.			

B Remuneration to other Directors i.e. Independent Directors (Non-executive) and other Non-executive Directors:

(Amount in Rs. [p.a.])

Sr. No.	Particulars of Remuneration	Name of Independent Director (Non-Excutive Director)			Total Amount
		Mr. A. Prakashchandra Hegde	Mr. Himanshu J. Thaker	Mrs. Neetta K. Bokaria	
1.	**Independent Director**				
	- Fee for attending board/ committee meetings	85,000	25,000	75,000	1,85,000
	- Commission	-	-	-	-
	- Others, Please specify	-	-	-	-
	Total (1)	**85,000**	**25,000**	**75,000**	**1,85,000**
2.	**Other Non-Executive Directors**				
	- Fee for attending board/ committee meetings	-	-	-	-
	- Commission	-	-	-	-
	- Others, Please specify	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (1+2)	**85,000**	**25,000**	**75,000**	**1,85,000**
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Rs. 1 Lakh per meeting			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs. [p.a.])

Sr. No.	Particulars of Remuneration	CEO	Company Secretary & Compliance Officer	CFO
			Mr. Dhaval N. Darji(1)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	3,48,000	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5	Others, please specify	-	-	-
	Total	**-**	**3,48,000**	**-**

(1) Mr. Dhaval N. Darji was appointed as the Company Secretary & Compliance officer w.e.f. 26th December, 2016, however he tendered his resignation on 06th March, 2018.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCE (IN CASE OF COMPANY, DIRECTORS AND OTHER OFFICERS IN DEFAULT) : NIL

For and on Behalf of the Board of Directors

Sd/-
Prakash C. Kanugo
Chairman & Managing Director
DIN : 00286366

Date : **13th August, 2018**
Place : **Mumbai**

Annexure - III

REMUNERATION POLICY

The Remuneration Policy ("Policy") of Prakash Steelage Limited (the "Company") is designed to attract, motivate and retain manpower in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Policy applies to the Company's Board of Directors, Senior Management, including its Key Managerial Person ("KMP's").

Guiding principles

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

The Remuneration Policy for Executives reflects the overriding remuneration philosophy and principles of the Prakash Steelage Limited. When determining the remuneration policy and arrangements for Executive Directors / KMPs, the Nomination and Remuneration Committee ("Committee") of the Board of Directors of the Company considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

The said Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

The said Committee while considering a remuneration package must ensure a balance between fixed pay and variable (incentive) pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Reward principles and objectives

Our remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

Reward policies

1. **Attract and retain:** Remuneration packages are designed to attract high calibre Executives in a competitive global market and remunerate Executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

2. **Motivate and reward:** Remuneration is designed to motivate the Executives to deliver to the best of their skills, knowledge, create a strong performance-orientated environment and reward achievement of meaningful targets over the short and long term.

3. **The principal terms of non-monetary benefits:** The Executives will be entitled to customary non-monetary benefits which will be decided mutually in individual cases.

Executive Remuneration – Board of Management

Executive remuneration is proposed by the Chairman/Managing Director to the said Committee and subsequently on the recommendation of the Committee; the same is approved by the Board of Directors of the Company. Executive remuneration is evaluated annually against performance and a benchmark of Peer Companies, which in size and complexity are similar to Prakash Steelage Limited. Benchmarks may be decided in advance. The total remuneration shall have optimum mix of fixed base salary and a variable salary such as incentive as per prevailing market practices. The same shall be set at a level aimed to attract and retain Executives with professional and personal competences to drive the Company's performance.

Pension contributions made in accordance with applicable laws and employment agreements.

Severance payments in accordance with termination clauses in employment agreements. Severance payments shall comply with local legal framework.

Disclosure of Information

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and Senior Management may be disclosed in the Company's Annual Financial Statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

Approval of the Remuneration Policy

This Remuneration Policy shall apply to all employment agreements of the Company's Senior Management including Executive Directors and Key Managerial Persons. The Remuneration Policy shall act as guidance for the Board.

Dissemination

The Company's Remuneration Policy shall be published on its website i.e. www.prakashsteelage.com

For and on Behalf of the Board of Director

Sd/-
Prakash C. Kanugo
(Chairman & Managing Director)
DIN : 00286366

Date : **13th August, 2018**
Place : **Mumbai**

Annexure - IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

To,
The Members
Prakash Steelage Limited
101, 1st Floor, Shatrunjay Apartment, 28
Sindhi Lane, Nanubhai Desai Road
Mumbai - 400004.

We have conducted the Secretarial Audit of the Compliance of Applicable Statutory provisions and the adherence to good corporate practices by Prakash Steelage Limited (hereinafter called as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (*Not Applicable as there were no instances of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the year under review*);
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (***Not Applicable*** for the year under review);
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (***Not Applicable*** for the year under review);
(f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (***Not Applicable*** for the year under review); and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (***Not Applicable*** for the year under review).

(vi) Other laws applicable specifically to the Company:

a) The Air (Prevention and Control Pollution) Act, 1981 and rules made thereunder;
b) The Water (Prevention and Control Pollution) Act,1974 and rules made thereunder;
c) The Environment (Protection) Act, 1986 and the rules made thereunder; and
d) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

We have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards issued by the Institute of Company Secretaries of India; and

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

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 ended 31st March, 2018, on borrowings, to the extent, the same have remained unpaid. The impact of the same on the loss for year and its consequent effect on liabilities and Reserves & Surplus is not ascertainable; and

The Financial Statement indicates that the Company has accumulated losses resulting in erosion of net worth. These conditions cast serious doubts about the Company's ability to continue as going concern. However, the financial Statements of the Company have been prepared on going concern basis.

We further report that

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by the respective Department Heads / Company Secretary / CFO / KMP taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law, environmental laws and all other applicable laws, rules, regulations and guidelines. The Company has responded to compliance requirements, notices for demands, claims, penalties etc. levied, by statutory/regulatory authorities and initiated actions for corrective measures and compliance thereof.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and Labour Law Compliances have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that

Adequate notice is given to all directors to schedule the Board Meetings along with the agenda generally at least seven days in advance and detailed notes on agenda were sent well in advance before the meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the year under review, there were **no events** viz.

(i) Public / Right /sweat equity;
(ii) Redemption/Buy-back of securities;
(iii) Merger / amalgamation / reconstruction, etc; and
(iv) Foreign technical collaborations; or
such other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having any bearing on the Company's affairs.

For **S. Anantha & Ved LLP**
Company Secretaries

sd/-
Ved Prakash
Designated Partner
ACS: 36837
CP No.: 16986

Place : **Mumbai**
Date : **11th August, 2018**

Annexure

To
The Members
Prakash Steelage Limited
101, 01st Floor, Shatrunjay Apartment,
28 Sindhi Lane, Nanubhai Desai Road
Mumbai – 400 004.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S. Anantha & Ved LLP**
Company Secretaries

sd/-
Ved Prakash
Designated Partner
ACS: 36837
CP No.: 16986

Date : **11th August, 2018**
Place : **Mumbai**

Annexure - V

INFORMATION PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2018

(A) Conservation of Energy –

(i) The steps taken or impact on conservation of energy:

(a) The technical department of the Company monitors the energy consumption and it takes due care in proper utilization of the energy.

(b) The regular maintenance of plant & machinery, installation of automated machines and watchful supervision results in reduction in energy consumption.

(ii) The steps taken by the Company for utilizing alternate sources of energy:
Currently, the Company is not utilizing any alternate sources of energy.

(iii) The capital investment on energy conservation equipments:
No capital investment was made during the year on energy conservation equipments.

(B) Technology Absorption –

(i) The efforts made towards technology absorption:
No efforts have been made during the year for technology absorption.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution together with future action plans:
Nil

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
No technology was imported during the year or any time during the last three financial years.

(iv) The expenditure incurred on Research and Development:
No major expenses have been incurred on R & D expenditure.

(C) Foreign Exchange Earnings and Outgo –

(Rs. in Lakhs)

Particulars	As on 31st March, 2018	As on 31st March, 2017
Foreign exchange earning	369.08	537.27
CIF Value of Imports	385.79	1441.21
Expenditure in foreign currency	3.70	12.91

For and on Behalf of the Board of Director

Sd/-
Prakash C. Kanugo
(Chairman & Managing Director)
DIN : 00286366

Date : **13th August, 2018**
Place : **Mumbai**

Annexure VI

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The Company recognizes that its business activities have a wide impact on the society in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The Company endeavors to make CSR a key business process for sustainable development.

Prakash Steelage Limited is committed towards aligning with nature; and has adopted eco-friendly practices. As a corporate entity, the Company is committed towards sustainability. Ongoing dialogues with shareholders provide valuable approach with an objective that each business decision takes into account it's social and environmental impacts and plans. Providing independence and dignity to people with reduced mobility is also a key concern of the Company which is addressed through Dhura, a CSR initiative of the Company headed by Mr. Prakash C. Kanugo. Dhura aspires to make India barrier free and provide universal access to all. It has been engaged in making various public places accessible to all especially the elderly and the disabled. Despite having been around for a relatively few years, Dhura has taken the lead to make the public places universally accessible and barrier free to all.

The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013. The policy as well as projects and programs falling under the CSR policy are on the Company's website (www.prakashsteelage.com).

2. **Composition of the CSR Committee:**

Name of the Directors	Status at Committee	Nature of Directorship
Mr. A. Prakashchandra Hedge	Chairperson	Independent Director
Mr. Hemant P. Kanugo	Member	Whole Time Director
Mr. Ashok M. Seth	Member	Whole Time Director

3. **Average net profit of the Company for last three financial years for the purpose of computation of CSR: Rs. (70,14,78,910)**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): N.A.**

5. **Details of CSR spent during the financial year:**
   a. **Total Amount to be spent for the financial years:** Rs. 59,36,962 (unspent amount of previous financial year viz. 2014-15 & 2015-16)

   b. **Total amount spent during the financial year** : NIL

   c. **Amount unspent, if any** : Rs. 59,36,962

   d. **Manner in which the amount spent during the financial year** : Please refer below table

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implem-enting agency.
	-	-	-	-	-	-	-

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

   The Company is not required to spend any amount towards CSR, as the average Net Profit of the Company for the last three financial years is negative. Further, due to cash losses and weak financial position, the Company is unable to spent the accumulated amount of Rs. 59,36,962 of the previous financial years viz.: 2014-15 & 2015-16.

   The Company ensures that the unspent amount will be spent in future as per the CSR Policy of the Company. The CSR policy is in compliance with CSR objectives and policy of the Company.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

   We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

For and on Behalf of the Board of Directors

Sd/-
Prakash C. Kanugo
(DIN : 00286366)
Chairman & Managing Director

Sd/-
A. Prakashchandra Hedge
(DIN : 02266510)
Chairman of CSR Committee - Independent Director

Place : **Mumbai**
Date : **13th August, 2018**

Annexure VII

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year :

Sr.	Name of KMP	Designation	Percent increase inremuneration in the financial year (FY) 2017-2018	Ratio of the remuneration of each director to the median remuneration of the employees for the financial year
1	Prakash C. Kanugo	Chairman & Managing Director	NIL	NIL
2	Ashok M. Seth	Executive Director & CFO	NIL	NIL
3	Hemant P. Kanugo	Wholetime Director	NIL	1 : 1.58
4	Dhaval N. Darji (Resigned w.e.f. 06.03.18)	Company Secretary & Compliance Officer	NIL	1 : 1.52
5	Shikha A. Mishra (Appointed from 07.03.18)	Company Secretary & Compliance Officer	NIL	1 : 1.42

Note : Sitting fees paid to the Independent Directors has not been considered as remuneration.

II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
There was no increase in the remuneration of Director, CFO, CEO, Company Secretary or Manager, during the financial year 2017-18.

III. The percentage increase in the median remuneration of employees in the fiscal year:
During the financial year 2017-18, there is no increase in the median remuneration of the employees.

IV. The number of permanent employees on the payrolls of the Company:
The Company has 72 permanent employees on the rolls as on March 31, 2018.

V. The average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:
There was no increase in the salaries of the employees during the last financial year.

VI. Remuneration is as per the remuneration policy of the Company:
The Company has implemented and uploaded the Remuneration policy on its website (www.prakashsteelage.com) and the remuneration paid to its Directors, KMP and other employees are in conformity with this policy.

For and on Behalf of the Board of Directors

Sd/-
Prakash C. Kanugo
Chairman & Managing Director
DIN : 00286366

Place : **Mumbai**
Date : **13th August, 2018**

Annexure VII-A

Detailed list of Top ten Employees :

Statement as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

Sl. No.	Name of the Employee	Designation of the employee	Remuneration Received (in Rs.)	Nature of Employment Whether Contractual or otherwise	Qualifications and experience of the employee	Date of Commenc-Ement of Employ-Ment in The Company/ Group	Age of such Emp-Loyee	The last employ-ment held by such employee before joining the Company	The % of equity shares held by the employee (as on 31.03.18)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Surendra Tiwari	GM-Finance	871,923.00	Permanent	B. Com, ACA 12 years	10.11.2009	39	NA	0.0017	NA
2	Mr. Balkrishna Utekar	Marketing Head	831,397.00	Permanent	B. Com. 19 years	01.01.2008	42	NA	NA	NA
3	Mr. Vipin K. Chaturvedi	Vice President	7,57,686.00	Permanent	B. Com. 20 years	08.08.1996	52	NA	NA	NA
4	Mr. Kesharam Dewasi	Assistant Manager	6,29,209.00	Permanent	Metric 10 years	01.10.2007	45	NA	NA	NA
5	Mr. Rajeev Kumar	Asst. Works Manager	5,73,248.00	Permanent	B. E. 15 years	18.11.2005	42	NA	NA	NA
6	Mr. Chetan Patel	Sr. Manager - Q.C.	538,815.00	Permanent	B. Sc. 18 years	08.01.2001	47	NA	NA	NA
7	Mr. Kishan Chanda	Manager - Export	476,186.00	Permanent	B. Com, MBA 5 years	08.06.2015	25	NA	NA	NA
8	Mr. Shailendra Patel	Sr. Operator	445,504.00	Permanent	Metric 10 years	03.08.2010	44	NA	NA	NA
9	Mr. Rakesh Kumar Singh	Sr. Manager - Commercial	4,37,156.00	Permanent	B. A. 15 years	10.09.1996	54	NA	NA	NA
10	Mr. Shailesh Jada	Assistant Manager-A/C.	420,957.00	Permanent	B. Com. 20 years	02.05.2009	55	NA	NA	NA

For and on behalf of the Board of Director

Sd/-
Prakash C. Kanugo
(Chairman & Managing Director)
DIN : 00286366

Date : **13th August, 2018**
Place : **Mumbai**

Annexure - VIII

Corporate Governance Certificate

To,
The Members of
Prakash Steelage Limited

We have examined the compliance of conditions of Corporate Governance by **Prakash Steelage Limited** ("Company") for the year ended 31st March, 2018, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 01st April, 2017 up to 31st March, 2018.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company of ensuring the complinace of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **S. Anantha & Ved LLP**
Company Secretaries

sd/-
Ved Prakash
Designated Partner
ACS: 36837
CP No.: 16986

Date : **11th August, 2018**
Place : **Mumbai**

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of **Prakash Steelage Limited**, presents its analysis report covering performance and outlook of the Company. The core business of the Company is manufacturing and exporting stainless steel tubes and pipes. It has its registered office located in Mumbai, Maharashtra and plant located at Silvassa (UT – Dadra & Nagar Haveli) The Management accepts responsibility for integrity and objectivity of the Financial Statements of the Company.

