

25TH



ANNUAL REPORT

2015 - 16



PRAKASH STEELAGE LIMITED

An ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007, PED Certified Company

Manufacturers & Exporters of Stainless Steel Welded Pipes & Tubes



Corporate Information

Board of Directors



Prakash C. Kanugo
Chairman & Managing Director



Ashok M. Seth
Executive Director &
Chief Financial Officer
(w.e.f. 29th December, 2015)



Hemant P. Kanugo
Whole Time Director



Kamal P. Kanugo
Whole Time Director
(resigned w.e.f. 09th November, 2015)



Dr. Bipin C. Doshi
Independent Director
(resigned w.e.f. 31st May, 2015)



Himanshu J. Thaker
Independent Director



Gautam Chand Jain
Independent Director
(resigned w.e.f. 09th November, 2015)



A. Prakashchandra Hegde
Independent Director



Neetta K. Bokaria
Independent Director

Company Secretary & Compliance Officer

Palak Kohli Kochhar
(w.e.f. 07th March, 2016)

Bankers

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

Statutory Auditors

M/s. Batliboi & Purohit
Chartered Accountants

Internal Auditors

M/s. Anand Jain & Associates
Chartered Accountants

Registered Office

1402, 14th Floor, A Wing,
Naman Midtown, Senapati Bapat Marg,
Elphinstone Road, Mumbai- 400 013.
Tel. No. : +91 22 66134500;
Fax No. : +91 22 66134599
Email : investorsgrievances@prakashsteelage.com
Website : www.prakashsteelage.com

Corporate Identification Number

L27106MH1991PLC061595

Registrar & Share Transfer Agents

Bigshare Services Private Limited
E2/3, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East), Mumbai - 400 072
Tel. : +91 22 40430200
Fax : +91 22 28475207
Email : babu@bigshareonline.com
Website : www.bigshareonline.com

Manufacturing Unit

Silvassa :

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

Umbergaon :

Plot No. 19, Krishna Industrial Park,
Umbergaon Sanjan Road,
Dist. Valsad, Umbergaon - 396 171.
Gujarat (India)



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NOTICE OF 25TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fifth (25th) Annual General Meeting ("AGM") of the Members of **Prakash Steelage Limited** will be held on **Thursday, 29th September, 2016 at 11:30 a.m. at Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034** to transact the following business:

ORDINARY BUSINESS :

Item No. 1 - Adoption of Financial Statements :

To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2016 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. Hemant P. Kanugo (DIN : 00309894), who retires by rotation and being eligible offers himself for re-appointment, and to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Hemant P. Kanugo (DIN : 00309894), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director, liable to retire by rotation."

Item No. 3 - Ratification of appointment of Statutory Auditors and fixing their remuneration for the financial year 2016-17 :

To ratify the appointment of Statutory Auditors of the Company for financial year 2016-17 and to fix their remuneration and in this regard to consider and pass the following resolution, as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 including any statutory amendment(s) thereof and pursuant to the recommendation of the Audit Committee and the Board of Directors, the appointment of M/s. Batliboi & Purohit, Chartered Accountants, (Firm Registration No.: 101048W) as the Statutory Auditors of the Company, as approved by the members at the Twenty Fourth Annual General Meeting held for the financial year 2014 - 15, to hold office until the conclusion of Twenty Ninth Annual General Meeting to be held for the financial year 2019-2020 (i.e., for a term of 5 years), be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to fix such remuneration as may be determined by the Audit Committee of the Board of Directors in consultation with the Auditors, for the financial year ending 31st March, 2017."

SPECIAL BUSINESS :

Item No. 4 - Ratification of remuneration payable to Cost Auditors for the financial year ending 31st March, 2017 :

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 Companies (Cost Records and Audit) Rules, 2014, (including any statutory modifications(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, 2017, as recommended by the Audit Committee of the Company and approved by the Board of Directors of



the Company, amounting to Rs. 95,000/- p.a. (Rupees Ninety Five Thousand only) plus service tax 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. 5 – Approval of the Remuneration payable to Mr. Prakash C. Kanugo (DIN: 00286366), Managing Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules made thereunder and Part I and Part II of Schedule V to the said Act, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, and subject to such other approval(s), consent(s), permission(s) and sanction(s) of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Prakash C. Kanugo (DIN: 00286366), Managing Director of the Company for a period of 2 (Two) years with effect from 01st October, 2016 on such other terms and conditions as detailed in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee to alter, vary and modify the said terms including salary, allowance and perquisites within the maximum ceiling limit specified in Schedule V to the said Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, usual, proper or expedient to give effect to this resolution.”

Item No. 6 – Approval of Remuneration payable to Mr. Hemant P. Kanugo (DIN: 00309894), Whole Time Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198, and all other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) read with Rules made thereunder and Part I and Part II of Schedule V to the said Act and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee and subject to such other approval(s), consent(s), permission(s) and sanction(s) of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Hemant P. Kanugo (DIN: 00309894), Whole-time Director of the Company, for a period of 2 (Two) years with effect from 01st October, 2016 on such other terms and conditions as detailed in the explanatory statement as annexed to this notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee to alter, vary and modify the said terms including salary, allowance and perquisites within the maximum ceiling limit specified in Schedule V to the said Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, usual, proper or expedient to give effect to this resolution.”

For and on behalf of the Board of Directors

Sd/-

Prakash C. Kanugo
Chairman & Managing Director
DIN : 00286366

Place : **Mumbai**
Date : **10th August, 2016**



Explanatory Statement

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

Item No. 4:

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 a cost accountant in practice, on 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 30th May, 2016, 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, 2017.

The Board of Directors of the recommends the resolution as set out under Item No. 4, in relation to ratification and confirmation of the remuneration to be paid to M/s. Amish Parmar & Associates, Cost Accountants for the financial year 2016-17, 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, except Saturdays 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 concerned or interested, financially or otherwise, in the proposed Ordinary Resolution as set out in Item No. 4 of the Notice.

Item No. 5:

The Board of Directors of the Company at their meeting held on 10th August, 2016 has approved the remuneration payable to Mr. Prakash C. Kanugo as the Managing Director of the Company as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee of the Board of Directors of the Company for a further period of 2 (Two) years with effect from 01st October, 2016.

He is the first Promoter of the Company and has been actively involved in the business operations of the Company since its inception and the Company has grown many folds under his stewardship.

The Board has approved the said remuneration payable to Mr. Prakash C. Kanugo as the Managing Director of the Company under the following terms and conditions:

“Option – A”

Remuneration:

- Basic Salary: Rs.1,25,000/- per month, with liberty to the Board of Directors to increase the salary from time to time viz., Rs.1,25,000/- - Rs.25,000/- - Rs.1,50,000/- - Rs.40,000/- - Rs.1,90,000/-.
- Incentives within the overall ceiling limits as specified under the Companies Act, 2013.
- Allowances/perquisites: As under

Category: A

1. The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income



Tax Rules, 1962, subject to a ceiling of 10% of salary.

2. Re-imbursement of medical expenses of the Managing Director and his family: The total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
3. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
4. Club Fees: Subject to a maximum of two clubs, this will not include admission and life membership.
5. Personal accident insurance premium not exceeding Rs. 8,000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

Category: B

1. Employers Contribution to Provident Fund: As per the policy of the Company.
2. Gratuity: As per rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
3. Leave encashment: Up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Managing Director.

Category: C

Car: The Company shall provide a car with driver for the Company's business and if no car is provided reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.

Telephone & Cell: Free use of telephone at his residence and cell phone, internet and other communication facilities, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

The aggregate of the remuneration for a financial year by way of salary, dearness allowance, perquisites, commission, and other allowances, shall not exceed 5% of Company's profits in a financial year, for Mr. Prakash C. Kanugo and, if there is more than one managerial person in the Company, then 10% for all of them together;

OR

“Option - B”

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year, during the currency of the term of Mr. Prakash C. Kanugo, Chairman & Managing Director of the Company, the remuneration payable to him will be subject to a maximum ceiling as per Section II of Part II of Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and in accordance with the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee and Board of Directors of the Company from time to time.

The Board recommends the resolution as set out under Item No. 5 of the Notice for the approval of the members of the Company, to be passed as a **Special Resolution**.



None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Prakash C Kanugo (Self), Mr. Hemant Kanugo (Son), and relatives of Mr. Prakash C Kanugo may be deemed to be concerned or interested, financially or otherwise, in the said resolution.

Item No. 6:

The Board of Directors of the Company at their meeting held on 10th August, 2016, has approved the remuneration payable to Mr. Hemant P. Kanugo as a Whole Time Director for a further period of 2 (Two) years with effect from 01st October, 2016, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee of the Board of Directors of the Company for a further period of 2 (Two) years with effect from 01st October, 2016.

He is actively involved in the management of the Company since the year 2003 and the Board has approved the said remuneration payable to Mr. Hemant P. Kanugo as a Whole Time Director of the Company under the following terms and conditions:

“Option – A”

Remuneration:

- a. Basic Salary: Rs.75,000/- per month, with liberty to the Board of Directors to increase the salary from time to time viz., Rs.75,000/- - Rs.10,000/- - Rs.85,000/- - Rs.20,000/- – Rs.1,05,000/-.
- b. Incentives within the overall ceiling limits as specified under Companies Act, 2013.
- c. Allowances/perquisites: As under

Category: A

1. The Company shall provide House Rent Allowance subject to a maximum of 50% of the salary or house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of salary.
2. Re-imbusement of medical expenses of the Whole Time Director and his family: The total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
3. Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
4. Club Fees: Subject to a maximum of two clubs, this will not include admission and life membership.
5. Personal accident insurance premium not exceeding Rs. 8,000/- p.a.

NOTE: For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

Category: B

1. Employers Contribution to Provident Fund: As per the policy of the Company.
2. Gratuity: As per rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act from time to time.
3. Leave encashment: Up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the



remuneration payable to the Whole Time Director.

Category: C

Car: The Company shall provide a car with driver for the Company's business and if no car is provided reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.

Telephone & Cell: Free use of telephone at his residence and cell phone, internet and other communication facilities, provided that the personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

The aggregate of the remuneration for a financial year by way of salary, dearness allowance, perquisites, commission, and other allowances, shall not exceed 5% of Company's profits in a financial year, for Mr. Hemant P. Kanugo and, if there is more than one managerial person in the Company, then 10% for all of them together;

OR

“Option – B”

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year, during the currency of the term of Mr. Hemant P. Kanugo, Whole Time Director of the Company, the remuneration payable to him will be subject to a maximum ceiling as per Section II of Part II of Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and in accordance with the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company from time to time.

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 a **Special Resolution**.

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

The following additional information as required under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I. General Information :

Nature of Industry	: Manufacturing of Stainless Steel Products.
Date or expected date of Commencement of Commercial production	: The Company was incorporated on 09 th May, 1991 and commenced its commercial production in the same year.
In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	: Not Applicable



Financial performance based on given indicators - as per the Audited Financial Results for the year ended 31 st March, 2016	Particulars	Amount (Rs. in lakhs) (as per standalone basis)
		Revenue from operations (net)
	Other Income	1,325.56
	Total Revenue	56,837.96
	Total Expenses incl. tax expenses	64,982.46
	Profit/(Loss) after tax	(8,144.50)
Foreign Investment or Collaborations, if any	<p>: The Company entered into a Joint Venture Agreement dated 13th February, 2015, executed between the Company and Tubacex S.A. Spain.</p> <p>Accordingly, the Company incorporated Joint Venture (JV) Company 'Tubacex Prakash India Private Limited' on 22nd April, 2015.</p>	

II. Information about the appointee(s) :

Name of the Director	Mr. Prakash C. Kanugo	Mr. Hemant P. Kanugo
Designation	Chairman & Managing Director	Whole Time Director
Background Details	Mr. Prakash C. Kanugo is a matriculate and has more than 23 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.	Mr Hemant P. Kanugo has done B. Com. & MBA and has more than 13 years of experience in the Stainless Steel Industry. He looks after the production unit at Silvassa.
Past Remuneration	Rs. 15,90,000/- p.a.	Rs. 9,00,000/- p.a.
Job profile and his suitability	Managing Director and his suitability is as mentioned above.	Whole Time Director and his suitability is as mentioned above.
Remuneration proposed	In case of loss or inadequacy of profit in any financial year, the remuneration payable to him will be subject to a maximum ceiling as per the Section II of Part II of Schedule V to the Companies Act. 2013 as detailed in the Explanatory Statement.	In case of loss or inadequacy of profits in any financial year, the remuneration payable to him will be subject to a maximum ceiling as per the Section II of Part II of Schedule V to the Companies Act. 2013 as detailed in the Explanatory Statement.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	Taking into consideration the size of the Company, the qualifications, experience and expertise of Mr. Prakash C. Kanugo, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.	Taking into consideration the size of the Company, the qualifications, experience and expertise of Mr. Hemant P. Kanugo, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid commensurate with the remuneration packages paid to similar level counterpart(s) in the companies.



Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:	Mr. Prakash C. Kanugo is the father of Mr. Hemant P. Kanugo, Whole Time Director of the Company.	Mr. Hemant P. Kanugo is the son of Mr. Prakash C. Kanugo, Chairman & Managing Director of the Company.
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III. Other Information :

Reasons for loss or inadequate profits	The Company has suffered a loss as compared to previous year's profit, due to meltdown in the prices of nickel, chromium, molybdenum, unfavorable market for steel industry and pressure on the realisability of our receivables, stock and selling prices, which has resulted into operational losses.																								
Steps taken or proposed to be taken for improvement	<p>The Company proposes to take the following steps viz.:</p> <ol style="list-style-type: none"> Improving sales and marketing efforts to increase the sale volume; Focus on reducing material cost and overhead; and Bringing operational efficiency in line with industry benchmark. <p>Further, the Company had received approval of its products from its renowned customer's viz.; Petrobras, Brazil and Ferguson Industries, North America for welded pipes, which will help in penetrating the Brazil and USA market and augment the business of the Company.</p>																								
Expected increase in productivity and profits in measurable terms	<p>After taking improvement steps as stated above, the Company shall be in a position to strengthen its capabilities, as well as address future opportunities in India and other markets of choice. The above measures undertaken are expected to yield positive results and improve the financial performance of the Company in the coming years.</p> <p>The details of shares held by Mr. Prakash C. Kanugo and Mr. Hemant P. Kanugo and their relatives are as follows:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of shareholders</th> <th>No. of shares held as on 31st March, 2016</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Mr. Prakash C. Kanugo</td> <td>37,835,000</td> </tr> <tr> <td>2.</td> <td>Mrs. Babita P. Kanugo</td> <td>3,000,750</td> </tr> <tr> <td>3.</td> <td>Mr. Hemant P. Kanugo</td> <td>5,617,530</td> </tr> <tr> <td>4.</td> <td>Mr. Vimal P. Kanugo</td> <td>5,051,590</td> </tr> <tr> <td>5.</td> <td>Mr. Kamal P. Kanugo</td> <td>5,577,520</td> </tr> <tr> <td>6.</td> <td>Mr. Kirti P. Kanugo</td> <td>5,830,740</td> </tr> <tr> <td>7.</td> <td>Prakash C. Kanugo (HUF)</td> <td>2,604,370</td> </tr> </tbody> </table>	Sr. No.	Name of shareholders	No. of shares held as on 31 st March, 2016	1.	Mr. Prakash C. Kanugo	37,835,000	2.	Mrs. Babita P. Kanugo	3,000,750	3.	Mr. Hemant P. Kanugo	5,617,530	4.	Mr. Vimal P. Kanugo	5,051,590	5.	Mr. Kamal P. Kanugo	5,577,520	6.	Mr. Kirti P. Kanugo	5,830,740	7.	Prakash C. Kanugo (HUF)	2,604,370
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For and on behalf of the Board of Directors

Sd/-

Prakash C. Kanugo

Chairman & Managing Director

DIN : 00286366

Place : **Mumbai**
Date : **10th August, 2016**

Reg. Office :

1402, 14th Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.

Tel.: +91 22 6613 4500 || Fax: +91 22 6613 4599 || CIN: L27106MH1991PLC061595

E-Mail: investorsgrievances@prakashsteelage.com || Website: www.prakashsteelage.com



NOTES FOR MEMBERS' ATTENTION

1. **Explanatory Statement 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 Nos. 4, 5 & 6 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, 24th September, 2016 to Thursday, 29th September, 2016 (both days inclusive).
3. **Appointment of Proxy**
A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM AND SUCH 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 a 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 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 Agents.
5. **Resume of Directors as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations")**
The relevant details as required under Regulation 36(3) of the SEBI (LODR) Regulations, of the person seeking appointment/re-appointment as Director under Item No. 2 of the Notice, is also annexed herewith as **Annexure – I**.
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 Participant(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 25th Annual General Meeting and the Annual Report for 2015-16 will also be available on the website of the Company at www.prakashsteelage.com.



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 Agents of the Company, M/s. Bigshare Services Private Limited (shubhangji@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 (shubhangji@bigshareonline.com) or to the Company (investorsgrievances@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 Registrar & Share Transfer Agents of the Company, **M/s. Bigshare Services Private Limited, E2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai – 400 072.**

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

- Change in their residential status on return to India for permanent settlement.
- 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 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, except Saturdays, from the date hereof up to the date of the Annual General Meeting.

Members desiring any information as regards to the accounts of the Company are requested to write to the Company atleast 10 days before the Annual General Meeting, so as to enable the Management to keep the information ready at the meeting.

9. Unclaimed Dividend & Share Application Money

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

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 dividend as mentioned above are as under:

Dividend for the Financial Year	Unclaimed / Un-encashed Dividend as on 31st March, 2016 (in Rs.)	Due date of transfer to Investor Education and Protection Fund
2010 - 11	22,734/-	18 th September, 2018
2011 - 12	22,061/-	20 th September, 2019
2012 - 13	18,428/-	20 th September, 2020
2013 - 14	15,516/-	26 th October, 2021
2014 - 15	16,823/-	29 th October, 2022



Amount in Company's Refund Account as on 31st March, 2016 is Rs. 59,400/- as balance yet to be refunded to the applicants / allottees as they are yet to submit necessary confirmation. As on 31st March, 2016, no shares are lying in Unclaimed Shares Demat Suspense Account.

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 (LODR) 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 25th Annual General Meeting by electronic means.

The members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 23rd September, 2016 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 Monday, 26th September, 2016 at 9.00 a.m. and will end on Wednesday, 28th September, 2016 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. S. Anantha Rama Subramanian, Practising Company Secretary (FCS 4443; CP No.:1925), 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 25th Annual General Meeting.

- E-Voting to commence : **On Monday, 26th September, 2016 at 9.00 a.m.**
- E-Voting to end : **On Wednesday, 28th September, 2016 at 5.00 p.m.**
- URL : www.evotingindia.com

A) In case of members receiving 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 share in demat form and held 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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>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.</p>
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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p>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.</p>

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 Corporate. 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 sl. no. (1) to sl. 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 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 25th 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 two (2) working 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.

For and on behalf of the Board of Directors

Sd/-

Prakash C. Kanugo

Chairman & Managing Director

DIN : 00286366

Place : **Mumbai**

Date : **10th August, 2016**



Annexure - I

**Details of Director seeking appointment / re-appointment at the
25th Annual General Meeting**

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr. Hemant P. Kanugo
Designation	Whole Time Director
Directorship Identification Number	00309894
Date of Birth	14 th October, 1979
Date of Appointment	30 th September, 2003
Qualifications	B. Com & MBA
Brief Resume of the Director (incl. expertise in specific functional area)	Mr. Hemant P. Kanugo, (37 years) is the Whole Time Director of the Company. He is a Commerce Graduate from University of Mumbai. After completing his studies he joined the family business. He has more than 13 years of experience in the Stainless Steel Industry. He looks after the production unit at Silvassa.
Disclosure of the relationships between directors inter se	Promotor Group Related to Mr. Prakash C. Kanugo, Chairman & Managing Director
Directorships held in other public Companies (excluding Foreign Companies & Section 8 Companies)	Nil
Memberships / Chairmanship of committees of other public companies (including only Audit Committee and Stakeholders' Relationship Committee)	Nil
Number of shares held in the Company	5,617,530

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. Hemant P. Kanugo; 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 25th Annual General Meeting of the Company.

As you are all aware that financial year 2015 - 16, was a very challenging year for the global economy and the steel industry in particular. These unfavourable conditions inevitably affected our results adversely .

During the year under review, the Company transferred its 'Seamless Stainless Steel Tubes and Pipes' division to Tubacex Prakash India Private Limited to reduce its debt significantly. However, the market conditions worsened post this transaction, affecting the existing welded tubes and pipes division to endure.

Due to the unfavorable market conditions in steel industry and meltdown in the prices of nickel, chromium, molybdenum, there was a pressure on the receivables, stock valuations and selling prices which resulted into heavy operational losses during the financial year 2015-16.

Not only the Indian economy, the global factors such as anti dumping duty levied by USA, also affected the functioning of steel industry in India which resulted in heavy inventory pile up for the Company and loss of stock valuations on export orders.

On the operational front, the Company on standalone basis has recorded net revenue of Rs. 55,512.40 Lakhs as compared to Rs. 107,243.18 Lakhs of previous year. The net loss before tax is Rs. 8,053.83 Lakhs as compared to previous year's net profit before tax of Rs. 2,139.69 Lakhs. The Company has suffered net loss after tax of Rs. 8,144.50 Lakhs as compared to previous year's net profit after tax of Rs. 1,406.00 Lakhs.

Despite of all the above adverse situations, 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.

To meet these challenges, we are exploring new products and new markets in Europe, Latin America and Gulf countries and have also received approvals in North Latin America; Petrobras Brazil and Ferguson industries, North America.

We know 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 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 in us, and all other stakeholders and government agencies, our bankers for the continuing commitment and support in your Company.

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

A handwritten signature in black ink, appearing to read 'Prakash C. Kanugo'.