Industry Structure and Developments:
Worldwide production of steel pipe is expecting the year 2018-2019 onwards an upward trend. According to estimates of the German Steel Tube Association, the outlook for the steel pipe industry has improved since 2016. It predicts that investment activities in the energy sector, which had practically reached a complete standstill after the crude oil price collapse in 2015, are starting to return to normal. In addition to the resulting backlog, the cyclical upswing in raw material and steel prices should benefit the sector just as much as the continued robust economic activity in the industrialized world. Playing important roles are the relatively favorable energy prices, expansive fiscal policies, and the favorable euro-to-dollar exchange rate. On top of this, the association expects North America's anticipated expansive economic policies, and an energy policy that puts a stronger focus on fossil fuels, to have a positive effect on the steel pipe industry. Global Stainless Steel Pipes and Tubes market is projected to display a sustainable growth represented by a CAGR of over 3.55% during 2017 - 2022, primarily driven by rising energy demand and production of vehicles. The Stainless Steel Pipe and Tube is expected to lead the market in the forecast period. Among the regions, Asia Pacific accounts for the largest regional share in the Global Stainless Steel Pipe and Tube Market in 2016. However, Asia Pacifics also projected to progress at the highest rate, mainly driven by construction of major infrastructural projects and power projects and increasing demand of oil and gas. Additionally, the investment in Water supply and desalination projects foster the demand of stainless steel pipe and tube.

Opportunities, Threats, Risks and Concerns:
As is normal and prevalent for any business, the Company is likely to face competition from large scale imports. There can be risks inherent in meeting unforeseen situation, not uncommon in the industry. Company is fully aware of these challenges and is geared to meet them. Company also recognizes the risks associated with business and would take adequate measures to address the associated risks and concerns. Some of these factors include competition from multinational Companies, duty free imports by customers against export obligations, our pricing strategy being mainly dependent on import affairs and dependence on imported raw material.

Segment – wise or Product wise performance:
Pursuant to the Joint Venture Agreement executed between Tubacex S.A. Spain and the Company dated 13th February, 2015, in order to reduce its bank debts. However, the Company retains 32.47% shareholding in Tubacex Prakash India Private Limited post transfer of such seamless division. The Company continues to manufacture the welded tubes and pipes and also trade in Stainless Steel products.

Outlook:
Steel Industry in India seems to be positive despite continuing global economic slowdown. This optimism stems from many factors. The Indian steel industry is in some ways insulated from the events affecting steel industry on a global scale as it does not rely on export to the developed markets. Despite high interest rates and marginal slowdown in economic activity, the basic economic fundamentals will ensure stable performance of the economy in coming year. Indian Steel production is set to meet the target of 200 million tonnes by 2020. This will result in India reaching second place in world steel production. The Summit on Steel was organized by Confederation of Indian Industry (CII). Public and private players discussed their intention to expand their existing capacities of steel. Industry value Added (IVA), or the industry's contribution to the overall economy, is expected to grow at an annualized increase by 0.7% to nearly 1.627 billion tonne in 2019 with India poised to overtake the US and grab the No. 2 slot in terms of global steel demand. Industry's growth in relation to that of the overall economy indicates that it is mature.

Internal Control systems and their adequacy:
The Company has in place adequate Internal Financial Controls with reference to financial statements and such internal financial controls are operating effectively. Your company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial statements.

Discussion on financial performance with respect to operational performance:
On the operational front, the Company on standalone basis has recorded net revenue of Rs. 4,930.17 Lakhs as compared to Rs. 16,371.82 Lakhs in the previous year. The net loss before tax is Rs. 24,826.70 Lakhs as compared to previous year's net loss before tax of Rs. 15,130.23 Lakhs. The Company has suffered net loss after tax of Rs. 24,076.33 Lakhs as compared to previous year's net loss after tax of Rs. 15,139.74 Lakhs.

Material developments in Human Resources / Industrial Relations front, including number of people employed:
The Company continued to cultivate a learning mindset among employees with the help of its experienced talent pool to ensure they are ready for the challenges ahead and be well positioned for the future. The company has maintained an unbroken record of trouble free operations and good relations with its internal workmen union.

Cautionary Statement:
Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be termed as "forward looking statements" within the meaning of applicable Laws and Regulations. Actual results may differ materially from those either expressed or implied. The readers of this report are, therefore, advised to read the same with this caution. The Company assumes no responsibility to publicly modify or revise any forward looking statements on the basis of any future events or new information.

For and on Behalf of the Board of Directors

Sd/-
Prakash C. Kanugo
(Chairman & Managing Director)
DIN:00286366

Date : **13th August, 2018**
Place : **Mumbai**

CORPORATE GOVERNANCE REPORT

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

Transparency and **accountability** are the two basic tenets of Corporate Governance. **Prakash Steelage Limited** ("the Company / PSL") is committed to maintain a high standard of Corporate Governance in complying with the Code of Corporate Governance as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015").

Our Corporate Governance framework has helped us to be aligned with the new guidelines of the Companies Act, 2013 ("the Act"). We believe that an-active, well informed and independent board is necessary to ensure the highest standards of Corporate Governance. At PSL, the Board of Directors ("the Board") is at the core of our Corporate Governance practice. The Board thus oversees the PSL's Management's ("the Management") functions and protects the long-term interests of our shareholders.

This report describes the Group's Corporate Governance practices that were in place throughout the financial year ended 31st March, 2018, more particularly in accordance with the provisions of Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 as amended.

Ethics / Governance Policies

We have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Company's Code of Conduct;
- Code of Conduct for Prohibition of Insider Trading;
- Vigil Mechanism and Whistle Blower Policy;
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions;
- Corporate Social Responsibility Policy;
- Risk Management Policy;
- Disclosure Policy;
- Policy for Selection of Directors and determining Directors' Independence;
- Anti – Sexual Harassment Policy;
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees; and
- Internal Financial Control Policy

2. BOARD OF DIRECTORS:

a) Board Composition:

The Board is headed by an Executive Chairman and has an optimum combination of Executive and Non-Executive Directors including Independent Directors and is in conformity with the requirements of Regulation 17 of the SEBI (LODR) Regulations, 2015.

As on date of this Report, the Board consists of six (6) Directors comprising of one (1) Managing Director (Executive cum Chairman), two (2) Whole Time Directors (Executive) and three (3) Non–Executive, Directors including one women Director. All of the three (3) Non-Executive Directors are Independent Directors of the Company and free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Board of Directors of the Company formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director ("CMD") and Whole-time Directors manages the business of the Company under the overall supervision, control and guidance of the Board.

All major decisions regarding resource mobilization, capital expenditure, etc. are considered by the Board in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for their approval. Following information are regularly put up before the Board for their consideration and approval:

- Review of Financial Results
- Minutes of all meetings including Audit Committee, Nomination and Remuneration Committee, as well as Executive Committee of Board.
- Compliance with various statutory requirements.
- The Board is informed of all material financial and commercial decision from time to time.

The detailed composition of the Board and Directorships / Committee Membership held in other Companies as on 31st March, 2018 is given below:

Name of the Director	Category of Director	Relation ship with other Directors	# No. of Directorships in other companies	*No. of other Board Committee(s) of which he/she is a Member	*No. of other Board Committee(s) of which he/she is a Chairperson
Mr. Prakash C. Kanugo (DIN : 00286366)	Promoter, Executive and Non-independent	Father of Mr. Hemant P. Kanugo, Whole Time Director	1	-	-
Mr. Ashok M. Seth (DIN : 00309706)	Promoter, Executive and Non-independent	-	5	-	-
Mr. Hemant P. Kanugo (DIN : 00309894)	Executive and Non-independent	Son of Mr. Prakash C. Kanugo, Chairman & Managing Director	4	-	-
Mr. Himanshu T. Thaker (DIN : 02325297)	Non-Executive and Independent	-	-	-	-
Mr. A. Prakashchandra Hegde (DIN : 02266510)	Non-Executive and Independent	-	1	-	-
Mrs. Neetta K. Bokaria (DIN : 07101155)	Non-Executive and Independent	-	-	-	-

Note:
Total numbers of Directorships in other Companies exclude directorships in the Company, its subsidiaries, Foreign Companies, Companies formed under Section 8 of the Companies Act, 2013.

* As per the provisions of SEBI (LODR) Regulations, 2015, the details of Committee Membership / Chairmanship of Audit Committee and Stakeholder's Relationship Committee alone, in other Indian Public Companies (Listed and Unlisted), are provided.

None of the Directors on the Board hold Membership(s) or Chairmanship(s) in the Board and Committees, *above the limits specified under Regulation 26 (1) of SEBI (LODR) Regulations, 2015.*

None of the Directors has Directorship in more than 20 Companies and more than 10 Public Companies pursuant to provisions of the Companies Act, 2013.

Further in Compliance with Regulation 25(1) of the SEBI (LODR) Regulations, 2015, none of the independent Directors hold directorship in more than seven listed Companies.

SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee recommends to the Board who are qualified to become Directors and who may be appointed in senior management personnel in accordance with the Company's policy and on the basis of recommendation received from the Committee, the Board confirms the appointment of the Director and senior management personnel.

The Directors of the Company are appointed by the members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Independent Directors of the Company, step down at the Annual General Meeting and, if eligible, offer themselves for re-election.

b) Independent Directors:

The Independent Directors fulfill the criteria of independence as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and have given their declaration of independence. The Draft Letter of Appointment of Independent Directors is available on the website of the Company www.prakashsteelage.com.

The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

c) Directors Induction and Familiarization Programmes:

The Board members are provided with necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and its Committee Meetings, on business and performance update of the Company, global business scenario, business strategies and risk involved. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

The induction process is designed to:

- Build an understanding of Prakash Steelage Limited, its businesses and the markets and regulatory environment in which it operates;
- Provide an appreciation of the role and responsibilities of the Director;
- Fully equip Directors to perform their role on the Board effectively; and
- Develop understanding of Company's people and its key stakeholder relationships.

In addition to the extensive induction and training programmes, the Company has framed Familiarization Programmes for Independent Directors of the Company pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(7) of the SEBI (LODR) Regulations, 2015.

Details of such familiarization programmes are provided on the website of the Company (www.prakashsteelage.com).

3. BOARD EVALUATION :

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of Executive/ Non-Executive/ Independent Directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey.

Independent directors have three key roles-governance, control and guidance. Some of the performance indicators based on which the Independent Directors are evaluated include:

- Ability to contribute to and monitor our corporate governance practices;
- Ability to contribute by introducing international best practices to address top-management issues;
- *Active participation in long term strategic planning; and*
- *Commitment to the fulfillment of a director's obligations and fiduciary responsibilities, these include participation in Board and committee meetings.*

4. CODE OF CONDUCT:

The Company has in place a comprehensive Code of Conduct (“the Code”) applicable to all the Directors including Non-Executive Directors i.e., Independent Directors (to such extent as may be applicable to them depending on their roles and responsibilities) and Senior Management Personnel of the Company as per the terms of the provisions of the Regulations 17(5) of the SEBI (LODR) Regulations, 2015.

All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct on annual basis. The said Code of Conduct can be accessed on the website of the Company (www.prakashsteelage.com).

In terms of Regulation 26(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 a declaration signed by Mr. Prakash C. Kanugo, Chairman and Managing Director affirming compliance of the Code of Conduct by all the Directors and Senior Management Personnel of the Company forms part of this report as **Annexure to Corporate Governance Report.**

5. DETAILS OF BOARD MEETING HELD DURING THE YEAR:

Details of Board Meetings of the Company, held during the year, including attendance of each Director at the Board Meetings along with details of attendance at the last Annual General Meeting ("AGM") of the Company are given below:

Name of the Directors	Date of the Meetings				
	Meetings of the Board of Directors				Last AGM
	26th May, 2017	28th August, 2017	29th November, 2017	14th February, 2018	29th September, 2017
Mr. Prakash C. Kanugo	Yes	Yes	Yes	Yes	Yes
Mr. Ashok M. Seth	Yes	Yes	Yes	Yes	Yes
Mr. Hemant P. Kanugo	Yes	Yes	Yes	Yes	Yes
Mr. Himanshu J. Thaker	Yes	No	No	No	No
Mr. A. Prakashchandra Hegde	Yes	Yes	Yes	Yes	Yes
Ms. Neetta K. Bokaria	Yes	Yes	Yes	Yes	No

Note :
The Board Meetings are generally held at the Registered Office i.e. 101, 1st Floor, Shatrunjay Apartment, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004.

In addition to other items to be discussed at the Board Meeting, the Company Secretary ensures compliance of regular items to be placed before in terms of Regulation 17(7) of the SEBI (LODR) Regulations, 2015 and Section 179 of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014.

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

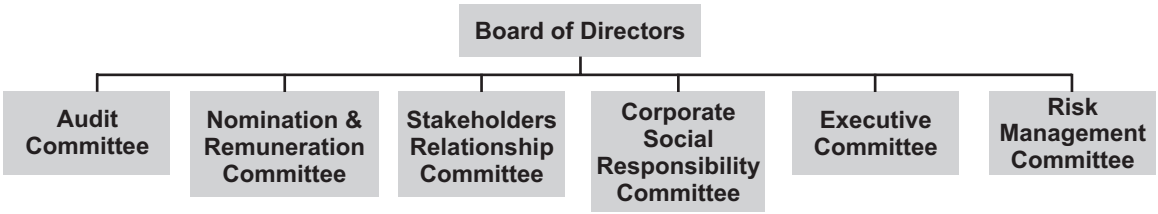
During the year under review, the Independent Directors met on 14th February, 2018, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of Non-Independent Directors and the Board as a whole;
- To review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

7. COMMITTEES OF THE BOARD:

The Committees of the Board have been constituted to deal with specific areas / activities, and the terms of reference of these Committees are approved by the Board and are in line with the requirements of the Companies Act, 2013, the rules made there under and the SEBI (LODR) Regulations, 2015, relating to Corporate Governance. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all Committees are placed before the Board for review.

Currently, the Board has the following Committees, duly constituted:



I. Audit Committee

The composition of the Audit Committee and terms of reference are in line with the applicable provisions of Section 177 of the Companies Act, 2013, and Regulation 18(3) and Part C of Schedule II of the SEBI (LODR) Regulations, 2015.

i) Terms of reference

The scope and terms of reference of the Audit committee inter alia includes following:

- Financial Reporting and Related Processes;
- To oversee the Company's financial reporting process and financial information and the disclosure of its financial information;
- To review with the management the quarterly unaudited financial results / statements and Limited Review Report thereon / audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, *inter alia*, include reviewing changes in the accounting policies, if any and major accounting estimates based on exercise of judgment by the management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard;
- To review the Management Discussion & Analysis of financial and operational performance; and
- To scrutinize inter-corporate loans and investments.

ii) Internal Controls and Governance Processes

- To review the adequacy and effectiveness of the Company's internal control system;
- To review and discuss with management the Company's major financial risk exposures and steps taken by the management to monitor and control such exposure;
- To review adequacy of internal audit function, internal audit reports and discussion with Internal Auditors on significant findings and follow-up thereon;
- To oversee and review the functioning of a Vigil Mechanism and to review findings of investigation into cases of material nature and the actions taken in respect thereof; and
- To approval and review of Related Party Transactions.

iii) Audit & Auditors

- To review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage;
- To review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management response thereto;
- To review and recommend to the Board appointment/re-appointment of the Statutory Auditors, Internal Auditors of the Company;
- To Fix Statutory Audit Fees and approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services;
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by the Management;
- Significant adjustments made in financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Qualifications in Draft Audit Report;

- To review with the management, the quarterly financial statements before submission to the Board for approval;
- To Monitor and review with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- To review and monitor the Auditors' independence and performance, and effectiveness of audit process;
- To approval or any subsequent modification of transactions of the Company with related parties;
- To carry out valuation of undertakings or assets of the Company, wherever it is necessary;
- To review with the Management, the performance of Statutory Auditors and Internal Auditors, adequacy of internal control systems;
- To formulating the scope, functioning, periodicity and methodology for conducting the internal audit;
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- To discuss with Internal Auditors of any significant findings and follow-up thereon;
- To review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To approval of appointment of the CFO (i.e. the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate;
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee;
- To review financial statements, in particular the investments made by the Company's Unlisted Subsidiaries;
- To review Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- To review Internal audit reports relating to internal control weaknesses; and
- To review the appointment, removal and terms of remuneration of the Chief Internal Auditor / Internal Auditor(s).