Prakash C. Kanugo
Chairman & Managing Director
DIN : 00286366



BOARDS' REPORT

To the Members,
Prakash Steelage Limited

The Board of Directors of your Company presents the 25th Annual Report of your Company, along with the Audited Financial Statements (Standalone & Consolidated) for the financial year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

The financial highlights of the Company (Standalone & Consolidated) for the year ended 31st March, 2016 are summarized below:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Total Revenue	56,837.96	1,08,455.17	57,760.07	1,13,529.55
Less: Expenditure	64,109.63	1,05,179.52	65,676.93	1,10,188.70
Profit Before Tax and Depreciation	(7,271.67)	3,275.65	(7,916.86)	3,340.84
Less: Depreciation	782.16	1,135.96	782.16	1,135.96
Profit Before Tax (PBT)	(8,053.83)	2,139.69	(8,699.02)	2,204.87
Less: Taxation	90.67	733.69	90.67	733.69
Profit / (Loss) After Tax (PAT)	(8,144.50)	1,406.00	(8,789.69)	1,471.18

FINANCIAL PERFORMANCE / OVERVIEW

During the year under review, the Company's operations predominately related to manufacturing and trading of stainless steel tubes & pipes; pursuant to the transfer of its 'Seamless Stainless Steel Tubes and Pipes business to 'Tubacex Prakash India Private Limited', an Associate Company.

On standalone basis, the total revenue for the year ended 31st March, 2016 is Rs. 56,837.96 Lakhs as compared to Rs. 108,455.17 Lakhs in the previous year. The Company suffered a net loss of Rs. 8,144.50 Lakhs as compared to previous year's profit of Rs. 1,406.00 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.

There has been a recent development in the Company wherein we have received an approval of our products from our renowned customers viz.; Petrobras, Brazil and Ferguson Industries, North America for welded pipes, which will help us in penetrating the Brazil and USA market and augment the business of the Company in the times to come.

However, 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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002. The Company has submitted a proposal for restructuring to the Banks.

SHARE CAPITAL

The paid up share capital of the Company as on 31st March, 2016 stood at Rs. 17.50 Crores comprising of 175,000,390 Equity Shares of Re.1/- each.

On 04th March, 2016, being the record date, the Equity Shares of the Company were sub-divided from face value of Rs. 10/- each to the face value of Re. 1/- each after obtaining the members' approval through postal ballot on 12th February, 2016.

The main objective for sub-division of the equity shares was to improve the liquidity of Company's Equity Shares in the stock markets with higher floating stock in absolute numbers and to make them more affordable for the small retail investors to invest in the Company.

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, 2016, 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 2015 – 16 on account of loss incurred by the Company for the year under review.

Further, your Company has not transferred any amount to its reserves for the financial year 2015 - 16.

DETAILS OF SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

The Company has prepared its Consolidated Financial Statements for the financial year ended 31st March, 2016, as per Accounting Standard 21 "Consolidated Financial Statements" & Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

During the year under review, the Company has dissolved its Wholly-Owned Foreign Subsidiary viz. Pioneer Stainless & Alloy, F.Z.C., U.A.E., pursuant to the members' approval through postal ballot dated 12th February, 2016. The wholly owned subsidiary made an application to Ajman Free Zone Authority, U.A.E., on 27th March, 2016 for liquidation and received the final approval on 27th April, 2016.

The details of the wholly-owned subsidiary and its business operations during the year under review are covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

The Company have transferred its "Seamless Stainless Steel Tubes and Pipes" Business to 'Tubacex Prakash India Private Limited', a Joint Venture Company ("JV Company") which was incorporated as a wholly owned subsidiary of the Company pursuant to Joint Venture Agreement executed between the Company and Tubacex S.A. Spain dated 13th February, 2015; in accordance with the provisions of the Business Transfer Agreement entered between the Company and the JV Company dated 25th July, 2015.

Further to the allotment of Equity Shares of the JV Company on 27th July, 2015, as per the Joint Venture Agreement, the holding of Tubacex S.A. Spain was 67.53% and the holding of the Company was 32.47% in the JV Company. Subsequent to such allotment, the JV Company which was incorporated as a wholly owned subsidiary of the Company has become an Associate Company.

Pursuant to the members' approval through postal ballot dated 12th February, 2016, the Company has proposed to dilute its equity stake in the JV Company viz., Tubacex Prakash India Private Limited' not exceeding 12.47% by way of sale to Tubacex S.A., Spain. However, the Company has not yet initiated the same and may take some time.

The Company has not received the Audited Accounts for the financial year 2015 - 16 in respect of Tubacex Prakash India Private Limited ("the Associate Company"). For the purpose of valuation, the unaudited accounts for the financial year 2015 - 16 of the Associate Company have been considered. The expenditure and business loss incurred due to transfer of "Seamless Stainless Steel Tubes and Pipes" Business to the Associate Company is shown under exceptional item in the Consolidated Financial Statements for the financial year ended 31st March, 2016.

Pursuant to Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014, the name of the companies which have become or ceased to be the subsidiary(s) / joint venture(s) / associate company(s) during the year are provided as below :

Sr. No.	Name of the Entity	Relationship	Status
1.	Pioneer Stainless & Alloys F.Z.C., U.A.E.	Wholly Owned Subsidiary	Active ^(A)
2.	Tubacex Prakash India Private Limited	Associate Company	Active ^(B)

(A) Pursuant to the members' approval through postal ballot dated 12th February, 2016, the wholly owned subsidiary made an application to Ajman Free Zone Authority, U.A.E., on 27th March, 2016 for liquidation and thereafter received the final approval on 27th April, 2016.

(B) W.e.f. 27th July, 2015.

The salient features of the financial statements of Company's subsidiary(s) / joint venture(s) / associate company(s) 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 Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 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 policies to ensure uniform accounting treatment are prescribed to the subsidiary(s) of your Company. The accounts of the subsidiary company(s) are audited and certified by their respective Auditors for consolidation.

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 five times, on following occasions:

Sr. No.	Date of the Board Meetings
1.	30 th May, 2015
2.	14 th August, 2015
3.	09 th November, 2015
4.	29 th December, 2015
5.	12 th February, 2016

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.

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)" (erstwhile Listing Agreement).

DIRECTORS' RESPONSIBILITY STATEMENT

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

- the preparation of the annual accounts of the Company for the financial year ended 31st March, 2016, the applicable accounting standards have been followed, along with proper explanation relating to material departures, if any;
- the accounting policies as mentioned in the notes to the Financial Statements for the year ended 31st March, 2016 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 at 31st March, 2016 and of the loss of the Company for the year ended as on that date;
- 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;
- the annual financial statements for the year ended 31st March, 2016 have been prepared on a 'going concern' basis;
- the internal financial controls laid down by the Company were to be followed and such internal financial controls are adequate and were been operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.



STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors viz., Mr. A. Prakashchandra Hegde, Mr. Himanshu J. Thaker and Ms. 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 DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR THEIR PERFORMANCE EVALUATION

The Board, on the basis of the criteria / manner as recommended by the Nomination and 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 thereunder alongwith the corporate governance requirements as laid down by Securities Exchange Board of India ("SEBI") under "SEBI (LODR)" (erstwhile Clause 49 of Equity Listing Agreement).

The performance of the Board and its Committees are evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria as recommended by Nomination and 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 thereunder and the SEBI (LODR) (erstwhile Clause 49 of Listing Agreement).

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman are evaluated, taking into account the views of Executive Directors 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 are discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors are also discussed in accordance with the requirement of Regulation 25(4) of the SEBI (LODR).

Pursuant to the provisions of Regulation 25(7) of the SEBI (LODR) (earlier Clause 49(II)(B)(7)(b) of the Listing Agreement), the Company prepared and pursued the Familiarization Programme for Independent Directors as hosted on Company's website (www.prakashsteelage.com) during the year under review.

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

STATUTORY AUDITORS

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

The Audit Committee and the Board of Directors of the Company have recommended to the members of the Company, ratification of appointment of M/s. Batliboi & Purohit, Chartered Accountants, as the Statutory Auditors of the Company to hold office from conclusion of the ensuing 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. The Company has received a letter dated 18th May, 2016 from M/s. Batliboi & Purohit confirming that they are eligible for ratification of their appointment.

AUDITORS REPORT

The Report given by the Statutory Auditors, on the Financial Statements of the Company, is disclosed as a part of the Financial Statements of the Company for the year under review. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report and does not call for any further comments. The Notes to the Financial Statements are self-explanatory and do not call for any further comments.

COST AUDITORS

Your Company has received a consent letter from M/s. Amish Parmar & Associates, Cost Accountants, as a Cost Auditor of your Company dated 12th May, 2016; to continue as the Cost Auditor of the Company for the financial year 2016 - 17.

The Board, on the recommendation made by the Audit Committee, in their meeting held on 30th May, 2016, 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. 95,000/- p.a. plus service tax and out of pocket expenses, if any. Necessary resolution seeking your ratification for the proposed remuneration to be paid to the Cost Auditor has been included in the notice of the Annual General Meeting.

INTERNAL AUDITORS

M/s. Anand Jain & Associates, Chartered Accountants, Internal Auditors of the Company resigned as the Internal Auditors of the Company for the financial year 2016 -17.

Further, the Company has received the consent letter from M/s. P.C. Rathi & Associates, Chartered Accountants (Firm Registration No. 045104) dated 15th May, 2016, to act as an Internal Auditors of the Company for the financial year 2016 - 17 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. S. Anantha Rama Subramanian, proprietor of M/s. S. Anantha & Co., Practising Company Secretary, was appointed as the Secretarial Auditor 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:

- a. Delay in filing of E - Form MGT-10 with the Ministry of Corporate Affairs ('MCA') within prescribed time.

Explanation: With respect to the delay in filing of E - Form MGT 10 with MCA, the Company paid the additional fees and complied with the requirement.

- b. Delay in filing of Corporate Governance Report with BSE Limited for the quarter ended December, 2015.

Explanation: The delay in filing of Corporate Governance Report with BSE Limited for the quarter ended December, 2015 occurred due to technical problem in respect of which the Company paid the penalty and resubmitted the report and complied with the requirement.

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. 11, 46 and 47 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, during the year under review, were

- in "ordinary course of business" of the Company,
- on "an arm's length basis" and
- not "material",

as per the provisions of Section 188(1) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 SEBI (LODR).

Accordingly, Form AOC - 2 prescribed under the provisions of Section 134(3)(h) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are "not at arm's length basis" and also which are "material and at arm's length basis", is not provided as an annexure of the Board's Report.

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 nature and / or entered in the ordinary course of business and are at arm's length.



In line with the requirements of the Companies Act, 2013 and the SEBI (LODR) (erstwhile Listing Agreement), your Company has formulated a policy on Related Party Transactions which is also available on the website of the Company i.e. 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.

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, 2016 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 regard 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;
- capitalize on opportunities along with minimization of identifiable risks; and
- in compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) (erstwhile Clause 49 of the Listing Agreement) 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", 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 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, Dr. Bipin C. Doshi (DIN: 00322143), resigned as the Independent Director of the Company with effect from 31st May, 2015.