The Audit Committee of the Board of Directors consist of the following members as on 31st March, 2018:

Name of the Directors	Status	Nature of Directorship
Mr. A. Prakashchandra Hegde	Chairman	Independent Director
Mr. Himanshu J. Thaker	Member	Independent Director
Mr. Ashok M. Seth	Member	Whole Time Director & Chief Financial Officer
Mrs. Neetta K. Bokaria	Member*	Independent Director

* Note : Mrs. Neetta K. Bokaria was inducted as Member of the Audit Committee of the Company w.e.f. 29th November, 2017.

During the year under review, the Audit Committee met four times, to deliberate on various matters and not more than one hundred and twenty days have elapsed between two consecutive meetings. The required quorum was present in all such meetings. The meetings of the Audit Committee were held in line with the requirement of Regulation 18(2) of the SEBI (LODR) Regulations, 2015.

During the year, the attendances of the members at the Audit Committee Meetings held are as follows:

Date of Meetings	Mr. A. Prakashchandra Hegde	Mr. Himanshu J. Thaker	Mr. Ashok M. Seth	Mrs. Neeta K. Bokaria
26th May, 2017	Yes	Yes	Yes	-
28th August, 2017	Yes	No	Yes	-
29th November, 2017	Yes	No	Yes	Yes
14th February, 2018	Yes	No	Yes	Yes

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee. The representative(s) of Statutory Auditors and Internal Auditors attend the meetings of the Committee, for providing such information as may be necessary.

II. Nomination and Remuneration Committee (erstwhile Remuneration Committee)

The Company has constituted its Nomination and Remuneration Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

The role of the Nomination and Remuneration Committee inter alia includes the following:

- To identify persons who are qualified to become Directors/Senior Management Personnel in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- To carry out evaluation of performance of every Director appointed in the Company;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend/review policy to the Board, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- To formulate the criteria for evaluation of performance of Independent Directors and the Board and to extend/continue the term of Independent Directors, on the basis of such report on performance evaluation;
- To devise a policy on Board diversity;
- To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable; and
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

In terms of Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has adopted a Remuneration Policy, which inter-alia includes Company's policy on Board Diversity, selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel, criteria for determining qualifications, positive attributes, independence of a director and criteria for performance evaluation of the Directors.

The aforesaid policy is disclosed as **"Annexure III"** to the Boards' Report.

The Nomination and Remuneration Committee consists of three (3) Non-Executive Directors all of whom are Independent Directors.

One meeting of the Committee was held during the year ended 31st March, 2018. The composition of the Committee and the attendance details of the members at such meeting held during the year under review is given below:

Date of Meetings	Mr. Himanshu J. Thaker *(Chairperson)*	Mr. A. Prakashchandra Hegde *(Member)*	Ms. Neetta K. Bokaria *(Member)*
26th May, 2017	Yes	Yes	Yes

The Company had passed circular resolution on 13.02.2018, to consider & recommend the appointment of Ms. Shikha Ashok Mishra (ACS 53469) as Company Secretary and Compliance officer of the Company.

The Company has a system where all the Directors and Senior Management Personnel of the Company are required to disclose all pecuniary relationship(s) or transaction(s) with the Company.

No significant material transactions have been made with the Non-executive Directors vis-à-vis the Company.

Remuneration paid to Non-executive Directors:

The Non-Executive Directors including the Independent Directors are paid only Sitting Fee for attending the Board and Committee Meetings. Payment of remuneration to Executive Directors (i.e. Managing Director & Whole Time Director in case of the Company) is approved by the Board and Shareholders of the Company at the Annual General Meeting.

None of the Directors are entitled to any benefit upon termination of their association with your Company. Further, the Disclosure with respect to the shares held by the Directors under Employee Stock Option is not applicable as the Company has not yet implemented any such scheme during the year.

None of the Non-Executive, Independent Directors holds any equity share in the Company.

III. Stakeholders Relationship Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and amended Regulation 20 of the SEBI (LODR) Regulations, 2015 as amended from time to time by way of notification, the Company has constituted its Stakeholders Relationship Committee to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The composition of the Committee and the attendance details of the members at such meetings held during the year under review are given below:

Date of Meetings	Mr. A. Prakashchandra Hegde (Chairman)	Mr. Himanshu J. Thaker (Member)	Mr. Ashok M. Seth (Member)
2nd June, 2017	Yes	No	Yes
16th February, 2018	Yes	No	Yes

During the year under review, the Company received no complaints from any of its shareholders.

SEBI Complaints Redressal Systems (SCORES)

The investor complaints are processed in systemized web-based complaints Redressal System. The salient features of system are systemized database of all e-complaints, online upload of Action Taken Reports (ATR's) by the Concern Company and online viewing by investors of action taken on the complaints and its current status. The Company has designated E-Mail Id investorsgrievances@prakashsteelagge.com exclusively for investor services.

Your Company has been registered on SCORES portal and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

The Company reports that there are no Equity Shares lying in the Demat Suspense Account/Unclaimed Suspense Account.

IV. Corporate Social Responsibility (CSR) Committee

In terms of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility ("CSR") Committee to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy.

The role of CSR Committee, as approved by the Board, is as follows:

- To formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") policy indicating the activities to be undertaken by the Company in compliance with the provisions of Section 135 of the Companies Act, 2013 read with Rules as framed under Companies (Corporate Social Responsibility Policy) Rules, 2014;
- To identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the implementation of the CSR policy from time to time;
- To recommend to the Board, modifications to the CSR policy as and when required; and
- To approve the CSR Reports and oversee the implementation of sustainability activities.

The CSR Policy can be accessed on the website of the Company (www.prakashsteelage.com)

The composition of the Committee as at 31th March, 2018 is as follows :

Name of the Directors	Status at Committee	Nature of Directorship
Mr. A. Prakashchandra Hegde	Chairperson	Independent Director
Mr. Hemant P. Kanugo	Member	Whole Time Director
Mr. Ashok M. Seth	Member	Whole Time Director

No meeting of the CSR Committee held during the period under review.

The initiatives taken by the CSR Committee has been disclosed as "**Annexure VI**" to the Board's Report.

V. Executive Committee :

The Board constituted the Executive Committee at its meeting held on 12th November, 2010, in order to have convenience in expediting day to day matters relating to Company's affairs like finance, management etc.

The composition of the Committee as at 31st March, 2018 is as follows:

Name of the Directors	Status at Committee	Nature of Directorship
Mr. Prakash C. Kanugo	Chairman	Chairman & Managing Director
Mr. Ashok M. Seth	Member	Whole Time Director
Mr. Hemant P. Kanugo	Member	Whole Time Director

The decisions of the Executive Committee are to be ratified in the subsequent Board Meetings.

VI. Risk Management Committee

In terms of the provisions of the Companies Act, 2013 and Regulation 21 of SEBI (LODR) Regulations, 2015, the Board constituted the Risk Management Committee at its meeting held on 09th November, 2015 to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external risks and for monitoring and reviewing of the risk management plan of the Company and to look after such other functions as may be delegated to it by the Board, from time to time.

The composition of the Committee as at 31st March, 2018 is as follows:

Name of the Directors	Status at Committee	Nature of Directorship
Mr. Prakash C. Kanugo	Member	Chairman & Managing Director
Mr. Ashok M. Seth	Chairman	Whole Time Director & CFO
Mr. Hemant P. Kanugo	Member	Whole Time Director

The Board of Directors of the Company and the Audit Committee periodically reviews and evaluates the risk management system of the Company so that the management controls the risks through properly defined network.

The Company has in place the Risk Management Policy which can be accessed on www.prakashsteelage.com.

During the financial year 2017-18, no meeting of the Risk Management Committee was held.

8. REMUNERATION OF DIRECTORS:

A. All pecuniary relationship or transactions of the Non – Executive Directors vis - a - vis the listed entity:

No other pecuniary relationship or transactions of the Non - Executive Directors except Sitting Fees.

B. Criteria of making payments to non – executive directors:

The Criteria for making payment to non – executive director is available on the Website of company www.prakashsteelage.com.

C. Disclosure with respect to remuneration in addition to disclosure required under Companies Act, 2013:

i. All elements of remuneration package for financial year 2017-2018

Name of Director	Salary	Benefits	Bonuses	Stock Option	Pension
Prakash C. Kanugo*	Nil	Nil	Nil	Nil	Nil
Ashok M. Seth*	Nil	Nil	Nil	Nil	Nil
Hemant P. Kanugo	3,60,000	Nil	Nil	Nil	Nil

Note : W.e.f. 1st April, 2017, no remuneration is being paid to Mr. Prakash C. Kanugo and Mr. Ashok M. Seth (Executive Directors).
Non-executive Directors are not paid any salary.

ii. Details of fixed component and performance linked incentives, along with the performance criteria:
No such criteria for any of the Directors of the Company.

9. GENERAL BODY MEETINGS:

Details of the Annual General Meetings ("AGM") & Extra-ordinary General Meetings ("EOGM") of the Company held in last 3 years along with details of Special Resolutions, as more particularly set out in the respective notices of such AGM's/ EOGM's, as passed by the Shareholders are as follows:

Financial Year	Location	Date	Time	Special Resolution
2014 - 15	Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034.	29th September, 2015	5.00 p.m.	None
2015 - 16	Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034.	29th September, 2016	11.30 a.m.	1. To consider and approve remuneration payable to Mr. Prakash C. Kanugo (DIN: 00286366), Managing Director of the Company. 2. To consider and approve remuneration payable to Mr. Hemant P. Kanugo (DIN: 00309894), Whole Time Director of the Company.
2016 - 17	Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034.	29th September, 2017	1.30 p.m.	None

There was no Extraordinary general meeting ('EOGM') held during last three years.

During the F.Y. 2017-18, No resolution was passed by way of Postal Ballot.

10. MEANS OF COMMUNICATION :

For easy reference of the Shareholders, the quarterly/half yearly/annual financial results, along with the Limited Review / Audit Report, are hosted on the website of the Company (www.prakashsteelage.com).

Moreover, the quarterly/annual results are promptly furnished to the concerned Stock Exchanges on approval by the Board of Directors so as to enable them to display the financial results on their notice board / website. The same simultaneously are published in English language national daily newspaper circulating in whole or substantially the whole of India and in a regional daily (Marathi) newspaper within 48 hours of the approval of the same by the Board of Directors of the Company.

Press releases & corporate presentations are also displayed on the Company website (www.prakashsteelage.com).

11. DISCLOSURES :

A Details of materially significant related party transactions that may have potential conflict with the interests of the Company at large:

The Company does not have any materially significant commercial and financial transactions with any of the related parties having conflict, actual or potential, with the interest of the Company. The Company has complied with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 during the year under review.

All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details relating to Related Party Transactions before the Audit Committee and the Board periodically. Particulars of the related party transactions are listed out in Note 34 of the Balance Sheet forming part of this Annual Report.

B Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with all requirements of SEBI (LODR) Regulations, 2015, as well as the regulations and guidelines of SEBI.

Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets during the last three years.

C Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015 the Company has formulated Whistle Blower Policy for Vigil Mechanism at their meeting held on 29th May, 2014 for Directors and employees to report to the Management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The said policy has been posted on the website of the Company www.prakashsteelage.com.

Also, the Company has adopted “Policy for Prevention of Sexual Harassment at Workplace” which specifically guarantees the right to “blow a whistle”. The said policy has also been posted on the website of the Company www.prakashsteelage.com.

D Details of compliance with mandatory requirements and adoption of the non – mandatory requirements:

The Company is in compliance with all mandatory requirements of the SEBI (LODR) Regulations, 2015.

The Company has adopted the following non-mandatory recommendations of Regulation 27 read with Part E of Schedule II of the Listing Regulation.

i. Shareholder Rights :
The Company's half-yearly results are published in leading English and Marathi newspapers and also uploaded on the website of the Company; hence the same are not sent separately to the Shareholders of the Company.

ii. Modified opinion(s) in Audit Report:
The explanation has been given in the Board's Report with respect to the Modified opinion given by the Auditors in its Audit Report.

iii. Reporting of Internal Auditor:
The Internal Auditors of the Company are present in each Audit Committee Meeting and directly interacts with Audit Committee Members.

12. POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES :
As per the definition of 'material' subsidiaries as provided in Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015, the Company does not have a 'material' subsidiary as on 31st March, 2018.

Accordingly, such requirement is not applicable to the Company.

13. POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:
During the year under review, all transactions entered into with the Related Parties as defined under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year ended on 31st March, 2018. Related party transactions have been disclosed under the Note 34 of significant accounting policies and notes forming part of the Financial Statements in accordance with “Indian Accounting Standard (Ind AS) 24”. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

As required under Regulation 23 of the SEBI (LODR) Regulations, 2015 the Company has formulated a policy on dealing with Related Party Transactions which is available on the website of the Company www.prakashsteelage.com.

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have non potential conflict with the interest of the company at large and are carried out on an arm's length basis or fair value.

14. Certification by the Managing Director and the Chief Financial Officer of the Company:

Pursuant to the provisions of the Regulation 17(8) of SEBI (LODR) Regulations, 2015 Mr. Prakash C. Kanugo, Chairman & Managing Director and Mr. Ashok M. Seth, Chief Financial Officer of the Company have considered and approved the Audited Financial Statements along with the Audit Report for the financial year ended 31st March, 2018 at the Board meeting held on 28th May, 2018.

Accordingly, a certificate to that effect, as prescribed under Schedule II of Part B of Regulation 17(8) of the SEBI (LODR) Regulations, is enclosed separately at the end of this Report.

15. DISCLOSURE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT WITH REASONS THEREOF :

The Company has duly complied with the requirements of Corporate Governance Report forming part of this Annual Report as per the provisions of Schedule V of Regulation 34(3) of the SEBI (LODR) Regulations, 2015.

16. DISCLOSURE OF ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI (LODR) REGULATIONS, 2015:

The Reply has been given in the Board's Report with respect to the modified opinion in the Financial Statements of the Company for the financial year ended 31st March, 2018.

The Financial Statements of the Company are prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013 read with the Circular dated 20th February, 2015 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

17. DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) TO (i) OF REGULATION 46(2) OF SEBI (LODR) REGULATIONS, 2015:

The Company has duly complied with the requirements of Corporate Governance specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of the SEBI (LODR) Regulations, 2015 which forms part of this Annual Report.

18. GREEN INITIATIVE:

Your Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed Companies to send official documents to their shareholders electronically as a part of its green initiatives in Corporate Governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Board's Report, Auditors' Report and other communications to the Members whose email addresses are registered with the Company/Depository Participant(s). Directors are thankful to the Members for actively participating in the Green Initiative.

Members who have not registered / updated their email addresses are requested to do so for receiving all future communications from the Company with M/s Big Share Private Limited, Registrar & Share Transfer Agent of the Company, if shares are held in physical mode or with their respective Depository Participant, if shares are held in electronic mode.

19. GENERAL SHAREHOLDER'S INFORMATION:

In compliance with the requirement of Schedule V of Regulation 34(3) of the SEBI (LODR) Regulations, 2015, the General Information of the Company for reference of the Shareholders is as under:

A) Annual General Meeting :
Day : Friday
Date : 28th September, 2018
Time : 1:30 p.m.
Venue : 101, Shatrunjay Apartment, 1st Floor, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004.

B) Financial Year of the Company : 1st April, 2017 to 31st March, 2018

C) Date of Book Closure :
From : Saturday, 22nd September, 2018
To : Friday, 28th September, 2018 (both days inclusive)

D) Dividend Payment Date : Not Applicable

E) i. Listing on Stock Exchange(s) :

Date of listing	ISIN No.	Stock Exchange	Scrip Code/ Symbol
25th August, 2010	INE696K01024	**BSE Ltd. (BSE)** P. J. Towers, Dalal Street, Mumbai - 400 001	533239
		National Stock Exchange of India (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	PRAKASHSTL

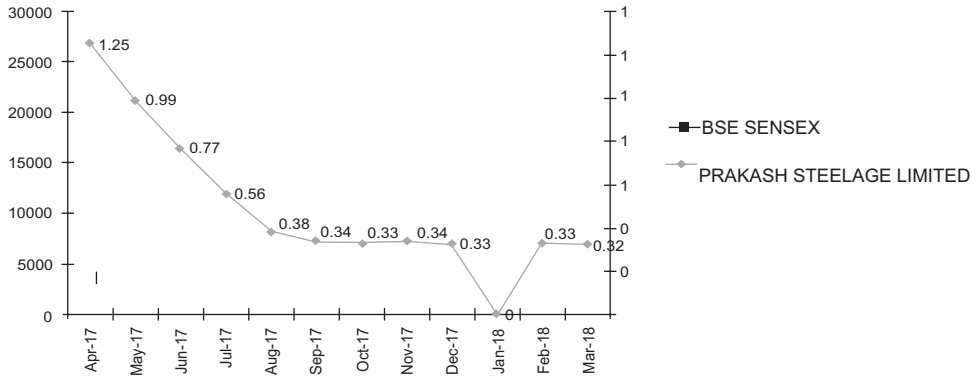
ii. Payment of Annual Listing Fee/Custodial Fees:

The Annual Listing Fee for the year 2018-19 has been paid to both the Stock Exchange(s) and the Annual Custodial Fees for the year 2018-19 has been paid to Central Depository Services (India) Limited ("CDSL") further, the Company is yet to pay the custodial charges to NSDL, as the due date of payment is 24th August, 2018.

F) Market Price Data during the financial year 2017-2018 :

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April 2017	1.39	1.23	1.40	1.25
May 2017	1.90	0.94	1.30	0.95
June 2017	1.08	0.70	1.05	0.70
July 2017	0.91	0.56	0.85	0.55
August 2017	0.60	0.37	0.60	0.30
September 2017	0.37	0.33	0.35	0.20
October 2017	0.33	0.31	0.25	0.10
November 2017	0.34	0.32	0.30	0.20
December 2017	0.34	0.33	0.30	0.25
January 2018	0.33	0.33	0.25	0.25
February 2018	0.33	0.32	0.25	0.25
March 2018	0.32	0.32	0.25	0.25

G) Stock Performance during the Financial Year 2017 - 2018:



H) Registrar & Share Transfer Agents:

Bigshare Services Private Limited

Address : 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makawana Road, Andheri (East), Mumbai - 400 059.

Tel. No. : +91 22 62638200

Fax : +91 22 62638299

Email : babu@bigshareonline.com

Website : www.bigshareonline.com

I) Share Transfer System:

The transfer of shares in physical form is processed and completed by Register & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

In compliance with the SEBI (LODR) Regulations, 2015, Mr. Ved Prakash, Designated Partner of S. Anantha & Ved LLP, carries out audit of the system of Transfer and a certificate to that effect is issued.

J) Distribution of Shareholding as on 31st March, 2018:

Sr. No.	Category of Shares	Number of Shareholders	% of total Shareholders	Shares (in Rs.)	% of total Shares
1.	1-5000	7843	79.3264	1,03,23,428	5.8991
2.	5001-10000	955	9.6591	78,93,187	4.5104
3.	10001- 20000	502	5.0774	75,75,223	4.3287
4.	20001- 30000	203	2.0532	51,71,486	2.9551
5.	30001- 40000	88	0.8901	31,04,544	1.7740
6.	40001 -50000	81	0.8193	37,74,459	2.1568
7.	50001 -100000	108	1.0923	82,06,764	4.6896
8.	100001 & Above	107	1.0822	12,89,51,289	73.6863
	Total	**9887**	**100.00**	**17,50,00,390**	**100.00**

K) Dematerilization of shares

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar & Share Transfer Agent, Bigshare Services Private Limited. This has facilitated the shareholders to hold and trade their shares in 'electronic form'.

Dematerialized Position as on 31st March, 2018

Particulars	Number of Equity Shares	% of Total Issued Capital
Issued Capital	175,000,390	100.00
Listed Capital on BSE & NSE	175,000,390	100.00
Held in Dematerialised form in NSDL	112,911,927	64.52
Held in Dematerialised form in CDSL	62,083,323	35.48
Physical	5,140	0.00

L) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity.

There are no outtanding GDRs/ ADRs/ Warrants or any Convertible Instruments, as on 31st March, 2018.

M) Commodity price risk or foreign exchange risk and hedging activities:

The details are provided in Management Discussion and Analysis Report.

N) Plant Location:

Survey No. 46/1, Parjai Road, Village : Kherdi,
Silvassa - 396 230, Union Territory Dadra & Nagar Haveli (India)

O) Address for correspondence :

Ms. Shikha A. Mishra
Company Secretary & Compliance Officer

Prakash Steelage Limited
101, 1st Floor, Shatrunjay Apartment,
28, Sindhi Lane, Nanubhai Desai Road,
Mumbai - 400 004.
Tel. : +91 22 66134500
Fax : +91 22 66134599
Email : cs@prakashsteelage.com
Website : www.prakashsteelage.com

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apartments,
Makawana Road, Andheri (E), Mumbai - 400 059.
Tel. : +91 22 62638200
Fax : +91 22 62638299
Email : babu@bigshareonline.com
Website : www.bigshareonline.com

Compliance Certificate by CEO and CFO

[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to certify that –

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or voilative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:
   i) significant changes, if any, in internal control over financial reporting during the year;
   ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Prakash Steelage Limited

Sd/-
Prakash C. Kanugo
(DIN: 00286366)
Chairman & Managing Director

Sd/-
Ashok M. Seth
(DIN: 00309706)
Director & Chief Financial Officer

Date : **28th May, 2018**
Place : **Mumbai**

Annexure

DECLARATION

This is to certify that:
As provided under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors of the Board and Senior Management Personnel of the Company have solemnly affirmed the Compliance with the Code of Conduct for the year ended March 31, 2018.

Sd/-
Prakash C. Kanugo
(DIN: 00286366)
Chairman & Managing Director

Date : 28th May, 2018
Place : Mumbai

INDEPENDENT AUDITOR'S REPORT

To the members of **Prakash Steelage Limited,**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Prakash Steelage Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement (hereinafter referred to as "Ind AS Financial Statements), the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for Ind AS the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules thereunder and other accounting principles generally accepted in India.
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Basis for Qualified Opinion

1) The account of the Company with its consortium Banks has 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 ended March, 2018 on 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 & Surplus is not ascertainable (Refer note no. – 40)

2) 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 audited financial results of the Company has been prepared on a going concern basis. (Refer note no. – 42)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion para, aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss(including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to:

I. Note no. 36 of statement of audited financial results which states that exceptional item represents provision for doubtful debts of Rs. 24,916.88 Lakhs. In the said exceptional items the company has initiated legal action to recover the long outstanding debts. In few cases the debtors have 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 has provided for doubtful debts.

II. Note no. 40 of statement of audited financial results stating that the Company has unfavorable market conditions for steel industry, which has resulted in pressure on the realization of receivables, stock and selling prices.

III. Note no. 41 of statement of audited financial results stating that the company has submitted its proposal to the consortium banks towards settlement of its borrowing through the Assets Reconstruction Company (ARC) route. This proposal is under active consideration by the consortium banks. Meanwhile the bankers have taken symbolic possession of the collaterals of the company comprising of factory land, factory building, office building and plant and machinery located at Silvassa.

IV. Some of the balances of Trade Receivables, Deposits, Loans & Advances, Advances received from customers, Liability for expenses and Trade Payables are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any.

V. Note no. 37 of statement of audited financial results stating that the Company has reversed the income tax provisions for the earlier years, as according to management same is no longer payable.

Our conclusion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate report in "**Annexure B**".
   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended) in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at March 31,2018 on its financial position in its financial statements; (Refer Note:29)

      ii. The Company does not have any long term contract including derivative contracts. Hence the question of material foreseeable losses does not arise.

      iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the company.

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Registration Number: 101048W

sd/-
CA. Raman Hangekar
Partner
Membership Number: 030615

Place : Mumbai
Date : 28th May, 2018

The Annexure A referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018 we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) As explained to us, the fixed assets have been physically verified by management at reasonable intervals under a phased programme of verification but the relevant documents have not been made available to us for verification. In accordance with this program, we have been informed by the management that a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification should be increased with regard to the size of company and nature of its assets.

(c) The title deeds of the immovable properties as disclosed in schedule of fixed assets to the financial statements are held in the name of the Company.

(ii) The physical verification of inventory has been conducted at reasonable intervals by the management at the year end. In our opinion, the frequency of verification should be increased. No material discrepancies have been noticed on such verification.

(iii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraph 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under Section 185 of the Act. The Company has made no investments which are covered under provision of Section 186 of the Act. Hence the clause is not applicable.

(v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and Rules framed there under to extent notified.

(vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for maintenance of cost records prescribed under sub-section 1 of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employee state insurance, income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable, with the appropriate authorities.

According to the information and explanations given to us and the records of the company examined by us, no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, and the records of the company examined by us, the dues in respect of sales tax, income-tax, duty of customs, service tax, GST, entry tax, value added tax, central sales tax, duty of excise, which have not been deposited with the appropriate authority on account of any disputes are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Financial Year to which amount relates	Amount (Rs.)	Forum where dispute is pending
1	Bombay Sales Tax Act	Sales Tax	1994-95	79,202/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
2	Bombay Sales Tax Act	Sales Tax	1995-96	59,317/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
3	Central Sales Tax Act, 1958	Central Sales Tax	1995-96	2,85,360/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
4	Central Excise Act,1944	Cenvat Credit & Penalty	April 2007 to August 2009	17,23,624/-	Customs Excise & Service Tax Appellate Tribunal, Ahmedabad
5	Central Excise Act, 1944	Excise Duty Rebate	2010-2011	5,51,080/-	Joint Secretary, Ministry of Finance

(viii) According to the records of the company examined by us and the information and explanation given to us, the company has defaulted in repayment of loans or borrowings to various banks during the financial year 2017-2018 and in previous years. The impact of the same on the loss for the current year and its consequent effect on the Liabilities and Reserve & Surplus is not ascertainable.

(ix) The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) nor has obtained any term loans during the year, hence paragraph 3 (ix) of the order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required under Ind AS and Companies Act, 2013.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi) of the order are not applicable to the Company.

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Registration Number: 101048W

sd/-
CA. Raman Hangekar
Partner
Membership Number: 030615

Place : Mumbai
Date : 28th May, 2018

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Prakash Steelage Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information & according to the explanations give to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Registration Number: 101048W

sd/-
CA. Raman Hangekar
Partner
Membership Number: 030615

Place : Mumbai
Date : 28th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Notes	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
ASSETS				
Non-Current Assets				
a) Property, Plant and Equipment	3	**16,30,17,175**	13,68,10,864	18,57,10,818
b) Capital Work In Progress			5,61,93,833	4,57,90,761
c) Intangible Assets	4	**-**	-	80,27,847
		16,30,17,175	19,30,04,697	23,95,29,426
d) Financial Assets	5			
i) Investments		**3,24,70,000**	3,24,70,000	3,24,70,000
ii) Other Financial Assets		**16,46,547**	9,31,108	-
e) Non-Current Tax Assets (Net)	6	**1,93,73,495**	-	-
f) Other Non-current assets	7	**2,88,325**	3,52,203	54,34,781
		21,67,95,542	22,67,58,008	27,74,34,207
Current Assets				
a) Inventories	8	**7,85,18,449**	18,91,87,787	46,03,77,154
b) Financial Assets	9			
i) Investments		**-**	-	10,00,000
ii) Trade receivable		**23,48,85,185**	1,36,52,29,619	2,98,64,10,939
iii) Cash and Cash equivalents		**21,42,049**	232,484	19,60,058
iv) Bank Balances other than (iii) above		**27,04,667**	2,18,64,320	3,97,61,136
v) Loans		**4,32,000**	4,00,771	5,56,863
vi) Other Financial assets		**14,50,852**	22,76,600	24,75,603
c) Other current assets	10	**11,85,34,998**	1,49,66,88,640	1,18,56,89,514
		43,86,68,200	3,07,58,80,221	4,67,82,31,267
Total Assets		**65,54,63,754**	3,30,26,38,229	4,95,56,65,474
Equity And Liabilities				
Shareholders' Funds				
a) Equity Share Capital	11	**17,50,00,390**	17,50,00,390	17,50,00,390
b) Other Equity	12	**(2,99,27,57,300)**	(58,39,11,030)	93,00,62,997
		(2,81,77,56,910)	(40,89,10,640)	1,10,50,63,387
LIABILITIES :				
Non-Current Liabilities				
a) Financial Liabilities	13			
i) Borrowings		**-**	-	11,39,559
b) Deferred Tax Liabilities (Net)	14	**6,82,56,380**	6,55,83,958	6,46,63,950
c) Provision	15	**39,86,446**	35,67,599	45,39,957
d) Other Non Current Liabilities		**-**	-	-
		7,22,42,826	6,91,51,557	7,03,43,466
Current Liabilities				
a) Financial Liabilities	16			
i) Borrowings		**2,42,94,68,214**	2,47,24,39,900	2,02,91,84,458
ii) Trade Payable		**93,86,20,336**	1,06,60,91,512	1,57,44,80,280
iii) Other financial Liabilities		**95,375**	3,81,687	24,12,488
b) Other Current Liablities	17	**3,13,70,932**	4,44,31,223	11,20,81,183
c) Provisions	18	**14,22,980**	4,74,838	3,73,927
d) Current Tax Liabilities (Net)	19	-	5,85,78,151	6,17,26,285
		3,40,09,77,837	3,64,23,97,311	3,78,02,58,621
Total Equity and Liabilities		**65,54,63,754**	3,30,26,38,229	4,95,56,65,474
General Information	1			
Significant accounting policies	2			

The Notes are an integral part of these financial statements

AS PER OUR REPORT OF EVEN DATE
FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Sd/-
R. D. HANGEKAR
PARTNER
Membership No. 030615

PLACE : **MUMBAI**
DATE : **28TH MAY, 2018**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR
DIN : 00286366

Sd/-
ASHOK M. SETH
EXECUTIVE DIRECTOR &
CHIEF FINANCIAL OFFICER
DIN : 00309706

Sd/-
SHIKHA A. MISHRA
COMPANY SECRETARY &
COMPLIANCE OFFICER M. No.: 53469

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Notes	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Revenue :			
Revenue From Operations	20	**46,63,34,718**	14,791,00,711
Other Income	21	**2,66,82,618**	18,58,12,872
Total Revenue		**49,30,17,336**	1,66,49,13,583
Expenses :			
Cost of Materials consumed	22	**23,03,70,580**	27,67,06,573
Purchase of Stock in trade	23	**6,41,88,995**	1,27,80,14,290
Changes in inventories	24	**7,88,28,919**	24,00,73,976
Excise Duty	25	**98,99,676**	2,77,30,949
Employee benefits	26	**2,41,41,984**	3,32,28,964
Finance costs	27	**5,23,212**	11,05,55,883
Depreciation and amortisation expense	3	**2,83,19,089**	3,32,28,478
Other expenses	28	**4,77,26,975**	8,24,19,944
Total Expenses		**48,39,99,430**	2,08,19,59,057
Profit Before Exceptional Items and Tax		**90,17,906**	(41,70,45,474)
Exceptional Item	36	**(2,49,16,88,151)**	(1,09,75,59,861)
Profit Before Tax		**(2,48,26,70,245)**	(1,51,46,05,335)
Tax Expenses			
Income Tax relating to earlier years		**(7,77,09,287)**	30,060
Deferred Tax Charge /(Credit)		**26,72,422**	9,20,008
		(7,50,36,865)	9,50,068
PROFIT AFTER TAX		**(2,40,76,33,379)**	(1,51,55,55,403)
Weighted average number of equity shares outstanding during the year		**17,50,00,390**	17,50,00,390
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	**(12,12,890)**	15,81,377	
Remeasurement of Defined Benefit Plan (net of tax)		-	-
Total Other Comprehensive Income		**(12,12,890)**	15,81,377
Total Comprehensive Income for the year		**(2,40,88,46,269)**	(1,51,39,74,026)
Basic and diluted Earning / (loss) per share (Nominal vlaue Re. 1 per share)	35	**(13.76)**	(8.66)