Mr. Ashok M. Seth (DIN: 00309706) resigned as the Whole Time Director and Chief Financial Officer of the Company and Mr. Kamal P. Kanugo (DIN: 02023367), resigned as the Whole Time Director of the Company w.e.f. 01st August, 2015 in terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, Mr. Ashok M. Seth and Mr. Kamal P. Kanugo continued only as Directors on the Board of the Company.

Further, on recommendation of the Nomination and Remuneration Committee of the Company, Mr. Hemant Kanugo (DIN: 00309894) had been appointed as the Chief Financial Officer of the Company on 14th August, 2015.

Further, Mr. Gautam C. Jain (DIN: 02809603), Independent Director and Mr. Kamal P. Kanugo (DIN: 02023367), Director of the Company ceased to hold their respective directorships in the Company on 09th November, 2015 due to their personal pre-occupation.

Mr. Hemant P. Kanugo (DIN: 00309894), Whole Time Director and Chief Financial Officer of the Company, resigned as the Chief Financial Officer of the Company on 29th December, 2015. However, he continues to hold the position of Whole Time Director in the Company.

Due to the active involvement of Mr. Ashok M. Seth (DIN: 00309706) in the business strategies and financial decisions of the Company, he resigned as the Whole Time Director of Tubacex Prakash India Private Limited ('the Associate Company') and pursuant to the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Ashok M. Seth (DIN: 00309706) has been appointed as the Chief Financial Officer of the Company on 29th December, 2015.

Pursuant to the provisions of Section 196, 197 and other applicable provisions, if any of the Companies Act, 2013 read with Part I of Schedule V to the Companies Act, 2013 and pursuant to the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Ashok M. Seth (DIN: 00309706) has been appointed as Executive Director (in whole time employment) of the Company for a term of 5 years with effect from 29th December, 2015 to 28th December, 2020 at such terms and conditions and remuneration, as approved by the members' of the Company through postal ballot on 12th February, 2016.

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. Hemant P. Kanugo (DIN: 00309894), Whole Time Director of the Company, will retire by rotation at the ensuing 25th Annual General Meeting and being eligible for re-appointment, has offered himself for re-appointment. Necessary resolution for his appointment also forms part of the Notice for the ensuing 25th Annual General Meeting of the Company.

As required under the provisions of the Companies Act, 2013 and Regulation 36(3) of the SEBI (LODR), brief resume and other details of Director being re-appointed are provided as Annexure - I to the Notice of the ensuing 25th Annual General Meeting of the Company.

During the year under review, Ms. Pallavi P. Shedge resigned from the designation of Company Secretary & Compliance Officer of the Company w.e.f. 19th August, 2015 & Ms. Shruti Zope was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. 28th September, 2015 in accordance with the provisions of the Companies Act, 2013 read with rules framed thereunder and recommendation of the Nomination and Remuneration Committee of the Company.

However, Ms. Shruti Zope tendered her resignation from the post of Company Secretary & Compliance Officer of the Company on 26th February, 2016. Further, on the recommendation of the Nomination and Remuneration Committee and approval of the Executive Committee of the Board of Directors of the Company, Ms. Palak Kohli Kochhar has been appointed as the Company Secretary & Compliance Officer of the Company w.e.f. 07th March, 2016.

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. Hemant P. Kanugo, Whole Time Director;
3. Mr. Ashok M. Seth, Whole Time Director & Chief Financial Officer; and
4. Ms. Palak Kohli Kochhar, 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. Anand Jain & Associates, Chartered Accountants. However, M/s. Anand Jain & Associates resigned as the Internal Auditors of the Company w.e.f. 15th May, 2016, and M/s. P.C. Rathi & Associates was appointed as Internal Auditors of the Company. The initial object of the internal audit process is test and review of controls, independent appraisal of risks, business process and benchmarking internal controls with best practices.

The Audit Committee of the Board of Directors of the Company 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 Audit Committee of the Board of Directors and Statutory Auditors of the Company 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 OF THE BOARD OF DIRECTORS

Audit Committee	1. Mr. Gautam C. Jain* 2. Mr. A. Prakashchandra Hegde 3. Mr. Himanshu J. Thaker 4. Mr. Ashok M. Seth [§]
Nomination and Remuneration Committee	1. Mr. Himanshu J. Thaker 2. Mr. A. Prakashchandra Hegde 3. Mrs. Neettha 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 4. Mr. Kamal P. Kanugo [#]

* resigned w.e.f. 09th November, 2015

§ continued as a Director w.e.f. 01st August, 2015 on resignation as Executive Director & CFO. However, reappointed as Executive Director (in whole time employment) & CFO w.e.f. 29th December, 2015.

continued only as Director w.e.f. 01st August, 2015, however, resigned from the directorship of the Company w.e.f. 09th November, 2015.

The brief details with respect to the constitution, meetings, scope and functions of the above mentioned Committees of the Board of Directors 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) (erstwhile Clause 49 of the Listing Agreement), 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 behaviour, 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 provision of Section 197(12) of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available at the Registered Office of the Company during working hours, except on Saturdays before 21 days of the Annual General Meeting, pursuant to the provisions of the first provision to Section 136 (1) of the Companies Act, 2013 and any member interested in obtaining such information may write to the Company Secretary and the same will be made available to any such member on request.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (LODR) (erstwhile Clause 49 of the Listing Agreement) 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) (earlier Listing Agreement) 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) (erstwhile Clause 49 of the Listing Agreement), from time to time and the Secretarial Auditors of the Company viz. M/s. S Anantha & Co., Company Secretaries, have, vide their certificate dated 10th August, 2016 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) (erstwhile Clause 49 of the Listing Agreement).

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

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT THE 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 the 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.

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 the hard work, cooperation, solidarity, dedication and commitment displayed by all executives, officers and staff during the year, resulting in the successful performance of the Company.

For and on behalf of the Board of Directors

Sd/-

Prakash C. Kanugo

Chairman & Managing Director

DIN : 00286366

Place : **Mumbai**

Date : **10th August, 2016**



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)

(In Rs. except % of shareholding)

Name of the subsidiary ⁽¹⁾	Pioneer Stainless & Alloy, F.Z.C. (U.A.E.)
Financial Period ended	31 st March, 2016
Exchange Currency	USD
Exchange Rate	1 \$ = Rs. 66.3329
Share Capital	-
Reserves & Surplus	-
Total Assets	-
Total Liabilities (excluding share capital and reserves & surplus)	-
Investment	-
Turnover⁽²⁾	Rs. 94,870,263
Profit / (Loss) before taxation⁽²⁾	Rs. (61,859,975)
Provision for taxation⁽²⁾	-
Profit / (Loss) after taxation⁽²⁾	Rs. (61,859,975)
% of shareholding	-

(1) Pursuant to the members' approval through postal ballot dated 12th February, 2016, the wholly owned subsidiary made an application to Ajman Free Zone Authority, U.A.E., on 27th March, 2016 for liquidation and thereafter received the final approval on 27th April, 2016.

(2) Converted at average exchange rate.

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 31 st March, 2016 from the Associate Company
2. Shares of Associates held by the Company on the year end	
a) No.	3,247,000
b) Amount of Investment in Associate	Rs. 32,470,000 (as per the face value of equity shares of the Associate Company)
c) Extend of Holding (%)	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	Not Applicable
ii) Not Considered in Consolidation	Not Applicable

For and on behalf of the Board of Directors

Sd/-
Prakash C. Kanugo
Chairman &
Managing Director

Sd/-
Ashok M. Seth
Executive Director &
Chief Financial Officer

Sd/-
Palak Kohli Kochhar
Company Secretary &
Compliance Officer

Place : Mumbai
Date : 10th August, 2016



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, 2016

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 / Indian Non-Government Company
 v) Address of the registered office and contact details : 1402, 14th Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.
 Tel.: +91 22 6613 4500
 vi) Whether listed company : Yes
 vii) Name, address and contact details of Registrar & Share Transfer Agents, if any : M/s. Bigshare Services Private Limited, Address : E2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai - 400 072
 Tel.: +91 22 4043 0306

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	241060	99.16
2.	Other	-	0.84
		Total	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Share held	Applicable Section
1.	Pioneer Stainless & Alloys, F.Z.C., U.A.E. ⁽¹⁾	NA ⁽²⁾	Wholly Owned Foreign Subsidiary	100.00	-
2.	Tubacex Prakash India Private Limited ⁽³⁾	U28113MH2015PTC263656	Associate Company ⁽⁴⁾	32.47	2(6)

(1) Address : SM Office - F1 - 122A

(2) Incorporated in United Arab Emirates.

(3) Address : Level 9, Platina, C-59, G - South, BKC, Bandra (E), Mumbai - 400 051.

(4) 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	
	Physical		% of total share capital		Physical		% of total share capital			
	Demat	Total	Demat	Total	Demat	Total	Demat	Total		
A. Promoter & Promoter Group										
1) Indian										
(a) Individuals / Hindu Undivided Family	360,437	0	360,437	2.06	3,604,370	0	3,604,370	2.06	0.00	0.00
(b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(d) Any Others (Directors Relatives)	6,889,713	0	6,889,713	39.37	68,897,130	0	68,897,130	39.37	0.00	0.00
(e) Any Others (Group Companies)	4,476,874	0	4,476,874	25.58	44,768,740	0	44,768,740	25.58	0.00	0.00
Sub - Total (A)(1)	11,727,024	0	11,727,024	67.01	117,270,240	0	117,270,240	67.01	0.00	0.00
2) Foreign										
(a) Non - Resident Individuals / Foreign Individuals	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(b) Government	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00	0.00
Sub - Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	11,727,024	0	11,727,024	67.01	117,270,240	0	117,270,240	67.01	0.00	0.00
B. Public Shareholding										
1) Institutions										
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(e) Foreign Portfolio Investors	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(f) Financial Institutions / Banks	550,000	0	550,000	3.14	5,398,020	0	5,398,020	3.08	-0.06	0.00
(g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(h) Provident Funds / Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(i) Any Others (FII'Ss)	739,992	0	739,992	4.23	7,399,920	0	7,399,920	4.23	0.00	0.00
Sub - Total (B)(1)	1,289,992	0	1,289,992	7.37	12,797,940	0	12,797,940	7.31	0.00	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	Demat	Physical	Total		% of total share capital
2) Non-Institutions								
(a) Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	399,099	4	399,103	5,180,910	40	5,180,950	2.28	
(b) Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	644,463	0	644,463	4,148,480	0	4,148,480	3.68	
(c) Bodies Corporate	3,427,506	0	3,427,506	30,649,854	0	30,649,854	19.59	
(d) Clearing Members	10,172	0	10,172	4,934,385	0	4,934,385	0.06	
(e) Non - Resident Indians (NRIs)	1,779	0	1,779	18,541	0	18,541	0.01	
	4,483,019	4	4,483,023	44,932,170	40	44,932,210	25.62	
Sub - Total (B)(2)	5,773,011	4	5,773,015	57,730,110	40	57,730,150	32.99	
Total Shareholding of Public (B)=(B)(1)+(B)(2)								
C. Shares held by Custodian for GRSS. & ADRs	0	0	0	0	0	0	0.00	
Total Shareholding of Custodian = (C)	0	0	0	0	0	0	0.00	
Grand Total (A) + (B) + (C)	17,500,035	4	17,500,039	175,000,350	40	175,000,390	100.00	

* Pursuant to members' approval through postal ballot dated 12th February, 2016, the Equity Shares of the Company have been sub divided from face value of Rs. 10/- each into Re. 1/- each w.e.f. 04th March, 2016, being the record date.