The Notes are an integral part of these financial statements

AS PER OUR REPORT OF EVEN DATE
FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Sd/-
R. D. HANGEKAR
PARTNER
Membership No. 030615

PLACE : **MUMBAI**
DATE : **28TH MAY, 2018**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR
DIN : 00286366

Sd/-
ASHOK M. SETH
EXECUTIVE DIRECTOR &
CHIEF FINANCIAL OFFICER
DIN : 00309706

Sd/-
SHIKHA A. MISHRA
COMPANY SECRETARY &
COMPLIANCE OFFICER M. No.: 53469

STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH, 2018

(A) EQUITY SHARE CAPITAL

Balance as at 1st April 2016	17,50,00,390
Changes in equity share capital	-
Balance as at 31st March, 2017	17,50,00,390
Changes in equity share capital	-
Balance as at 31st March, 2018	**17,50,00,390**

(B) OTHER EQUITY

Particulars	Reserves and Surplus			Total Rs.
	Retained Earnings Rs.	General Reserve Rs.	Share Premium Rs.	
Balance as at 1st April, 2016 (a)	(6,68,39,212)	32,53,12,948	67,15,89,261	**93,00,62,997**
Profit for the year (b)	(1,51,55,55,403)	-	-	(1,51,55,55,403)
Other comprehensive income (c)	15,81,377	-	-	15,81,377
Total Comprehensive Income for the year (d) = (b) + (c)	**(1,51,39,74,026)**	**-**	**-**	**(1,51,39,74,026)**
Balance as at 31st March 2017 (e) = (a) + (d)	**(1,58,08,13,238)**	**32,53,12,948**	**67,15,89,261**	**(58,39,11,030)**
Profit for the year (f)	(2,40,76,33,379)	-	-	(2,40,76,33,379)
Other comprehensive income (g)	(12,12,,890)	-	-	(12,12,890)
Total Comprehensive Income for the year (h) = (f) + (g)	(2,40,88,46,269)	-	-	(2,40,88,46,269)
Balance as ast 31st March 2018 (i) = (e) + (h)	**(3,98,96,59,507)**	**32,53,12,948**	**67,15,89,261**	**(2,99,27,57,300)**

The Notes are an integral part of these financial statements

AS PER OUR REPORT OF EVEN DATE
FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Sd/-
R. D. HANGEKAR
PARTNER
Membership No. 030615

PLACE : **MUMBAI**
DATE : **28TH MAY, 2018**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR
DIN : 00286366

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DIN : 00309706

Sd/-
SHIKHA A. MISHRA
COMPANY SECRETARY &
COMPLIANCE OFFICER M. No.: 53469

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	Particulars	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / Loss before Taxation	**(2,48,26,70,245)**	(1,51,46,05,335)
	Adjustment for:		
	Depreciation, Amortisation	**2,83,19,089**	3,32,28,478
	(Profit) / Loss on sale of Fixed Assets (net)	**2,87,935**	17,02,878
	Finance Cost	**5,23,212**	11,05,55,883
	Interest Income	**(41,23,002)**	(15,71,15,398)
	Profit on sale of Industrial Park	**(93,13,359)**	(2,26,51,087)
	Sundry Balances Written back / off (Net)	**38,47,768**	81,86,426
	Excess Provision write back	**(60,13,721)**	(8,53,795)
	Unrealised foreign exchange fluctuation	**(76,529)**	(18,34,593)
	Other Non-Cash Incomes	**(74,39,751)**	(2,88,03,813)
		60,11,642	(5,75,85,021)
	Operating Profit/(Loss) Before Working Capital Changes	**(2,47,66,58,603)**	(1,57,21,90,356)
	Changes in Working Capital :		
	(Increase) / Decrease in trade payable	**(12,14,57,455)**	(50,75,34,973)
	(Increase) / Decrease in other financial liabilites	**(2,86,312)**	(20,30,801)
	(Increase) / Decrease in provisions	**(2,64,748)**	16,82,288
	(Increase) / Decrease in other current liaibilities	**(1,30,60,291)**	(6,76,49,960)
	(Increase) / Decrease in other non-current liaibilites	**4,18,847**	(9,72,358)
	(Increase) / Decrease in trade receivables	**1,12,64,96,666**	1,61,29,94,894
	(Increase) / Decrease in inventories	**11,06,69,338**	27,11,89,367
	(Increase) / Decrease in current financial assets	**7,94,519**	3,55,095
	(Increase) / Decrease in other current assets	**1,37,81,53,642**	(31,09,99,126)
	(Increase) / Decrease in non current financial assets	**68,64,706**	3,47,89,876
		2,48,83,28,912	1,03,18,24,302
	Cash generated from Operations	**1,16,70,309**	(54,03,66,054)
	Direct Taxes paid / (Refund)	**2,42,359**	31,78,194
	Net Cash Inflow / (outflow) from Operating Activities **(A)**	**1,14,27,951**	(54,35,44,248)
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	**(3,32,427)**	(15,04,36,504)
	Proceeds from sales of Fixed Assets	**1,10,26,284**	18,46,80,966
	Proceeds from sale of Mutual Fund	**-**	10,00,000
	(Increase) / Decrease in other bank balance (net)	**1,91,59,653**	1,78,96,816
	Interest receved	**41,23,002**	15,71,15,398
	Net Cash inflow / (outflow) from Investing Activities (B)	**3,39,76,512**	21,02,56,676
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds / (Repayment) of short Term Loans from Bank (net)	**(4,29,71,686)**	44,21,15,883
	Interest paid	**(5,23,212)**	(11,05,55,883)
	Net Cash inflow / (outflow) from Financing Activities (C)	**(4,34,94,898)**	33,15,60,000
	(A + B +C)	**19,09,565**	(17,27,572)
	Net Increase / (Decrease) in Cash and Cash equivalents	**19,09,565**	(17,27,572)
	Cash and Cash equivalents at the beginning of the year	**2,32,484**	19,60,058
	Cash and Cash equivalents at the end of the year (Refer Note No. 9 (iv))	**21,42,049**	2,32,484

The Notes are an integral part of these financial statements

AS PER OUR REPORT OF EVEN DATE
FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Sd/-
R. D. HANGEKAR
PARTNER
Membership No. 030615

PLACE : **MUMBAI**
DATE : **28TH MAY, 2018**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR
DIN : 00286366

Sd/-
ASHOK M. SETH
EXECUTIVE DIRECTOR &
CHIEF FINANCIAL OFFICER
DIN : 00309706

Sd/-
SHIKHA A. MISHRA
COMPANY SECRETARY &
COMPLIANCE OFFICER M. No.: 53469

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

1 GENERAL INFORMATION

Prakash Steelage Limited is one of the leading manufacturer as well as exporter of stainless steel, welded pipes and tubes in the Indian steel industry accredited with ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007, PED certification. The company is listed on Bombay Stock Exchange and National Stock Exchange.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The address of its registered office is 101,1st Floor, Shatrunjay Apartment, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Statement of Compliance :

These financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as amended by the Companies (Indian Accounting Standards) Rules, 2016, The Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Companies Act, 2013.

Up to the year ended 31 March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2017. Refer note 2.21 for the details of the first time adoption exemptions availed by the Company.

2.02 Basis of Preparation and Presentation :

The Financial Statements have been prepared on the historical cost basis except for defined benefit plans which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

The financial statements were approved for issue by the Board of Directors on 28th May, 2018.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current-non current classification of assets and liabilities.

2.03 Revenue Recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue is inclusive of Excise Duty (up to the applicable date), reduced for customer discounts, rebates granted, other similar allowances, sales taxes (up to the applicable date), Goods and Services Tax (GST) and duties collected on behalf of third parties.

a) Revenue from sale of goods is recognised when the following conditions are satisfied.

i) The Company has transferred the significant risks and rewards of ownership of the goods to the buyer which generally coincides when the goods are despatched in accordance with the terms of sale;

ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) The amount of revenue can be measured reliably;

iv) It is probable that the economic benefits associated with the transaction will flow to the Company;

v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

b) Export Incentive/ benefit have been recognised at the time of making the export sales and the same is valued on estimated monetary benefits receivable there of. It is certain to receive the same.

c) Job work income is recognized, net of Goods and Service tax (GST), when related services are provided.

2.04 Other Income :

a) Interest income is recognised on accrual basis.

2.05 Purchases :

Purchase including import purchases are recognized net of refundable duties and taxes at the time of receipt of goods. Refundable duties and taxes on purchase of raw materials, other eligible inputs and capital goods are adjusted duties and taxes payable. The unadjusted credits of such duties and taxes are shown under the head other current / non-current assets.

2.06 Property, Plant and Equipment :

Property, plant and equipment is stated at acquisition cost inclusive of expenses directly attributable to acquistion of such assets net of accumulated depreciation, refundable duties and taxes and accumulated impairment losses, if any. **Subsequent costs** are included in the asset's carrying amount or recognised as asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or Losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013. Depreciation on fixed assets is provided on Written Down Value (WDV) method except fot fixed assets pertaining to umbergaon unit where the depreciation is charged on SLM basis. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end and adjusted prospectively.

Capital Work in Progress/ intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs

Transition to Ind AS :

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2017 measured as per IGAAP as the deemed cost of the property, plant and equipment.

2.07 Intangible Assets :

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Transition to Ind AS :

On transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as at 1st April, 2017 measured as per IGAAP as the deemed cost of intangible assets.

2.08 Impairment of assets :

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

2.09 Financial instruments :

1. Initial recognition and measurement

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. Financial assets:

Classification and subsequent measurement of financial assets:

a) Classification of financial assets :

(i) The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

(ii) The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(iii) For investments in debt instruments, this will depend on the business model in which the investment is held.

(iv) The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Subsequent Measurement

(i) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(1) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(2) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

(3) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are subsequently measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(ii) Equity instruments:

The Company subsequently measures all equity investments at fair value. There are two measurement categories into which the Company classifies its equity instruments:

Investments in equity instruments at FVTPL:

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses

arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

c) Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset. For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

d) Derecognition of financial assets:

A financial asset is primarily derecognised when:

1. The right to receive cash flows from the asset has expired, or
2. The Company has transferred its rights to receive cash flows from the asset; and

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety (other than investments in equity instruments at FVOCI), the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

3. Financial liabilities and equity instruments

Classification as debt or equity.

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments :

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities :

Classification and subsequent measurement

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost. All changes in fair value of financial liabilities classified as FVTPL are recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the Effective Interest Rate method.

Derecognition :

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in profit and loss when the liabilities are derecognized.

Offsetting of financial instruments :

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.10 Inventories:

i) Raw materials have been valued at lower of cost or net realisable value based upon FIFO method except where the material is specifically identifiable.

ii) Work in Progress has been valued on Cost of Raw-material and other direct costs depending upon the stage of completion in general.

iii) Finished goods and trading stocks have been valued at lower of costs or net realisable value based upon FIFO method except where the finished goods are specifically identifiable.

iv) Scraps, defectives and inferior production have been valued at net realisable value.

v) Stores, spares and consumables have been valued at lower of cost or net realisable value.

Cost/Rate considered above for valuation of inventory is exclusive of Cenvat, refundable CVD and VAT/GST component and inclusive of other direct cost incurred for acquiring the respective material.

2.11 Foreign currencies:

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment (INR) in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

Monetary items denominated in foreign currencies at the year end are restated at year end rates.

Non monetary foreign currency items are carried at cost.

Exchange differences, other than those which are regarded as an adjustment to interest cost, arising on repayment of liabilities and conversion of year-end foreign currency balances pertaining to long term loans for acquiring depreciable assets including capital work in progress are adjusted in the carrying cost of these assets.

2.12 Employee Benefits :

Retirement benefit costs and termination benefits:

Defined Contribution Plans

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.Contributions to Provident Fund and Employees State Insurance Corporation, which are defined contribution plans, are made as required by the statute and expensed in the Statement of profit and loss.

Defined Benefit Plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement comprising actuarial gains and losses and the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employee upto the reporting date.

2.13 Finance Costs :

(a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

(b) All other borrowing costs are recognised as expense in the period in which they are incurred.

2.14 Taxation:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year.

Deferred tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets including Minimum Alternate Tax (MAT) are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current Tax Assets and Current Tax Liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred Tax Assets and Deferred Tax Liability are offset when they relate to the same governing taxation laws.

Current and Deferred tax is recognised in Statement of Profit and Loss, except when it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.15 Provisions, Contingent Liabilities and Contingent Assets:

Provisions : Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured using the cash flows estimated to settle the present obligation at the Balance sheet date.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets : Contingent assets are disclosed, where an inflow of economic benefits is probable

2.16 Cash and cash equivalents:

Cash and Cash equivalents include cash, cheques on hand, cash at bank and short term deposits with banks having original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.17 Statement of Cash Flows:

Cash flows are reported using the indirect method whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are seggregated based on the available information.

2.18 Dividend to equity shareholders:

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

2.19 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.20 Critical accounting judgements and key sources of estimation uncertainty:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes judgements, estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to significant accounting estimates include useful lives and impairment of property, plant and equipment, allowance for doubtful debts/advances,

deferred tax assets, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, allowances for inventories, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

(i) Useful lives and Impairment of property, plant and equipment :

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

(ii) Allowance for doubtful debts/advances :

When determining the lifetime expected credit losses for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. Refer Note 9 (ii).

(iii) Deferred tax assets :

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

(iv) Employee Benefit Obligations :

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(v) Allowance for Inventories :

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / non-moving inventory items.

2.21 First time adoption of Ind AS:

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2016 (transition date) by recognising all assets and liabilities whose recognistion is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The optional exemption and mandatory exceptions availed by the Company under Ind AS 101 are as follows:

A. Optional Exemption:

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value determined in accordance with Previous GAAP for all of its property, plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) and use that carrying value as deemed cost of such assets as of transition date.

B. Mandatory Exceptions :

Use of Estimates:

(i) On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that are required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(i) Reconciliation of Equity :

Particulars	Notes	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Equity as per Previous GAAP Adjustment of Ind As	(a)	**17,50,00,390**	**17,50,00,390**
Equity as per Ind AS		**17,50,00,390**	**17,50,00,390**

(ii) Reconciliation of Total Comprehensive Income :

Particulars	Notes	As at 31-03-2017 Rs.
Profit / (Loss) as per Previous GAAP		**(1,51,39,76,228)**
Actuarial (gain) / loss on employee defined benefit plans recognised in Other Comprehensive Income (net of taxes)	(a)	(15,81,377)
Net profit / (Loss) after tax as per Ind AS		**(1,51,55,57,605)**
Other Comprehensive Income (Net of taxes)	(b)	15,81,377
Total Comprehensive income as per Ind AS		**(1,51,39,76,228)**

(iii) Notes to the reconciliation to previous GAAP :

(a) Company has evaluated the impact of all the applicable Ind AS and noted that there is no material impact of the provision of Ind AS on the Financial statement line item of Prakash Steelage Limited as on March 31, 2017.

(b) Under previous GAAP, actuarial gains and losses on employees defined benefit obligations were recognised as part of Employee benefits in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in Other Comprehensive Income.