**(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	3,783,500	21.62	0.00	37,835,000	21.62	10.86	0.00
2.	AMS Trading and Investment Private Limited	2,876,000	16.43	12.77	28,760,000	16.43	11.75	0.00
3.	Seth Iron and Steel Private Limited	1,490,000	8.51	0.00	14,900,000	8.51	0.00	0.00
4.	Kirti P. Kanugo	583,074	3.33	0.00	5,830,740	3.33	0.00	0.00
5.	Hemant P. Kanugo	561,753	3.21	0.00	5,617,530	3.21	0.00	0.00
6.	Kamal P. Kanugo	557,752	3.19	0.00	5,577,520	3.19	0.00	0.00
7.	Vimal P. Kanugo	505,159	2.89	0.00	5,051,590	2.89	0.00	0.00
8.	Ashok M. Seth	448,400	2.56	0.00	4,484,000	2.56	0.00	0.00
9.	Babita P. Kanugo	300,075	1.71	0.00	3,000,750	1.71	0.00	0.00
10.	Prakash C. Kanugo (HUF)	260,437	1.49	0.00	2,604,370	1.49	0.00	0.00
11.	Seth Steelage Private Limited	110,874	0.63	0.00	1,108,740	0.63	0.00	0.00
12.	Seth Ashok Mafatlal (HUF)	50,000	0.29	0.00	500,000	0.29	0.00	0.00
13.	Dheliben M. Seth	50,000	0.29	0.00	500,000	0.29	0.00	0.00
14.	Mafatlal C. Seth	50,000	0.29	0.00	500,000	0.29	0.00	0.00
15.	Mafatlal Chogamal Seth (HUF)	50,000	0.29	0.00	5,00,000	0.29	0.00	0.00
16.	Nirmala A. Seth	50,000	0.29	0.00	5,00,000	0.29	0.00	0.00

* Pursuant to members' approval through postal ballot dated 12th February, 2016, the Equity Shares of the Company have been sub divided from face value of Rs. 10/- each into Re. 1/- each w.e.f. 04th March, 2016, being the record date.



(iii) Change in Promoters' Shareholding :

There was no change in the Promoters' Shareholding during the financial year ended on 31st March, 2016.

However, pursuant to member's approval through postal ballot dated 12th February, 2016, the Equity Shares of the Company have been sub divided from face value of Rs. 10/- each into Re. 1/- each w.e.f. 04th March, 2016, being the record date.

(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, 2015)		Cumulative shareholding during the year	
		No. of shares	% of total share capital of the Company	No. of shares	% of total share capital of the Company
1.	Balmiki Agencies Private Limited				
	At the beginning of the year	970,649	5.55	970,649	5.55
	Date wise increase / decrease	0	0.00	970,649	5.55
	At the end of the year*	9,706,490	5.55	9,706,490	5.55
2.	Mentor Capital Limited				
	At the beginning of the year	848,652	4.85	848,652	4.85
	Bought during the year (increase)	30,000	0.17	878,652	5.02
	Sold during the year (decrease)	(325,000)	(1.86)	553,652	3.16
		(46,933)	(0.03)	5,489,587	3.14
At the end of the year*	5,489,587	3.14	5,489,587	3.14	
3.	General Insurance Corporation of India				
	At the beginning of the year	550,000	3.14	550,000	3.14
	Bought during the year (increase)	0	0.00	550,000	3.14
	Sold during the year (decrease)	(10,198)	(0.06)	539,802	3.08
At the end of the year*	5,398,020	3.08	5,398,020	3.08	
4.	Cresta Fund Limited				
	At the beginning of the year	382,361	2.18	382,361	2.18
	Bought during the year (increase)	0	0.00	382,361	2.18
	Sold during the year (decrease)	(382,361)	(2.18)	0	0.00
At the end of the year*	0	0.00	0	0.00	
5.	Emerging India Focus Funds				
	At the beginning of the year	357,631	2.04	357,631	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*	3,576,310	2.04	3,576,310	2.04	
6.	Sunidhi Capital Private Limited				
	At the beginning of the year	334,259	1.91	334,259	1.91
	Bought during the year (increase)	351,295	2.01	685,554	3.92
	Sold during the year (decrease)	(269,295)	(1.54)	416,259	2.38
At the end of the year*	4,162,590	2.38	4,162,590	2.38	



Sr. No.	For each of the Top ten shareholders	No. of shares held at the beginning of the year (April 1, 2015)		Cumulative shareholding during the year	
		No. of shares	% of total share capital of the Company	No. of shares	% of total share capital of the Company
7.	Haridarshan Sales Private Limited				
	At the beginning of the year	270,000	1.54	270,000	1.54
	Bought during the year (increase)	0	0.00	270,000	1.54
	Sold during the year (decrease)	0	0.00	270,000	1.54
	At the end of the year*	2,700,000	1.54	2,700,000	1.54
8.	Swagatam Marketing Private Limited				
	At the beginning of the year	250,236	1.43	250,236	1.43
	Bought during the year (increase)	230,000	1.31	480,236	2.74
	Sold during the year (decrease)	(480,236)	(2.74)	0	0.00
	At the end of the year*	0	0.00	0	0.00
9.	Trisions Metaflex Private Limited				
	At the beginning of the year	183,000	1.05	183,000	1.05
	Bought during the year (increase)	33,362	0.19	216,362	1.24
	Sold during the year (decrease)	(33,362)	(0.19)	183,000	1.05
	At the end of the year*	1,830,000	1.05	1,830,000	1.05
10.	Kamlesh Manohar Kanungo (HUF)				
	At the beginning of the year	146,461	0.84	146,461	0.84
	Bought during the year (increase)	50,000	0.29	196,461	1.12
	Sold during the year (decrease)	0	0.00	196,461	1.12
	At the end of the year*	1,964,610	1.12	1,964,610	1.12
11.	Ashika Stock Broking Limited - Client Margin A/C				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year (increase)	805,700	4.60	805,700	4.60
	Sold during the year (decrease)	(325,700)	(1.86)	480,000	2.74
	At the end of the year*	4,800,000	2.74	4,800,000	2.74
12.	LTS Investment Fund Limited				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year (increase)	382,361	2.18	382,361	2.18
	Sold during the year (decrease)	0	0.00	382,361	2.18
	At the end of the year*	3,823,610	2.18	3,823,610	2.18

* Pursuant to members' approval through postal ballot dated 12th February, 2016, the Equity Share of the Company have been sub - dividend from face value of Rs. 10/- each into Re. 1/- each w.e.f. 04th March, 2016, being the record date.

**(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 capital of the Company	No. of shares	% of total share capital of the Company
1.	Mr. Prakash C. Kanugo	Chairman & Managing Director				
	At the beginning of the year		3,783,500	21.62	3,783,500	21.62
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year*		37,835,000	21.62	37,835,000	21.62
2.	Mr. Ashok M. Seth	Whole Time Director & Chief Financial Officer				
	At the beginning of the year		448,400	2.56	448,400	2.56
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year*		4,484,000	2.56	4,484,000	2.56
3.	Mr. Hemant P. Kanugo	Whole Time Director				
	At the beginning of the year		561,753	3.21	561,753	3.21
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year*		5,617,530	3.21	5,617,530	3.21
4.	Mr. Kamal P. Kanugo[#]	Whole Time Director				
	At the beginning of the year		557,752	3.19	557,752	3.19
	Date wise increase / decrease		0	0.00	0	0.00
	At the end of the year*		5,577,520	3.19	5,577,520	3.19
5.	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
6.	Mr. Gautam C. Jain	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. 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
8.	Ms. Neeta 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
9.	Ms. Pallavi P. Shedge[§]	Company Secretary				
	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
10.	Ms. Shruti Zope[@]	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



11	Ms. Palak Kohli Kochhar[^]	Company				
	At the beginning of the year	Secretary	NA	NA	NA	NA
	Date wise increase / decrease		NA	NA	NA	NA
	At the end of the year		NA	NA	NA	NA

* Pursuant to members' approval through postal ballot dated 12th February, 2016, the Equity Shares of the Company have been sub divided from face value of Rs. 10/- each into Re. 1/- each w.e.f. 04th March, 2016, being the record date.

[#] Continued only as a Director w.e.f. 01st August, 2015, pursuant to his appointment as an Executive Director of Tubacex Prakash India Private Limited as per the terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, resigned from the directorship of the Company w.e.f. 09th November, 2015.

[§] Resigned w.e.f. 19th August, 2015.

[®] Appointed w.e.f. 28th September, 2015, however, she tendered her resignation on 26th February, 2016. Since the appointment is during the year, the same is not taken into consideration.

[^] Appointed w.e.f. 07th March, 2016. Since the appointment is during the year, the same is not taken into consideration.

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment: (In Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,080,923,960	367,524,886	-	2,448,448,846
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,709,459	-	-	1,709,459
Total (i+ii+iii)	2,082,633,419	367,524,886	-	2,450,158,305
Change in indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	343,240,467	74,276,896	-	417,517,363
Net Change	343,240,467	74,276,896	-	417,517,363
Indebtedness at the end of the financial year				
i) Principal Amount	1,738,157,094	293,247,990	-	2,031,405,084
ii) Interest due but not paid	-	1,747,990	-	1,747,990
iii) Interest accrued but not due	1,235,858	-	-	1,235,858
Total (i+ii+iii)	1,739,392,952	294,995,980	-	2,034,388,932

(VI) REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

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

(In Rs. p.a.)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Prakash C. Kanugo (Managing Director)	Ashok M. Seth ^[1] (Executive Director & CFO)	Hemant P. Kanugo (Whole Time Director)	Kamal P. Kanugo ^[2] (Whole Time Director)	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,500,000	700,000	900,000	300,000	3,400,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	90,000	186,655	-	-	276,655
	(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 (1+2+3+4+5)	1,590,000	886,655	900,000	300,000	3,676,655
	Celling as per the Act	Pursuant to Schedule V of the Companies Act, 2013.				



- [1] Continued as a Director w.e.f. 01st August, 2015 on resignation as Executive Director & CFO. However, Mr. Ashok M. Seth was reappointed as Executive Director (in whole time employment) & CFO w.e.f. 29th December, 2015.
- [2] Continued as a Director w.e.f. 01st August, 2015 on resignation as Executive Director. However, Mr. Kamal P. Kanugo resigned from directorship of the Company w.e.f. 09th November, 2015.

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

(In Rs. p.a.)