(iv) Other material reclassification adjustments made in the Balance sheet and Statement of Profit and Loss

(a) Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under Ind AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

(b) Under previous GAAP, the Company had created provision for doubtful debts on trade receivables on the basis of incurred loss. Under Ind AS, loss allowance on trade receivables has been determined on the basis of "Expected Credit Loss" model as per Ind AS 109.

(v) Reconciliation of cash flows for the year ended 31st March 2017

The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

Note 3 PROPERTY, PLANT AND EQUIPMENT

	Factory Land	Buildings incl. (office Buildings)	Plant and Machinery	Furniture and Fittings	Office Equipments	Computers	Motor Vehicles	Total
Deemed Cost :								
As at 01-04-2016 (Refer Note 1)	1,38,38,103	1,49,31,023	30,05,80,864	75,90,132	65,62,391	79,31,289	3,00,19,652	38,14,53,454
Additions	1,08,706	-	13,91,00,357	1,13,043	1,44,618	1,15,074	4,51,634	14,00,33,432
Deductions	80,23,928	-	16,70,89,592	-	-	-	46,37,288	17,97,50,808
As at 31-03-2017	**59,22,881**	**1,49,31,023**	**27,25,91,629**	**77,03,175**	**67,07,009**	**80,46,363**	**2,58,33,998**	**34,17,36,078**
Additions	-	-	5,61,93,833	6,900	2,25,700	99,827	-	5,65,26,260
Deduction	9,43,488	-	46,95,575	-	-	4,227	88,37,628	1,44,80,918
As at 31-03-2018	**49,79,393**	**1,49,31,023**	**32,40,89,887**	**77,10,075**	**69,32,709**	**81,41,963**	**1,69,96,370**	**38,37,81,420**
Accumulated depreciation :								
As at 01-04-2016 (Refer Note 1)	-	71,33,233	14,65,82,193	33,24,674	56,58,357	73,92,596	2,56,51,583	19,57,42,636
Depreciation charge for the year	-	3,92,344	2,52,13,490	10,90,710	3,76,286	1,95,750	19,45,973	2,92,14,553
Deductions	-	-	1,66,80,776	-	-	212	33,50,987	2,00,31,975
As at 31-03-2017	**-**	**75,25,577**	**15,51,14,907**	**44,15,384**	**60,34,643**	**75,88,134**	**2,42,46,569**	**20,49,25,214**
Depreciation charge for the year	-	3,24,333	2,68,14,953	5,74,538	2,70,667	1,08,762	2,25,836	2,83,19,089
Deductions	-	-	42,03,424	-	-	-	82,76,634	1,24,80,058
As at 31-03-2018	**-**	**78,49,910**	**17,77,26,436**	**49,89,922**	**63,05,310**	**76,96,896**	**1,61,95,771**	**22,07,64,245**
As at 01-04-2016	1,38,38,103	77,97,790	15,39,98,671	42,65,458	9,04,034	5,38,693	43,68,069	18,57,10,818
As at 31-03-2017	59,22,881	74,05,446	11,74,76,722	32,87,791	6,72,366	4.58,229	15,87,429	13,68,10,864
As at 31-03-2018	**49,79,393**	**70,81,113**	**14,63,63,451**	**27,20,153**	**6,27,399**	**4,45,067**	**8,00,599**	**16,30,17,175**

Notes :

(1) The company has elected to measure all its Property, Plant and Equipment at previous GAAP carrying amount as at 31st March, 2016 as its deemed cost for Gross Block on the date of transition to Ind AS i.e. 1st April, 2016.

4 INTANGIBLE ASSETS

	Computer Software Rs.
Demant Cost :	
As at 01-04-2016 (Refer Note 1)	2,02,44,528
Additions	-
Deductions	2,00,69,617
As at 31-03-2017	**1,74,911**
Additions	
Deductions	-
As at 31-03-2018	**1,74,911**
Accumulated depreciation :	
As at 01-04-2016 (Refer Note 1)	1,22,16,681
Depreciation charge for the year	40,13,923
Deductions	1,60,55,693
As at 31-03-2017	**1,74,911**
Depreciation charge for the year	
Deductions	-
As at 31-03-2018	**1,74,911**
Net Book value	
As at 01-04-2016	80,27,847
As at 31-03-2017	-
As at 31-03-2018	**-**

Notes :

1. The Company has elected to measure all its Intangible Assets at previous GAAP carrying amount as at 31st March, 2016 as its deemed cost for Gross Block on the date of transition to Ind AS i.e. 1st April 2016.

NON-CURRENT ASSETS :

5 Financial Assets

i) Investments

	Nominal Value (in Rs.)	Quantity	As at 1st April 2018 Rs.	Quantity	As at 31-03-2017 Rs.	Quantity	As at 01-04-2016 Rs.
Non-Currrent							
Unquoated equity instruments							
In Equity Shares of Associated Company (All Fully paid up)							
Tubaxes Prakash India Private Limited	10	32,47,000	**3,24,70,000**	32,47,000	3,24,70,000	32,47,000	3,24,70,000
Total Aggregate Unquoted Investment			**3,24,70,000**		3,24,70,000		3,24,70,000
Total non-current investments			**3,24,70,000**		3,24,70,000		3,24,70,000

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
ii) Other Financial Assets			
Unsecured considered good			
Secured Deposits	**16,46,547**	9,31,108	-
	16,46,547	9,31,108	**-**

6 Non-Current Tax Assets (Net)

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Advance payments of tax (Net of provision)	**1,93,73,495**	-	-
	1,93,73,495	**-**	**-**

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
7 Other non-current assets			
Balance with Statutory / Government Authorities	**2,88,325**	3,52,203	9,55,757
Prepaid Expenses	**-**	-	44,79,024
	2,88,325	3,52,203	54,34,781
CURRENT ASSETS :			
8 Inventories			
Raw Materials and Components	**2,85,65,150**	6,06,40,987	9,21,02,974
Work-in-Progress	**1,64,60,776**	4,50,19,857	5,06,75,719
Finished Goods	**1,38,04,991**	2,03,78,789	2,26,92,311
Stock in Trade	**1,78,27,543**	6,15,23,583	29,36,28,175
Stores, Spare Parts and Fuel	**18,59,989**	16,24,571	12,77,975
	7,85,18,449	18,91,87,787	46,03,77,154
Notes : The mode of valuation of inventories has been stated in note 2.10 on Accounting policy for inventories.			

9. Financial Assets

i) investments

	Number of Units	As at 1st April 2018 Rs.	Number of Units	As at 31-03-2017 Rs.	Number of Units	As at 1st April 2016 Rs.
Currrent						
Unquotated Mutual Funds	-	-	-	-	-	-
Investments carried at fair value through profit and loss (FVTPL)	-	-	-	-	-	-
Union KBC Capital Protection Oriented Fund Series 5 Regular Plan Growth	-	-	-	-	1,00,000	10,00,000
Total aggregate unquoted investments		**-**		**-**		**10,00,000**
Aggregate market vale of unquoted investments		**-**		**-**		**12,52,300**

ii) Trade receivables

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Unsecured			
considered good	**23,48,85,185**	1,36,52,29,619	2,98,64,10,939
considered doubtful	**2,78,24,03,257**	1,57,83,33,003	24,88,73,817
	3,01,72,88,442	2,94,35,62,622	3,23,52,84,756
Less : Allowance for doubtful debts	**(2,78,24,03,257)**	(1,57,83,33,003)	(24,88,73,817)
	23,48,85,185	1,36,52,29,619	2,98,64,10,939
	23,48,85,185	1,36,52,29,619	2,98,64,10,939

iii) Cash and Cash equivalents

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Bank Balances			
In current Accounts	**20,30,802**	78,334	6,21,060
Cash On hand	**1,11,247**	1,54,150	13,38,998
	21,42,049	2,32,484	19,60,058

iv) Bank Balances other than (iii) above

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Earmarked balances with Bank			
In current Accounts (refer footnote)	**94,737**	95,563	95,563
Margin Money Deposit (Maturity period is less than 12 months)	**26,09,930**	2,17,68,757	3,96,65,573
	27,04,667	2,18,64,320	3,97,61,136
	48,46,716	2,20,96,804	4,17,21,194

Footnote :
Balances in current accounts are earmarked towards unclaimed dividend.

v) Loans

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Unsecured, considered good			
Employee Loans	**4,32,000**	4,00,771	5,56,863
	4,32,000	4,00,771	5,56,863

vi) Other Financial assets

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Unsecured, considered good			
Interest accrued on Deposits	**39,095**	6,19,525	10,07,258
Deposit	**14,11,757**	16,57,075	14,68,345
	14,50,852	22,76,600	24,75,603

10 Other current assets

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Advance to Vendors	**1,38,01,94,439**	1,46,87,05,806	94,21,40,336
Less: Provision for Doubtful Advances (Refer Note 36)	**(1,28,16,04,176)**	-	-
	9,85,90,263	1,46,87,05,806	94,21,40,336
-Other	**50,19,516**	58,17,075	20,49,76,118
Balances with Statutory / Government Authorities	**1,42,52,775**	1,77,00,931	1,95,90,153
Prepaid Expenses	**2,70,957**	6,03,579	22,90,668
Export Incentive	**4,01,487**	38,61,249	1,30,92,239
Collateral / Margin Money	**-**	-	36,00,000
	11,85,34,998	1,49,66,88,640	1,18,56,89,514

11 Equity Share Capital

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Authorised			
20,00,00,000 (Previous Year 20,00,00,000) Equity Shares of Re. 1 fully paid up	**20,00,00,000**	20,00,00,000	20,00,00,000
	20,00,00,000	20,00,00,000	20,00,00,000
Issued and Subscribed and fully paid up shares			
17,50,00,390 (Previous Year 17,50,00,390) Equity Shares of Re. 1 fully paid up	**17,50,00,390**	17,50,00,390	17,50,00,390
	17,50,00,390	17,50,00,390	17,50,00,390

Details of shares held by shareholders holding more than 5% of the aggregate shares in the company.

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	No. of Share (% of holding)	No. of Share (% of holding)	No. of Share (% of holding)
1. Prakash C. Kanugo	**3,53,35,000** **20.19%**	3,53,35,000 20.19%	3,78,35,000 21.62%
2. AMS Trading and Investment Private Limited	**7,13,333** **0.41%**	7,13,333 0.41%	2,87,60,000 16.43%
3. Seth Iron and Steel Private Limited	**1,25,00,000** **7.14%**	1,25,00,000 7.14%	1,49,00,000 8.51%
4. Balmiki Agencies Private Limited	**0** **0.00**	0 0.00	97,06,490 5.55%

Rights and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The Equity shares of the Company has been sub-divided from face value of Rs. 10 each to Face value of Re. 1 each w.e.f. 04th March 2016, the record date pursuant to the shareholders approval through postal ballot date 12th February, 2016.

12 Other Equity

	Note	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Share Premium	A	**67,15,89,261**	67,15,89,261	67,15,89,261
General Reserve	B	**32,53,12,948**	32,53,12,948	32,53,12,948
Retained Earnings	C	**(3,98,96,59,609)**	(1,58,08,13,239)	(6,68,39,212)
		(2,99,27,57,300)	(58,39,11,030)	93,00,62,997

Notes :

Nature and Purpose of Reserve

Created on the issue of shares at premium. It shall be utilized as per the provisions of the Companies Act 2013.

General Reserve is created out of the profits earned/Losses incurred by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividends and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified to statement of profit and Loss.

Non Current Liabilities

13 Financial Liabilities

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Borrowings			
Secured			
Vehicle Loans from Banks (Refer Note 13A below)	**-**	-	11,39,559
	-	-	11,39,559

13A-Vehicles loans from Banks (secured) carried interest in the range of 10%p.a to 12%p.a (previous year 10%p.a to 12%p.a).All the loans are repayable in 34-55 monthly installments from the date of disbursement. These loans are secured against hypothecation of respective Vehicles and post dated cheques for Principal & Interest payable thereon. However the same is been fully repaid in the year ending March 2017.

14 Deferrred Tax Liabilities

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
At the start of the year	**6,55,83,958**	6,46,63,950	-
Change/Credit to Statement of Profit Loss	**26,72,422**	9,20,008	-
At the end of the year			6,46,63,950
	6,82,56,380	6,55,83,958	6,46,63,950

15 Provisions

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Employee Benefits			
Provision for Gratuity	**35,60,155**	29,27,081	34,62,395
Provision for Leave Encashment	**4,26,291**	6,40,518	10,77,562
	39,86,446	35,67,599	45,39,957

CURRENT LIABILITIES :

16 Financial Liaiblities

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
1) **Borrowings**			
Secured :			
Cash Credit from Banks (Refer Note 16A Below)	**2,17,85,09,145**	2,19,97,67,172	1,73,59,36,468
Total	**2,17,85,09,145**	2,19,97,67,172	1,73,59,36,468
Unsecured :			
Term Loan from Directors (Refer Note 16B below)	**25,09,59,069**	27,26,72,728	26,92,47,990
Short Term Loans from Banks -			
Bill Discounting (Refer Note 16C below)	**-**	-	2,40,00,000
Total	**25,09,59,069**	27,26,72,728	29,32,47,990
Total	**2,42,94,68,214**	2,47,24,39,900	2,02,91,84,458

16 B Indian rupee loan from Promoter Director (Unsecured) taken from properitory concern of a Promoter Director, carries interest @ 9.00 % (upto September 2016, after that interest free). Loan of Rs 250,000,000/- and also additional loan of Rs 85,000,000/- from the aid of proprietory concern of a Promoter Director as interest free loan, repayable on demand. The loan has been introduced as per the sanction terms & condition of consortium arrangement led by Vijaya Bank and shall remain in the business during the tenure of the Loan from consortium banks.

16C Bill discounting from NBFC (Unsecured) was availed from finance companies and tenor of loan is 90-120 days and the rate of interest is 13.75% to 16.75% p.a, However during the financial year ending March 2017, all the bill discounting facilities is being paid off.

ii) Trade Payables

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Due to Micro Enterprises and Small Enterprises (see notes (a) and (b) below)	**10,42,013**	7,56,026	5,96,771
Due to creditors other than Micro Enterprises and Small Enterprises	**93,75,78,323**	1,06,53,35,486	1,57,38,83,509
	93,86,20,336	1,06,60,91,512	1,57,44,80,280
a) Disclosure under the Micro. Small and Medium Enterprises Development Act. 2006 There are no Micro and Small Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. **b)** Disclosure in accordance with Section 22 of the MSMED act read with Notification No. GSR 679(E) dated 4th September 2015 issued by the Principal amount remaining unpaid and interest due thereon	-	-	-
Interest paid in terms of Section 16	-	-	-
Interest paid, other than under section 16	-	-	-
Interest due and payable for the period of delay in payment	-	-	-
Interest accrued and remaining unpaid	-	-	-
Further Interest remaining due and payable for earlier years	-	-	-

iii) Other financial liabilities

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Current maturity of long terms debts (Refer Note 13A)	**-**	-	10,81,068
Interest accrued but not due on borrowings	**-**	2,86,125	12,35,858
Unclaimed dividends *	**95,375**	95,562	95,562
	95,375	3,81,687	24,12,488

* As at the year end there is no amount due for payment due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013.

17 other current liabilities

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Other payables			
Advances from Customers	**2,71,44,291**	3,15,47,673	4,27,82,092
Statutory dues	**98,945**	86,49,937	2,99.,18,615
Payable to Capital Vendors	**41,27,696**	42,33,613	3,93,80,476
	3,13,70,932	4,44,31,223	11,20,81,183

18 Provisions :

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Employee benefits:			
Provision for Gratuity	**13,82,694**	3,94,609	3,00,101
Provision for Leave Encashment	**40,286**	80,229	73,826
	14,22,980	4,74,838	3,73,927

19 Current Tax Liabilities (Net)

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Provision for Tax (Net of Advance Tax)	**-**	5,85,78,151	6,17,26,285
	-	5,85,78,151	6,17,26,285

REVENUE FROM OPERATIONS

20 Revenue From Operations

	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Sale of Products		
Finished goods	**34,00,52,490**	32,96,29,314
Traded goods	**10,97,94,139**	1,11,92,95,425
	44,98,46,629	1,44,89,24,739
Other Operating revenue		
Export Incentives	**74,39,751**	2,88,03,813
Job work Income	**90,48,338**	13,72,159
	1,64,88,089	3,01,75,972
	46,63,34,718	1,47,91,00,711

21 Other Income

	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Interest		
Bank Deposits	**8,81,324**	22,65,021
Loans & Advances	**29,66,668**	15,48,19,685
Receiveables	**2,75,010**	30,692
Profit on sale of Land of Industrial Park	**93,13,359**	2,26,51,087
Net gain on foreign currency transaction and translation	**76,529**	18,34,593
Provision no longer required/Credit Balances appropriated	**60,13,721**	8,53,795
Miscellaneous Income	**71,56,067**	33,57,999
	2,66,82,618	18,58,12,872

22 Cost of materials consumed

	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Raw Material and Components Consumed (Including Processing charges and subcontracting charges)	**23,03,70,580**	27,67,06,573
	23,03,70,580	27,67,06,573

23 Purchases of stock in trade

	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Purchase	**6,41,88,995**	1,27,80,14,290
	6,41,88,995	1,27,80,14,290

24 Changes in Inventories

	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Changes in Inventories of Finished goods, Work-in-Progress and Stock in trade		
Stock at the beginning of the year		
Work-in-Progress	**4,50,19,857**	5,06,75,719
Finished Goods	**2,03,78,789**	2,26,92,311
Stock in trade	**6,15,23,583**	29,36,28,175
	12,69,22,229	36,69,96,205
Stock at the end of the year		
Work-in-Progress	**1,64,60,776**	4,50,19,857
Finished Goods	**1,38,04,991**	2,03,78,789
Stock in trade	**1,78,27,543**	6,15,23,583
	4,80,93,310	12,69,22,229
	7,88,28,919	24,00,73,976

25 Excise Duty

	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Excise Duty on Sales	**98,99,676**	2,77,30,949
	98,99,676	2,77,30,949

26 Employee Benefit Expense

	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Salaries and Wages	**2,29,20,298**	2,91,64,419
Workmen and Staff Welfare Expenses	**16,02,834**	13,73,512
Contribution to and provision for Provident and other Funds	**(3,81,148)**	26,91,033
	2,41,41,984	3,32,28,964

27 Finance Costs

	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Interest Expense	**1,53,205**	10,37,53,848
Other Borrowing Costs	**3,70,007**	68,02,035
	5,23,212	11,05,55,883

28 Other expenses

	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Stores and Spare Consumed	**1,05,02,316**	1,20,18,589
Power and Fuel	**26,74,806**	26,31,418
Electricity Expenses	**6,86,008**	13,72,364
Testing, Cutting & Job work Charges	**62,76,402**	53,11,391
Excise Duty on Increase and Decrease of Stock	**(22,64,310)**	(2,57,058)
Repairs to Machinery	**30,47,974**	1,47,40,061
Other Repairs	**3,77,587**	14,94,776
Insurance	**2,69,052**	18,02,465
Rent	**9,05,445**	6,45,853
Rates and Taxes	**12,53,614**	6,70,956
Liquidated Damages / Late Delivery Charges	**4,85,775**	12,26,184
Post and Telecommunication Charges	**8,44,602**	12,76,563
Travelling, Conveyance and Motor Vehicle Expenses	**37,45,719**	58,30,488
Freight and Forwarding Charges	**14,02,252**	28,62,603
Product Advertisement and Publicity	**9,59,612**	19,17,321
Printing and Stationery	**7,63,964**	11,70,173
CSR Expenditure / Donation	**84,450**	15,27,650
Legal & Professional Charges	**64,63,587**	75,59,070
Security Charges	**8,96,248**	11,86,437
Registration and Tender Fees	**55,898**	63,280
Directors' Fees	**1,85,000**	2,35,000
Payment to Auditors (Refer Footnote below)*	**7,00,000**	7,00,000
Packing and Transport Expenses	**31,17,048**	45,41,603
Loss on Fixed Assets sold, discarded and scrapped	**2,87,935**	17,02,878
Bad Debts/Sundry Debit Balances written off	**38,47,768**	81,86,426
Others	**1,58,243**	20,03,455
	4,77,26,975	8,24,19,944
*Footnote		
Payment to Auditors		
As Auditor		
Audit Fee	**7,00,000**	7,00,000

29 Contingent Liabilities :

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Guarantees given by the bankers of the Company	**87,38,947**	2,10,54,954	3,37,47,670
Sales Tax / VAT Demand Disputed in Appeals	**4,23,879**	2,45,18,381	7,39,29,407
Central Sales Tax Liability towards pending declaration forms	**1,16,74,867**	10,08,16,589	73,47,201
Disputed Excise Duty Rebate Claim	**5,51,080**	5,51,080	5,51,080
Disputed Cenvat Credit	**17,23,624**	45,11,524	45,11,524

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
The company's pending litigations comprise of claims against the company and proceedings pending with Statutory and Tax authorities. The company has reviewed all its pending litigations and proceedings and has made adequate provisions, whenever required and disclosed the contigent liabilities wherever applicable, in its financial statements. The company does not expect the outcome of these procedings to have a material impact on its financial position.

30 Value of Imports on C.I.F. basis:

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Raw Materials	**3,85,78,807**	14,41,20,612	51,07,68,840
Capital Goods	**-**	-	4,79,21,625
Stores and Spares	**-**	-	37,90,270

31 Expenditure in Foreign Currency

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Professional Fees	-	-	1,76,938
Travelling Expenses	**3,52,684**	11,07,336	20,93,123
Others	**17,381**	1,84,125	19,63,095

32 Earning in Foreign Exchange :

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Direct Exports on F O B basis	**3,69,08,414**	5,34,27,433	44,49,63,782

33 Employee benefit plans

1) Defined contribution plans :
The Company participates in defined contribution plans on behalf of relevant personnel. Any expense recognized in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.The defined contribution plans are as below:

a) Provident fund
In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

Contribution to Defined Contribution Plans, recognized in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
i) Employer's Contribution to Provident Fund	**7,53,909**	9,60,554	21,42,787
Total	**7,53,909**	9,60,554	21,42,787

(2) Defined Benefit Plans :

The Defined Benefit Plan is as below :

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. It provides for lump sum payment to vested employees at retirement, on death while in employment or on termination of the employment in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme, as applicable. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable based on an actuarial valuation.

The plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

If the Discount Rate i.e. the yield on the Government Bonds decrease in future, the Actuarial Liability will increase and vice versa.

The quantum of increase in valuation liability corresponding to specific decrease in the Discount Rate and vice versa, has been shown in the annexure containing the sensitivity Analysis of Key Actuarial Assumption.

Longevity risk

If the Mortality rate experienced by the staff of a particular company is higher than what is assumed in mortality Table used in the valuation, the valuation liability will increase.

However, it will be very cumbersome to measure the quantum of increase for assumed reduction of Mortality rates as can be done in case of changes in salary Growth Rate and Interest Rate.

Salary risk

If the salary Growth Rate over the future years of services is increased, the Actuarial Liability will increase and vice versa.

The quantum of increase in the valuation liability corresponding to specific increase in the salary growth rate and vice versa has been shown in the annexure containing Sensitivity Analysis of key Actuarial Assumption.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31st March, 2018 by an independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

A. Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations are as follows.

Particulars	Gratuity	
	As at 31-03-2018	As at 31-03-2017
Discount Rate Current	7.60%	7.25%
Rate of Increase in Compensation Level	6.00%	6.00%
Rate of Employee Turnover		
	25 & below 5%	25 & below 5%
	26 to 35 - 4%	26 to 35 - 4%
	36 to 45 - 3%	36 to 45 - 3%
	46 to 55 - 2%	46 to 55 - 2%
	56 & above - 1%	56 & above - 1%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

B. Expenses Recognized in Statement of Profit & Loss

Particulars	Gratuity	
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
Service Cost		
Current Service Cost	**3,49,766**	4,75,875
Past Service Cost	**2,10,990**	-
Net Service Cost	**2,23,665**	2,81,771
Total Included in "Employee Benefit Expenses"	**5,60,756**	4,75,875

C. Expenses Recognized in Other Comprehensive Income

Particulars	Gratuity	
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
Component of Actuarial Gain/Losses or Obligations		
Actuarial (Gains)/Losses on Obligation For the Period - Due to Changes in demographic assumptions		
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in Financial assumptions	**(1,32,104)**	1,54,936
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	**15,41,952**	(8,64,217)
Amount Recognized in other Comprehensive Income	**(1,32,104)**	1,54,936

D. Amounts to be recognized in Balance Sheet

Particulars	Gratuity	
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
Present Value of Defined Benefit Obligation as at the end of the year	**49,42,849**	33,21,690

Particulars	Gratuity	
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
Non Current Liability (Provisions) Refer Note 15	**35,60,155**	29,27,081
Current Liability (Provisions) Refer Note 18	**13,82,694**	3,94,609
Present Value of Defined Benefit Obligation as at the end of the year	**35,60,155**	29,27,081

E. Movement in Present Value of Defined Benefit Obligation

Particulars	Gratuity	
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
Opening defined benefit obligation	**-**	37,62,496
Current Service Cost	**3,49,766**	4,75,785
Interest Cost	**2,23,665**	2,81,771
Past Service Cost	**2,10,990**	-
Remeasurement (Gains)/Losses	**14,09,848**	(7,09,281)
Benefits Paid	**(3,67,122)**	(4,89,081)
Benefits Payable	**(2,05,988)**	-
Closing defined benefit obligation	**18,27,147**	38,10,771

F. Maturity Profile of Defined Benefit Obligation

Projected Benefits payable in Future Year From the Date of Reporting	Gratuity	
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
1st Following Year	**13,82,695**	4,73,704
2nd Following Year	**3,29,534**	1,07,492
3rd Following Year	**2,54,626**	3,09,914
4th Following Year	**2,76,373**	2,35,889
5th Following Year	**2,13,991**	2,54,219
Sum of the Year 6 to 10	**18,61,403**	15,82,312
Total Expected Benefits to be paid	**24,57,219**	13,81,218

G. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Projected Benefits payable in Future Year From the Date of Reporting	Gratuity	
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
Impact of +0.5% Change in Rate of Discounting	**47,65,997**	31,80,321
	(3.58%)	(4.26%)
Impact of -0.5% Change in Rate of Discounting	**51,33,796**	34,74,174
	(3.86)	(4.59%)
Impact of +0.5% Change in Rate of Salary Increase	**51,09,897**	34,66,073
	3.36%	4.35%
Impact of -0.5% Change in Rate of Salary Increase	**47,83,530**	31,60,712
	(3.22)	(4.85)
Impact of +0.5% Change in Rate of Employee Turnover	**49,55,450**	33,35,435
Impact of -0.5% Change in Rate of Employee Turnover	**(0.26)**	(0.43)

H. Other Disclosures

a) The weighted average duration of the obligations as at

b) The Company expects to contribute Rs. 9,51,372 to the plan during financial year 2018-19.

34. Disclosure pursuant to Ind AS - 24 : RELATED PARTY DISCLOSURES :

34.1 RELATED PARTIES

A **Associated Company**

A1. M/s. Tubacex Prakash India Pvt. Ltd.

B **Key Management Personnel**

B1. Shri Prakash C. Kanugo, Chairman & Managing Director

B2. Shri Ashok M. Seth, Executive Director & Chief Financial Officer

B3. Shri Hemant P. Kanugo, Whole Time Director

C Relatives of Key Management Personnel

C1. Smt Babita P. Kanugo

C2. Shri Vimal P. Kanugo

C3. Shri Kirti P. Kanugo

C4. Shri Ekta H. Kanugo

C5. Smt Neha K. Kanugo

D. **Enterprises over which any of (B) and (C) can exercise control or significance influence**

D1. M/s AMS Trading & Investments Pvt Ltd
D2. M/s. Seth Iron & Steel Pvt. Ltd.
D3. M/s. Seth Steelage Pvt. Ltd.
D4. M/s. Prakash Stainless Pvt. Ltd.
D5. M/s. PCK Metal Pvt. Ltd.
D6. M/s. Seth Carbon & Alloys Pvt. Ltd.
D7. M/s. Prakash & Daga Infra Projects Pvt. Ltd.
D8. M/s. Prakash C. Kanugo (HUF)
D9. M/s. Ashok M. Seth (HUF)
D10. M/s. Prakash Integrated Hi-Tech Steel and Metal Cluster Pvt. Ltd.
D11. M/s. Chandan and Kanugo Land Developer
D12. M/s. Hemant & Co.
D13. M/s. Prakash Land Developer
D14. M/s DH Developer
D15. M/s. Hemant P. Kanugo (HUF)
D16. M/s. Vimal P. Kanugo (HUF)
D17. M/s. Sunrise Metal Industries

Transactions carried out with related parties referred above in ordinary course of business

Particulars		Related Parties Referred in (A) (B) (C) and (D) above	
		As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
Unsecured Loan taken	D17	**40,20,941**	87,00,00
	D1	**2,47,34,520**	-
Unsecured Loan Repaid	D17	**2,05,61,872**	87,00,000
	D1	**2,90,42,452**	-
Purchases From Associates	A1		3,37,51,076
Sales to Associates	A1		1,34,82,633
Jobwork Sales to Associates	A1	**82,081**	-
Reimbursement of Expenses	A1	**-**	86,35,679
Job Work done by Associates	A1	**-**	18,69,388
Interest Paid	D17	**51,72,728**	54,47,990
Advance Given to Associate/Payments	A1	**2,22,444**	-
	D10	**600**	-
	D7	**5,500**	-
Advance Given Returned	D10	**600**	-
	D7	**5,500**	-
Purchase From Related Party	D6	**-**	38,99,195
	D3	**1,95,30,958**	-
	D2	**13,45,890**	2,74,96,280
Remuneration / Salary	B3	**3,60,000**	
	C3	**3,60,000**	
	C2	**3,60,000**	
Rent	B1	**60.000**	
	C5	**54.000**	
	B3	**27.000**	
	C1	**3.00.000**	
Outstanding Balances			
Office Deposit Given	C1	**5,00,000**	
Interest Payable	D17		51,72,728
Unsecured Loan Taken Payable	D17	**25,09,59,069**	26,75,00,000
Payable to Associates	A1	**11,31,19,466**	11,40,29,581
Investment in Associates Company	A1	**3,24,70,000**	3,24,70,000
Payable to Related Party	D6	**-**	3,99,195
	D3	**-**	-
Receivable From Related Party	D2	**18,37,795**	82,01,517
	D3	**32,35,431**	-
	D7	**-**	-
	D10	**-**	-
	D1	**43,07,932**	-

a) No amount has been written off or written back during the year ended 31st March, 2018. (Previous Year Nil).
b) Remuneration does not include the provisions made for Gratuity as they are determined on an Actuarial basis for the Company as a whole.
c) The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

35. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 33 : Earning Per Share

		As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
Profit / (Loss) after Tax	A	**(2,40,76,33,379)**	(1,51,55,55,403)
Weight Average number of Equity Shares	B	**17,50,00,390**	17,50,00,390
Nominal Value Per Share (Re.)	C	**1**	1
Basic and diluted Earning / (loss) per share (in Rs.)	D=A/B	**(13.76)**	(8.66)

36 Exceptional Item

The exceptional items represent provision of doubtful debts of Rs 252,40,97,946 out of which 3,24,09,795 is being recovered during financial year ended 31st March 2018, resulting in net figure of Rs 249,16,88,151 /- whereas for the previous year ending March 2017 the provision for doubtful debts was of Rs 109,75,59,861/-

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

37 The company has reversed the income tax provision for the earlier years, according to management based on its internal assessments, is of the opinion that the same is no longer payable.