Sr. No.	Particulars of Remuneration	Name of Independent Director (Non - Executive Director)					Total Amount
		Mr. A. Prakashchandra Hegde	Dr. Bipin C. Doshi ^[1]	Mr. Gautam C. Jain ^[2]	Mr. Himanshu J. Thaker	Ms. Neetta K. Bokaria ^[3]	
1.	Independent Director						
	- Fee for attending board / committee meetings	110,000	20,000	40,000	105,000	70,000	345,000
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total (1)	110,000	20,000	40,000	105,000	70,000	345,000
2.	Other Non - Executive Directors						
	- Fee for attending board / committee meetings	-	-	-	-	-	-
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (1+2)	110,000	20,000	40,000	105,000	70,000	345,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	NA					

[1] Resigned from the directorship of the Company w.e.f. 31st May, 2015.

[2] Resigned from the directorship of the Company w.e.f. 09th November, 2015.

[3] Appointed w.e.f. 30th March, 2015.

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

(In Rs. p.a.)

Sr. No.	Particulars of Remuneration	CEO	Company Secretary			CFO
			Ms. Pallavi P. Shedge ⁽¹⁾	Ms. Shruti Zope ⁽²⁾	Ms. Palak Kohli Kochhar ⁽³⁾	
1.	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	363,000	400,014	325,000	-
	(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	-	363,000	400,014	325,000	-

(1) Resigned w.e.f. 19th August, 2015.

(2) Ms. Shruti Zope was appointed as the Company Secretary & Compliance Officer w.e.f. 28th September, 2015, however, she tendered her resignation on 26th February, 2016.

(3) Appointed w.e.f. 07th March, 2016.

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

The Company paid Rs. 21,755/-, as additional fees towards delay in filing of Corporate Governance Report with BSE Limited for quarter ended December, 2015 due to technical error.



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 Personnel ("KMPs").

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 of the Board of Directors of the Company (the said "Committee") 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 competencies 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.



Annexure - IV

Form No. MR - 3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

Secretarial Audit Report for the financial year ended 31st March, 2016

To,
The Members,
Prakash Steelage Limited
 1402, 14th Floor, A Wing, Naman Midtown,
 Elphinstone Road, Senapati Bapat Marg,
 Mumbai - 400013.

I 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 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts / Statutory Compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 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 Borrowing;
(Not Applicable as there were no instances of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing 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 (including the erstwhile SEBI (Prohibition of Insider Trading) Regulations, 1992);
 - (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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(*Not Applicable for the year under review*)
- (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.

I 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) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited and 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:

- a. There was a delay in filing of E - Form MGT - 10 with the Ministry of Corporate Affairs within prescribed time; and
- b. There was a delay in filing of Corporate Governance Report for the quarter ended December, 2015 with BSE Limited due to technical error.

With respect to delay in filing of E - Form with the Ministry of Corporate Affairs, the Company paid additional fees and with respect of filing of Corporate Governance Report with BSE Limited, the Company paid the penalty and complied with the requirements as the case may be.

I 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 my 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.

I 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.



I further report that 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.

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 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.

I 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) Major decisions taken by the members pursuant to Section 180 of the Companies Act, 2013;
- (iv) Merger / amalgamation / reconstruction, etc., except approval for:-
 - a) Sub - division of Equity Shares of face value of Rs. 10/- each into face value of Re. 1/- each of the Company vide special resolution passed through postal ballot of the Company on 12th February, 2016; and
 - b) The Company transferred its "seamless stainless steel tubes and pipes" business to Tubacex Prakash India Private Limited, the Joint Venture Company, in terms of the Joint Venture Agreement executed between Tubacex S.A. Spain and the Company, further to the approval obtained from the members of the Company during the year 2014 - 15.
- v) Foreign technical collaborations; or
- vi) 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 & Co.,**
Company Secretaries

Sd/-

S. Anantha Rama Subramanian
Proprietor
FCS 4443
CP No.: 1925

Place : **Mumbai**
Date : **10th August, 2016**



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 FINANCIAL YEAR ENDED 31ST MARCH, 2016**

(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 –

Particulars	(Rs. in Lakhs)	
	As on 31 st March, 2016	As on 31 st March, 2015
Foreign Exchange Earning	4,449.64	18,505.53
CIF Value of Imports	5,624.81	13,525.27
Expenditure in foreign currency	42.33	145.02



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 its 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 ¹	Chairperson	Independent Director
Mr. Hemant P. Kanugo	Member	Whole Time Director
Mr. Ashok M. Seth ²	Member	Whole Time Director

1. Due to the resignation of Mr. Bipin C. Doshi, Independent Director of the Company, Chairperson of the Committee, the Board re-constituted the CSR Committee at its meeting held on 30th May, 2015. Mr. A. Prakashchandra Hegde was appointed as the Chairperson of the Committee.

2. Mr. Ashok M. Seth continued only as a Director w.e.f. 01st August, 2015, pursuant to his appointment as an Executive Director of Tubacex Prakash India Private Limited as per the terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, he was re - appointed as Executive Director (in whole time employment) & Chief Financial Officer w.e.f. 29th December, 2015.

3. Average net profit of the company for last three financial years for the purpose of computation of CSR:

Rs. 224,324,851

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

Rs. 4,486,497

5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year	:	Rs. 9,336,962 (includes previous financial year 2014 - 15 unspent amount)
b. Total amount spent during the financial year	:	Rs. 1,900,000
c. Amount unspent, if any	:	Rs. 7,436,962



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 implementing agency.
1.	Promoting training and education with an aim to provide socio - economic empowerment, value based education, spread of global friendship and spiritual upliftment of fellow beings.	Promoting education, including special education and employment enhancing vocation skills and livelihood enhancing projects	Mumbai	1,900,000	1,900,000	1,900,000	Direct

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 evaluating more CSR agencies and NGOs for implementing of the Company's CSR policy over a period of time in addition to its existing CSR partners as named in the Board's Report. The unspent amount will be spent in near future as per the CSR 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
Chairman & Managing Director

Sd/-
Himanshu J. Thaker
Chairman of CSR Committee - Independent Director

Place : **Mumbai**
Date : **10th August, 2016**



Annexure - VII

Corporate Governance Certificate

To,
The Members
Prakash Steelage Limited

We have examined the compliance of conditions of Corporate Governance by **Prakash Steelage Limited** ("Company") for the year ended 31st March, 2016, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges for the period from 01st April, 2015 to 30th November, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 01st December, 2015 up to 31st March, 2016.

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 for ensuring the compliance 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, except delay in filing of Corporate Governance Report with BSE Limited for quarter ended December, 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 & Co.,**
Company Secretaries

Sd/-
S. Anantha Rama Subramanian
Proprietor
C.P. No. 1925

Place : **Mumbai**
Date : **10th August, 2016**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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 at Silvassa (UT - Dadra & Nagar Haveli) and Umbergaon. The Management accepts responsibility for integrity and objectivity of the Financial Statements of the Company.

Industry Scenario

Financial year 2015 - 2016 was an extremely difficult year for the global stainless steel industry and future prospects are guarded at its best. Demand for steel in 2016 is likely to decline as the pace of global economic growth in major nations is slow. Steelmakers are bracing for this and are struggling to maintain profits in the face of global excess capacity and historically low prices. Global excess capacity stands around 400 to 700 million tonnes with a large amount of this lower-grade steel.

Exports from China continue to penetrate markets all over the world, exerting downward pressure on the price of hot-rolled band (HRB), thereby making the price to reach at a level that are not seen since 2002 to 2004. In these circumstances, steel companies will look to reduce debt, manage costs and implement operational improvements to overcome the turbulence ahead. The industry is looking forward to 2017 for signs of recovery, but bracing a tough year in 2016.

The economic environment with respect to the steel industry continues to be challenging with China's slowdown globally impacting a range of indicators contributing to volatility in financial markets, sluggish growth in global trade and low oil and other commodity prices. The global steel market is suffering from insufficient investment expenditure and continued weakness in the manufacturing sector.

While 2016 is anticipated as another year of contraction in steel demand in China, slow but steady growth in some other key regions including NAFTA and EU is expected. Demand for steel is expected to grow in 2017 in all markets except China.

On a positive note, some emerging economies in South and Southeast Asia show resilient growth, and along with the NAFTA and the EU will also support to recover in 2017. We expect that steel demand outside China will continue to grow by 1.8% in 2016 and this growth will accelerate to 3.0% in 2017.

The decline in steel demand in China is expected to be -4.0% in 2016 followed by -3.0% in 2017. This suggests a demand of 626.1 mt steel (15% down from 2013) for 2017 as against contraction to 41.9% of world steel use from 47.9% in 2009 and 44.8% 2015.

With deep integration of China in the global manufacturing supply chain, this sector has slowed as a consequence of weak growth in global trade. Manufacturing exports in emerging economics, particularly in Asia, declined owing to slower Chinese demand. The same is true for developed countries experiencing a reduction in the exports of consumer goods and machinery.

Steel demand in some emerging economies continues to perform below expectation. A worsening external environment in the form of weak exports, low commodity prices, capital outflows and currency devaluation adds adversity to these economies. Geopolitical and internal national political tensions are present in many of emerging economies.

Brazil and Russia are struggling with their internal and structural issues. Steel demand in both economies is expected to contract strongly in the period ahead. In particular, the Brazilian economy with its political uncertainty has resulted in a severe contraction in steel demand of -16.7% in 2015 and will contribute to a contraction of -8.8% in 2016 with a recovery of only 3.1% in 2017.

In Turkey, steel demand is expected to grow by 3.3% in 2016 and 3.2% in 2017, supported by the government's focus on pro-growth economic policies and low oil prices.



Steel demand in the ASEAN 5 (Thailand, Malaysia, Vietnam, Indonesia, Philippines) is also expected to maintain a growth rate of around 6% despite their exposure to China due to their infrastructure building activities and will reach 74.6 mt in 2017.

Steel demand in the emerging and developing economies excluding China is anticipated to grow by 1.8% and 4.8% in 2016 and 2017 respectively. Steel demand in these economies will amount to 457.1 mt in 2017, accounting for about 30% of world steel demand.

While developed economies are also feeling the effect of the worsening global economic environment, they are expected to maintain a stable recovery momentum. Steel demand in the developed economies will grow by 1.7% in 2016 and 1.1% in 2017.

In the EU, a mild recovery in steel demand continues with generally improving economic sentiments and investment conditions. However, uncertainties in the political landscape related to the refugee crisis and Brexit raises risks to the improving economic condition. Steel demand in the EU is expected to grow by 1.4% in 2016 and a further growth by 1.7% in 2017.

In the US, steel demand is dampened by the fall in oil prices and a strong dollar, but an improving job market and a robust housing sector will support steel demand. Steel demand in the US is expected to grow by 3.2% in 2016 and 2.7% in 2017.

Indian economy

The Government of India is aiming to scale up steel production in the country to 300 mt by 2025 from about 90 mt in 2015 - 16. The government has launched the National Mineral Exploration Policy (NMEP), which will help to adopt comprehensive exploration of non-fuel and non-coal mineral resources that would give a major boost to the economy.

The per capita consumption of stainless steel has a strong co-relation with GDP growth. Using India's new GDP series, the IMF expects Indian economic growth to rise to 7.2% and accelerate further to 7.5% to 8% next year - making India the fastest growing large economy in the world. The Indian Government's new initiative to build 100 smart cities and focus on improving sanitation & waste management facilities is likely to give a strong push to the stainless steel industry which is struggling with low capacity utilization. The potential growth of stainless steel in India is enormous considering the fact that the per capita consumption at 1.9 kg is still much lower than world average of 6 kg.

Road ahead

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 mt by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increase infrastructure construction and the thriving automobile and railways sectors.

Outlook

Steel demand in India is expected to grow by 5.4% to 83.8 million tonnes (mt) this year on the back of low oil prices, reform momentum.

The global industry body has also anticipated that demand in the world's third largest produce will again grow at 5.4% to 88.3 mt in 2017.

India's prospects are brightening due to low oil prices, the reform momentum and policies to increase infrastructure and manufacturing output. India's steel demand will increase by 5.4% in both 2016 and 2017 reaching 88.3 mt in 2017.

Risk Management

Your company continuously monitors and revisits the risk associated with its business. It has



institutionalized the procedure for identifying, minimizing and mitigating risks and the same are reviewed periodically. The Company's Structured Risk Management Process attempts to provide confidence to the stakeholders that the Company's risk are known and well managed. The risk management framework ensures compliance with the requirements of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Risk Management comprises of three key components which are as below:

- i) Risk identifications;
- ii) Risk assessment and mitigation; and
- iii) Risk monitoring and assurance.

Your Company has identified the following aspects as the major risks for its operations:

- i) Economic Risk;
- ii) Foreign Exchange Risk; and
- iii) Industrial Risk.

The risk mitigation plans are reviewed regularly by the Audit Committee of the Board of Directors of your Company.

Risk Management Policy of your Company is designed to ensure sustainable business growth with stability, and to promote a pro - active approach in reporting, evaluating and resolving risks associated with the business. The policy establishes a structured and disciplined approach to risk management to guide decisions on risk related matters.

Opportunities and Threats

While the country's future growth prospects appear to be quite bright, there are certain key issues which are hindering the realization of its true potential. Some of the main issues confronting the industry are non - availability of nickel in country, its volatility, a lack of indigenous melting scrap, increasing competition and shrinking margins in India. Cheap imports from China and other countries are acting as threat to the growth of Indian industry. The current capacity utilization of both flat and long product producers is also quite low at present primarily due to large domestic capacity creation leading to a surplus situation. A large section of the market in India is price sensitive and the lack of awareness of life cycle costing results in resistance to use stainless steel due to its high initial cost. Maintaining this positive trend will require a lot of marketing and development activities. There is a need to create awareness among designer and specification writers about the benefits of stainless steel to reduce the level of ignorance about the material and thus create new application areas using the life cycle cost benefits of specifying material. In the pursuit of the objective of increasing and diversifying the end use of stainless steel in the country, a collective effort by the Indian Stainless Steel Development Association, its member companies, and downstream facilities will be helpful to realize the true potential of growth of stainless steel in the country.

Segment - wise or product - wise performance

During the year under review, the Company had transferred its division i.e. seamless stainless steel tubes and pipes division, unit located at Umbergaon, Gujarat, to Tubacex Prakash India Private Limited on 27th July, 2015, 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 retain 32.47% shareholding in Tubacex Prakash India Private Limited post transfer of such seamless division. The Company continue to manufacture the welded tubes and pipes and also trade in S.S. procuts.

Risk and concerns

Global economic uncertainties have affected India's economy, key risks synonymous to industry include the global recessionary trend, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as iron ore, coal and labour etc., with market fluctuations.



The Chinese steel sector turn introspective over the next decade to deal with its excess capacity, pollution, low market concentration and lack of profitability. This is the window of opportunity to build competitive advantage before the super sized, more efficient Chinese steelmakers emerge in the global market.

Steel companies that embrace globalization (in their strategy, supply chains, knowledge and information, processes, talent and financial flows) while balancing with customization (of their products, marketing, and stakeholder relationships) will emerge as sector leader in the long term. India has emerged as the third largest steel producer in the world after China and Japan, beating the US to the fourth position producing about 89.6 million tons (mt) of steel a year even the world steel output went down 2.8% to 1.6 billion tones.

Despite the strong adverse impact global economic meltdown, the construction industry in India is expected to rise further due to government's stimulus plan. The automotive sector is doing well. Hence, it is expected that domestic steel demand is going to recover soon and for the long term as well.

Internal control systems and their adequacy

The Company has in place adequate systems of internal financial control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses executing transaction with proper authorization and ensure compliance of corporate policies. Internal audit is conducted at regular intervals covering the key areas of operations. It is an independent assurance and functions responsible for evaluating and improving the effectiveness of risk management control and governance process. The Internal Audit Report are placed before the Audit Committee of the Board of Directors, for its review. The said Committee deliberates and advises the Management on improvement / compliances.

Discussion on financial performance with respect to operational performance

On the operational front, the Company on standalone basis has recorded total revenue of Rs.56,837.96 Lakhs as compared to Rs. 108,455.17 Lakhs in the previous year. The net loss before tax is Rs.8,053.83 Lakhs as compared to previous year's net profit before tax of Rs. 2,139.69 Lakhs. The Company has suffered a net loss after tax of Rs. 8,144.50 Lakhs as compared to previous year's net profits after tax of Rs. 1,406.00 Lakhs.

Material developments in Human Resources / Industrial Relations front

The Company recognizes that its employees are amongst its key assets and that the Company's eventual performance is dependent on its ability to motivate and retain quality people. The Company strives to create a competitive and level playing field for its employees to as to groom and prepare them for taking additional responsibilities in the future. The Company is providing a fair compensation in line with industry norms, and a clear career and growth path.

Certification

Prakash Steelage Limited is an ISO 9001 : 2008, ISO 14001 - 2004, ISO 18001 - 2007, PED certified Company.

Statutory Compliance

Ms. Palak Kohli Kochhar, the Company Secretary, as the Compliance Officer of the Company, ensures compliance of the SEBI regulations and provisions of the Listing Agreements. Compliance certificates are obtained from various units of the Company and the Board is informed of the same at every Board Meeting.



Environment

Prakash Steelage Limited believes in prioritizing safety and health and incorporating it as a value within the organisation to give a sense of satisfaction, along with security not only to the employees but also to their family. Safety is embedded and forms an integral part of the business conduct, with an aim to achieve zero harm through the implementation of world class technology, embedded with highest safety standards.

Cautionary Statement

Statement in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be termed as "forward looking statement" 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

Place : **Mumbai**

Date : **10th August, 2016**



CORPORATE GOVERNANCE REPORT

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Transparency and **accountability** are the two basic tenets of Corporate Governance. **Prakash Steelage Limited** ("the Company / PSL") and its subsidiary(s) / associate(s) ("the Group") are 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 Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations").

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, 2016, more particularly in accordance with the provisions of Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations (Clause 49 of the erstwhile Equity Listing Agreement).

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.

BOARD OF DIRECTORS

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 requirement of Regulation 17 of the SEBI (LODR) Regulations.

As on the 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 on the Board of the Company. 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 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.

The detailed composition of the Board and Directorships / Committee Membership held in other Companies as on 31st March, 2016 is given below:

Name of the Director	No. of Shares held	Board Positions ¹ (Member / Chairman)	Committee Positions ² (Member / Chairman)	Inter - se Relationship among the Directors
Chairman & Managing Director (Executive)				
Mr. Prakash C. Kanugo (DIN : 00286366)	37,835,000	1	-	Father of Mr. Hemant P. Kanugo and Mr. Kamal P. Kanugo, Whole Time Directors / Promoter
Whole Time Directors (Executive)				
Mr. Ashok M. Seth ³ (DIN : 00309706)	4,484,000	5	-	Promoter
Mr. Hemant P. Kanugo (DIN : 00309894)	5,617,530	3	-	Son of Mr. Prakash C. Kanugo, Chairman & Managing Director and Brother of Mr. Kamal P. Kanugo, Whole Time Director / Promoter Group
Mr. Kamal P. Kanugo ⁴ (DIN : 02023367)	5,577,520	2	-	Son of Mr. Prakash C. Kanugo, Chairman & Managing Director and Brother of Mr. Hemant P. Kanugo, Whole Time Director / Promoter Group
Independent Directors (Non - Executive)				
Mr. Bipin C. Doshi ⁵ (DIN : 00322143)	-	2	-	-
Mr. Himanshu J. Thaker (DIN : 02325297)	-	1	-	-
Mr. A. Prakashchandra Hegde (DIN : 02266510)	-	1	-	-
Mr. Gautam C. Jain ⁶ (DIN : 02809603)	-	-	-	-
Ms. Neetta K. Bokaria ⁷ (DIN : 07101155)	-	-	-	-

- Total number of directorships (Board Positions) excludes directorships in the Company, its subsidiary(s), Foreign Companies, Companies formed under Section 8 of the Companies Act, 2013. The number of Directorships, Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations.
- As per the provisions of SEBI (LODR) Regulations and earlier Clause 49 of the Listing Agreement, the details of Committee Memberships / Chairmanships of the Audit Committee and Stakeholders Relationship Committee alone, in other Indian Public Companies (Listed and Unlisted), are provided.
- Continued only as a Director w.e.f. 01st August, 2015, pursuant to his appointment as an Executive Director of Tubacex Prakash India Private Limited as per the terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, was re – appointed as Executive Director (in whole time employment) w.e.f. 29th December, 2015.
- Continued only as a Director w.e.f. 01st August, 2015, pursuant to his appointment as an Executive Director of Tubacex Prakash India Private Limited as per the terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, resigned from the directorship of the Company w.e.f. 09th November, 2015.



5. Resigned w.e.f. 31st May, 2015.
6. Resigned w.e.f. 09th November, 2015.
7. Appointed w.e.f. 30th March, 2015.

SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee recommends to the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service.

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 each year and, if eligible, offer themselves for re-election.

DIRECTORS INDUCTION AND FAMILIARIZATION PROGRAMME

An appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company.

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:

- a. build an understanding of Prakash Steelage Limited, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. 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 Programme for Independent Directors of the Company pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(7) of the SEBI (LODR) Regulations. Details of such familiarization programme are provided on the website of the Company (www.prakashsteelage.com).

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.



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 Regulation 17(5) of the SEBI (LODR) Regulations.

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

In terms of Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, a declaration signed by Mr. Prakash C. Kanugo, Chairman and Managing Director affirming compliance of the said Code of Conduct by all the Directors and Senior Management Personnel of the Company forms part of this report.