38 Due to meltdown in the prices of nickel, chromium, stainless steel and other related global commodites there has been pressure on the realisibility of our receivables, stocks and selling prices, which has resulted into operational losses during the financial year ended 31st March 2018.

39 Revenue from operations upto 30th June 2017 includes excise duty which is discountinued effective 1st July 2017 upon implementation of Goods & Service Tax (GST) in India. In accordance with IND AS 18, 'Revenue' GST is not included in Revenue from operations.

40 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. The company's loan account is been classified as NPA by the consortium of banks and the company is not generating revenue to service the loans. Hence in view of uncertainity 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.

41 The company has submitted its proposal to the consortium of banks towards settlement of its borrowing through the Asset Reconstruction Company (ARC) route. The proposal is under active consideration by consortium of banks. Meanwhile the bankers have taken symbolic possession of the collaterals of company comprising of factory land, factory building, office building and plant & machinery located at silvasa.

42 The erosion of net worth of the company should not be constituted as doubt on the continuity of the company as a going concern. The steel industry is on revival path. The company is in the process of coming out of the crisis through business restructuring and financial arrangement.

43 Some of the balances of Trade Receivables, Deposits, Advances received from customers, Trade payables are subjected to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any. The management, however does not expect any material variation.

44 In the opinion of the management, Current Assets are approximately of the value stated, if realized in the ordinary course of business. The provision of all known and determinate liability is adequate and not in excess of the amount reasonably required.

45 Revenue from operations upto 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with 'Ind AS-18, Revenue', GST is not included in revenue from operations.

46 Segment Reporting

The Company has identified Manufacturing and Trading of "Stainless Steel Tubes & Pipes", as its only primary reportable segment in accordance with the requirements of Indian Accounting Standard 108." Operating Segments". Accordingly no seprate segment information is been provided.

47 Disclosure in respect of Corporate Social Responsibility Expenditure (CSR) is as under:

a) Gross Amount required to be spent by the company till 31st March 2018: 59,36,962/-
b) Amount spent during the year: NIL

48 Disclosure pursuant to Indian Accounting Standard (Ind AS) -12 : Income Taxes

(a) Major component of tax expenses /(income) :

Particulars	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Current Tax		
Current Tax (MAT)	-	-
Tax Refund / Reversal pertaining to earlier yers	**(7,77,09,287)**	30,060
	(7,77,09,287)	30,060
Deferred Tax :		
Deferred Tax	**26,72,422**	9,20,008
MAT Credit entitlement	-	-
Tax Refund / reversal pertaining to earlier years	-	-
	26,72,422	9,20,008
Total Tax expenses	**(7,50,36,865)**	9,50,068

(b) Reconciliation of Tax expense and the accounting profit multiplied by domestic tax rate applicable in India :

Particulars	Year Ended 31-03-2018 Rs.	Year Ended 31-03-2017 Rs.
Profit before Tax (i)	**(2,48,26,70,245)**	(41,70,45,474)
Corporate tax rate as per Income Tax Act, 1961 (ii)	**30.99%**	30.90%
Tax on Accounting profit (iii) = (i) x (ii)	-	-
Tax difference on account of :		
(A) Tax Refund / reversal pertaining to earlier years	**(7,77,09,287)**	(30,060)
(B) Effect of Expenses that are not deductible in Determining Taxable Profit	**26,72,422**	9,20,008
Total effect of tax adjustments	**(7,50,36,865)**	9,50,068
Tax expenses recognised during the year	**(7,50,36,865)**	9,50,068

(c) Movement in Deferred tax balances :

Particulars	For the year ended 31st March 2017			
	Opening Balance Rs.	Recognised in profit & Loss Rs.	Recognised in OCI Rs.	Closing Balance Rs.
Tax effect of Items constituting deferred Tax assets/ (liabilites)	(6,46,63,950)	-	-	(6,46,63,950)
Property, Plant and Equipment	-	(24,91,970)	-	(24,91,970)
Employee Benefits	-	16,30,103	-	16,30,103
Other Temporary Differences	-	(58,140)	-	(58,140)
Net Tax Asset (Liabilities)	**(6,46,63,950)**	**(9,20,007)**	**-**	**(6,55,83,957)**

Particulars	For the year ended 31st March 2018			
	Opening Balance Rs.	Recognised in profit & Loss Rs.	Recognised in OCI Rs.	Closing Balance Rs.
Tax effect of Items constituting deferred Tax assets/ (liabilites)	(6,46,63,950)	-	-	(6,46,63,950)
Property, Plant and Equipment	(24,91,970)	(45,77,112)	-	(70,69,082)
Employee Benefits	16,30,103	3,13,699	15,90,991	35,34,793
Other Temporary Differences	(58,140)	-	-	(58,140)
Net Tax Asset (Liabilities)	**(6,55,83,957)**	**(42,63,413)**	**(15,90,991)**	**(6,82,56,380)**

49 Financial instruments and Risk management

49.1 Capital management

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern. The Company's management reviews it's capital structure considering the cost of capital, the risks associated with each class of capital and the need to maintain adequate liquidity to meet its financial obligations when they become due.

49.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value.

Particulars	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Financial assets			
Measured at fair value through proft or loss			
(a) Mandatory measureed :			
(i) Mutual Fund Investments-	**-**	-	10,00,000
(b) Measured at amortised cost			
(i) Cash and Cash equivalent	**21,42,049**	2,32,484	19,60,058
(ii) Bank Balance other than (a) above	**27,04,667**	2,18,64,320	3,97,61,136
(iii) Trade receivables	**23,48,85,185**	1,36,52,29,619	2,98,64,10,939
(iv) Loans	**4,32,000**	4,00,771	5,56,863
(v) Other financial assests	**30,97,399**	32,07,708	24,75,603
Total Financial Assets	**24,32,61,300**	1,39,09,34,902	3,03,21,64,599
Financial Liabilities			
Measured at amortised cost			
(a) Borrowings	**2,42,94,68,214**	2,47,24,39,900	2,03,03,24,017
(b) Trade payables	**93,86,20,336**	1,06,60,91,512	1,57,44,80,280
(c) Other financial liabilities (including current maturities of borrowings)	**95,375**	3,81,687	24,12,488
Total Financial Liabilities	**3,36,81,83,925**	3,53,89,13,099	3,60,72,16,785

49.3 Financial risk management

The financial risks emanating from the Company's operating business include market risk, credit risk and liquidity risk. These risks are managed by the Company using appropriate financial instruments. The Company has laid down written policies to manage these risks.

49.3.1 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Currency risk, Interest rate risk and other price risk.

A. Foreign currency risk management

The Company is exposed to foreign currency risk arising mainly on import (of raw materials and capital items) and export (of finished goods). Foreign currency exposures are managed within approved policy parameters utilising forward contracts based on the decision of the management.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Nature of Transactions	Currency	As at 31-03-2018 Rs.		As at 31-03-2017 Rs.		As at 01-04-2016 Rs.	
		Hedged	Unhedged	Hedged	Unhedged	Hedged	Unhedged
Trade Payable	USD	**-**	**32,03,382**	-	31,73,448	-	50,28,513
	INR	**-**	**20,83,61,110**	-	20,57,61,902	-	33,35,55,845
Trade Receivable	USD	**-**	**1,57,980**	-	62,055	-	4,35,582
	INR	**-**	**1,03,40,823**	-	40,23,535	-	3,00,87,408

A.1 Foreign Currency sensitivity analysis :

The Company's exposure for Foreign Currency changes for all currencies is not material.

B. Interest rate risk management

The Company does not have interest rate risk exposure on its outstanding loans as at the year end as these loans are short-term loans on fixed interest rate basis.

49.3.2 Credit risk management

Credit risk arises from the possibility that a counter party's inability to settle its obligations as agreed in full and in time. The maximum exposure to credit risk in respect of the financial assets at the reporting date is the carrying value of such assets recorded in the financial statements net of any allowance for losses.

A. Trade Receivables

The Company's trade receivables consists of a large and diverse base customers including Individual entities and Large Public & Private Corporates.

The ageing analysis of trade receivables as of the reporting date is as follows:

Ageing of trade receivable (Gross)	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
0 - 6 months past due	**23,48,85,185**	1,36,52,29,619	2,98,64,10,939
More than 6 months past due	**2,78,24,03,257**	1,57,83,33,003	24,88,73,817
Total Trade receivable	**3,01,72,88,442**	2,94,35,62,622	3,23,52,84,756

Reconciliation of allowance for doubtful debts on Trade Receivables

Particulars	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
Balance as at beginning of the year	**(1,57,83,33,003)**	(24,88,73,817)
Allowance for doubtful debts based on Expected Credit Loss (ECL)	**(1,20,40,70,254)**	(1,32,94,59,186)
Balance at end of the year	**(2,78,24,03,257)**	(1,57,83,33,003)

B. Other Financial Assets

The Company maintains exposure in cash and cash equivalents, time deposits with banks, investments in equity mutual funds. Investment of surplus funds are made only with approved counter parties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

49.3.3 Liquidity risk management

49.3.3.1 Liquidity risk table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include principal cash flows along with interest.

	Weighted average effective interest rate (%)	Upto 1 year	1 - 5 Years	5+ Years	Total
March 31, 2018					
Borrowings	10.45%	2,42,94,68,214	-	-	2,42,94,68,214
Trade Payable	-	93,86,20,336	-	-	93,86,20,336
Other Financial Liabilities	-	95,375	-	-	93,375
Total		**3,36,81,83,925**	**-**	**-**	**3,36,81,83,925**
March 31, 2017					
Borrowings	10.65%	2,47,24,39,900	-	-	2,47,24,39,900
Trade Payable	-	1,06,60,91,512	-	-	1,06,60,91,512
Other Financial Liabilities	-	3,81,687	-	-	3,81,687
Total		**3,53,89,13,099**	**-**	**-**	**3,53,89,13,099**
April 1, 2016					
Borrowings	11.65%	2,02,91,84,458	-	-	2,02,91,84,458
Trade Payable	-	1,57,44,80,280	-	-	1,57,44,80,280
Other Financial Liabilites	-	24,12,488	-	-	24,12,488
Total		**3,60,60,77,226**	**-**	**-**	**3,60,60,77,226**

49.4 Fair value measurements

The Company's certain financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about the valuation technique(s), inputs used and the fair value hierarchy used in determining such fair values.

Financial assets/ (Financial liabilities)	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.	Fair Value hierachy	Valuation technique(s) and Key input(s)
Investment in Mutual funds at FVTPL	-	-	10,00,000	Level 1	Fair Value of investment in Mutual Funds is based on Net asset value (NAV) declared by mutual funds houses at the reporting date.

50 Previous year's figures have ben regrouped / recast / reclassified, wherever necessary.

AS PER OUR REPORT OF EVEN DATE
FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Sd/-
R. D. HANGEKAR
PARTNER
Membership No. 030615

PLACE : **MUMBAI**
DATE : **28TH MAY, 2018**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR
DIN : 00286366

Sd/-
ASHOK M. SETH
EXECUTIVE DIRECTOR &
CHIEF FINANCIAL OFFICER
DIN : 00309706

Sd/-
SHIKHA A. MISHRA
COMPANY SECRETARY &
COMPLIANCE OFFICER M. No.: 53469

Prakash Steelage Limited

Regd. Office : 101, 1st Floor, Shatrunjay Apartmnet, 28, Sindhi Lane, Nanubhai Desai Road,
Mumbai - 400 004, Maharashtra, India.
Tel.: +91 22 6613 4500 || **Fax:** +91 22 6613 4599 || **CIN:** L27106MH1991PLC061595
E-Mail: investorsgrievances@prakashsteelage.com || **Website:** www.prakashsteelage.com

E - Communication Registration Form

Folio No. / DP ID & Client ID : .....

Name of 1st Registered Holder : .....

Name of Joint Holder(s) : .....

.....

Registered Address : .....

.....

.....

E-mail ID (to be registered) : .....

I / We shareholder(s) of Prakash Steelage Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail id in your records for sending communication through e-mail.

Signature : .....

Date : .....

Note : Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

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E-Mail: investorsgrievances@prakashsteelage.com || **Website:** www.prakashsteelage.com

Attendance Slip

(To be duly filled and presented at the entrance of the meeting hall)

27th ANNUAL GENERAL MEETING
On **Friday,** the **28th September, 2018** at **1.30 p.m.**
at 101, Shatrunjay Apartment, 1st Floor, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004.

DP ID* : _____ Folio No. : _____

Client ID* : _____ No. of Shares : _____

Name and Address of the Member / Proxy: _____

_____

_____
Signature of Member / Proxy

NOTE:
1. Only Member / proxy holder can attend the meeting.
2. Joint holders may obtain additional attendance slip at the venue of the meeting.

* Applicable for members holding shares in electronic form.

Prakash Steelage Limited

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E-Mail: investorsgrievances@prakashsteelage.com || **Website:** www.prakashsteelage.com

Proxy Form
(Form No. MGT-11)

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014)

Name of the Member(s) : _____

Registered Address : _____

_____

Email Id : _____ **Folio No / Client ID :** _____

DP ID : _____

I / We being the member(s) of _____ Equity Shares of Prakash Steelage Limited, hereby appoint:

1. Name : _____ Address : _____
   Email Id : _____ Signature : _____
2. Name : _____ Address : _____
   Email Id : _____ Signature : _____
3. Name : _____ Address : _____
   Email Id : _____ Signature : _____

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th ANNUAL GENERAL MEETING of the Company, to be held on Friday, the 28th September, 2018 at 1.30 p.m. at 101, Shatrunjay Apartment, 1st Floor, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Description	For	Against
Ordinary Resolution		
1. To receive, consider and adopt: The Audited standalone Financial Statement of the Company for the financial year ended on 31st March, 2018 including Audited Balance Sheet as 31st March, 2018 and Statement of Profit & Loss for the year ended on that date together with the notes forming part of the Financial Statements and the Reports of the Board of Directors and Auditors thereon.	☐	☐
2. To appoint a Director in place of Mr. Prakash C. Kanugo holding Directors identification No. 00286366, who retires from office by rotation and being eligible, offers himself for re-appointment.	☐	☐
3. Appointment of Statutory Auditor to fill Casual Vacancy.	☐	☐
4. To appoint and fix the remuneration of the Statutory Auditors M/s. Pipara & Co. LLP, Chartered Accountants, (Firm Registration No. 107929W/W-100219) as the Statutory Auditors of the Company.	☐	☐
5. To ratify the remuneration payable to M/s. Amish Parmar & Associates, Cost Accountants (Firm Registration No. 100502), Cost Auditors of the Company for the financial year ending on 31st March, 2019.	☐	☐
6. To Consider Re-appointment of Mr. Prakash C. Kanugo (DIN : 00286366) as the Managing Director.	☐	☐
7. To Consider Re-appointment of Mr. Hemant P. Kanugo (DIN : 00309894) as a Whole-time Director	☐	☐

Signed this_____ day of _____ , 2018.

Signature of Shareholder : _____

Signature of Proxy holder(s) : _____

Affix Re. 1/- Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 101, 1st Floor, Shatrunjay Apartment, 28, Sindhi Lane, Nanubhai Desai Road, Mumbai - 400 004 not less than 48 hours before the commencement of the meeting.

27th AGM VENUE MAP

via Dr Babasaheb Jaykar Marg/Thakurdwar Rd	16 min 1.3 km
via Raja Rammohan Roy Rd	18 min 1.5 km
via Raja Rammohan Roy Rd and Vitthalbhai Patel Rd	19 min 1.5 km

All routes are mostly flat

If undelivered, please return to:

PRAKASH STEELAGE LIMITED

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E-Mail: investorsgrievances@prakashsteelage.com || **Website:** www.prakashsteelage.com