DETAILS OF BOARD MEETING HELD DURING THE YEAR

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

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 of each Director of the Company 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
	30 th May, 2015	14 th August, 2015	09 th November, 2015	29 th December, 2015	12 th February, 2016	29 th September, 2015
Mr. Prakash C. Kanugo	No	Yes	Yes	Yes	Yes	Yes
Mr. Ashok M. Seth ¹	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Hemant P. Kanugo	Yes	Yes	Yes	No	Yes	No
Mr. Kamal P. Kanugo ²	Yes	Yes	Yes	-	-	Yes
Mr. Bipin C. Doshi ³	Yes	-	-	-	-	-
Mr. Himanshu J. Thaker	Yes	Yes	Yes	Yes	Yes	No
Mr. A. Prakashchandra Hedge	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Gautam C. Jain ⁴	No	Yes	Yes	-	-	No
Ms. Neeta K. Bokaria	Yes	Yes	No	Yes	Yes	No

- Continued only as a Director w.e.f. 01st August, 2015, pursuant to his appointment as an Executive Director of Tubacex Prakash India Private Limited as per the terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, he was re – appointed as Executive Director (in whole time employment) w.e.f. 29th December, 2015.
- Continued only as a Director w.e.f. 01st August, 2015, pursuant to his appointment as an Executive Director of Tubacex Prakash India Private Limited as per the terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, resigned from the directorship of the Company w.e.f. 09th November, 2015.
- Resigned w.e.f. 31st May, 2015.
- Resigned w.e.f. 09th November, 2015.

The Board Meetings are generally held at the Registered Office of the Company.

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 (erstwhile Listing Agreement) and Section 179 of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014.

SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, Independent Directors met on 22nd March, 2016, without the attendance of Non-Independent Directors and the Management of the Company, *inter alia*, to discuss the following:

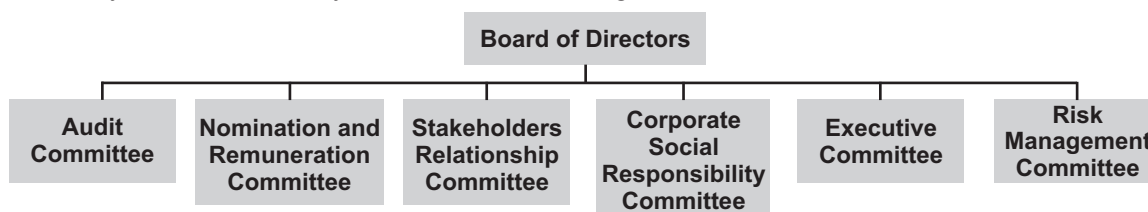
- Review the performance of Non - Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non - Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between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

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 and have affirmed compliance to the same.

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 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 duly constituted the following Committees:



A) Audit Committee

The Company has a qualified and Independent Audit Committee and its composition and terms of reference are in line with the applicable provisions of Section 177 of the Companies Act, 2013 Act and Regulation 18(3) and Part C of Schedule II of the SEBI (LODR) Regulations (Clause 49(III)(A) of the erstwhile Listing Agreement).

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

Financial Reporting and related processes:

- To oversee 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 auditor's 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 and Analysis of financial and operational performance; and
- To scrutinize inter-corporate loans and investments.

**Internal controls and governance processes:**

- To review the adequacy and effectiveness of the Company's internal control system;
- To review with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure;
- To review the adequacy of internal audit function, internal audit reports and discussion with Internal Auditors on significant finding and follow up thereon;
- To oversee and review the functioning of a vigil mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof; and
- To approve and review related party transactions.

Audit and 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 / reappointment of the Statutory Auditors including Cost 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 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 approve 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 formulate 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 approve the 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 composition of the Audit Committee is as follows:

Name of the Directors	Status	Nature of Directorship
Dr. Bipin C. Doshi ¹	-	Independent Director
Mr. Gautam C. Jain ²	-	Independent Director
Mr. A. Prakashchandra Hegde	Chairperson	Independent Director
Mr. Himanshu J. Thaker	Member	Independent Director
Mr. Ashok M. Seth	Member	Executive Director & Chief Financial Officer

1. During the year under review, Mr. Gautam C. Jain was appointed as the Chairperson of the Audit Committee pursuant to the resignation of Dr. Bipin C. Doshi, Independent Director of the Company (Chairperson of the Audit Committee) on 31st May, 2015.
2. Mr. Gautam C. Jain tendered his resignation from the directorship of the Company on 09th November, 2015 due to his pre-occupation. In place of Mr. Gautam C. Jain, Mr. A. Prakashchandra Hegde was appointed as the Chairperson of the Audit Committee.

During the year under review, the Audit Committee met five times, to deliberate on various matters and not more than one hundred and twenty days have elapsed between any two consecutive meetings. The required quorum was present in all such meetings. The meetings of the Audit Committee was held in line with the requirement of Regulation 18(2) of the SEBI (LODR) Regulations (Clause 49(III)(B) of the erstwhile Listing Agreement).

During the year, the attendance of the members at the Audit Committee meetings held is as follows:

Date of Meetings	Mr. Gautam C. Jain ¹	Mr. A. Prakashchandra Hegde	Mr. Himanshu J. Thaker	Mr. Ashok M. Seth ²
30 th May, 2015	No	Yes	Yes	Yes
14 th August, 2015	Yes	Yes	Yes	Yes
09 th November, 2015	Yes	Yes	Yes	Yes
29 th December, 2015	-	Yes	Yes	Yes
12 th February, 2016	-	Yes	Yes	Yes

1. Resigned w.e.f. 09th November, 2015.
2. Continued only as a Director w.e.f. 01st August, 2015, pursuant to his appointment as an Executive Director of Tubacex Prakash India Private Limited as per the terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, he was re – appointed as Executive Director (in whole time employment) & Chief Financial Officer w.e.f. 29th December, 2015.

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.



B) Nomination and 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 (earlier Clause 49 of the Listing Agreement).

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 SEBI (LODR) Regulations (earlier Clause 49 of the Listing Agreement), 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, 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 - VIII** to the Boards' Report.

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations (earlier Clause 49 of the Listing Agreement), all the members of the Nomination and Remuneration Committee of the Company are Non – Executive Independent Directors.

Three meetings of the Committee were held during the year ended 31st March, 2016. 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. Himanshu J. Thaker ¹ (Chairperson)	Mr. A. Prakashchandra Hegde	Ms. Neetta K. Bokaria
14 th August, 2015	Yes	Yes	Yes
29 th December, 2015	Yes	Yes	Yes
12 th February, 2016	Yes	Yes	Yes

1. Due to the resignation of Mr. Bipin C. Doshi, Independent Director of the Company, member of the Committee, the Board re-constituted the Nomination and Remuneration Committee at its meeting held on 30th May, 2015. Mr. Himanshu J. Thaker was appointed as the Chairperson of the Committee.

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.



The Non-Executive Directors including the Independent Directors are paid remuneration by way of sitting fees and 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.

No employee stock options are granted to any Director during the year under review.

The details relating to remuneration of Directors (including sitting fees of Non-Executive Directors) & Key Managerial Personnel, as required under the Schedule V of the SEBI (LODR) Regulations (Clause 49 of the erstwhile Listing Agreement), have been given under **Annexure - II** forming part of the Boards' Report.

C) Stakeholders Relationship Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations (erstwhile Clause 49 of the Listing Agreement), 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 as at 31st March, 2016 is as follows:

Name of the Directors	Status at Committee	Nature of Directorship
Mr. A. Prakashchandra Hedge ¹	Chairperson	Independent Director
Mr. Himanshu J. Thaker	Member	Independent Director
Mr. Ashok M. Seth ²	Member	Executive Director & Chief Financial Officer

1. Due to the resignation of Mr. Bipin C. Doshi, Independent Director of the Company, member of the Committee, the Board re-constituted the Nomination and Remuneration Committee at its meeting held on 30th May, 2015 and Mr. A. Prakashchandra Hegde was appointed as the Chairperson of the Committee.
2. Continued only as a Director w.e.f. 01st August, 2015, pursuant to his appointment as an Executive Director of Tubacex Prakash India Private Limited as per the terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, he was re – appointed as Executive Director (in whole time employment) & Chief Financial Officer w.e.f. 29th December, 2015 and was also appointed as the member of the Committee.

No meeting of Stakeholders Relationship Committee was held during the financial year 2015-16.

Ms. Palak Kohli Kochhar, the Company Secretary is the Compliance Officer of the Company for complying with the requirements of Securities Laws and erstwhile Listing Agreements with Stock Exchanges and Regulations thereunder.

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

SEBI Complaints Redressal System (SCORES)

The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned Company and online viewing by investors of actions taken on the complaint and its current status. The Company has designated e-mail id investorgrievances@prakashsteelage.com exclusively for investors servicing.

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.



D) 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 the 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 31st March, 2016 is as follows:

Name of the Directors	Status at Committee	Nature of Directorship
Mr. A. Prakashchandra Hedge ¹	Chairperson	Independent Director
Mr. Himanshu J. Thaker	Member	Whole Time Director
Mr. Ashok M. Seth ²	Member	Executive Director & Chief Financial Officer

1. Due to the resignation of Mr. Bipin C. Doshi, Independent Director of the Company, Chairperson of the Committee, the Board re-constituted the CSR Committee at its meeting held on 30th May, 2015 and Mr. A. Prakashchandra Hegde was appointed as the Chairperson of the Committee.
2. Continued only as a Director w.e.f. 01st August, 2015, pursuant to his appointment as an Executive Director of Tubacex Prakash India Private Limited as per the terms of Clause 8.1 of the Joint Venture Agreement executed between the Company and Tubacex S.A. Spain. However, he was re – appointed as Executive Director (in whole time employment) & Chief Financial Officer w.e.f. 29th December, 2015 and also elected as the member of the Committee.

The CSR Committee met on 14th August, 2015 to *inter alia*, discuss the following items:

- To identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013; and
- To recommend the amount of expenditure to be incurred on the CSR activities.

The initiatives taken by the CSR Committee has been disclosed as **Annexure - VIII** to the Boards' Report.

E) 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, 2016 is as follows:

Name of the Directors	Status at Committee	Nature of Directorship
Mr. Prakash C. Kanugo	Chairperson	Chairman & Managing Director
Mr. Ashok M. Seth	Member	Executive Director & Chief Financial Officer
Mr. Hemant P. Kanugo	Member	Whole Time Director
Mr. Kamal P. Kanugo ¹	Member	Whole Time Director

1. Resigned from the directorship of the Company w.e.f. 09th November, 2015.



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

F) Risk Management Committee

In terms of the provisions of the Companies Act, 2013 and Regulation 21 of the SEBI (LODR) Regulations (Clause 49 of the erstwhile Listing Agreement), the Board constituted the Risk Management Committee at its meeting held on 09th November, 2015 to assist the Board with regards 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 Risk Management Committee is as follows:

Name of the Directors	Status at Committee	Nature of Directorship
Mr. Ashok M. Seth	Chairperson	Executive Director & Chief Financial Officer
Mr. Prakash C. Kanugo	Member	Chairman & Managing Director
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 2015-16, no meeting of the Risk Management Committee was held.

GENERAL BODY MEETINGS

Details of the Annual General Meetings (“AGM”) & Extraordinary 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 AGMs / EOGMs, as passed by the shareholders are as follows:

Financial Year	Location	Date	Time	Special Resolution
2012 - 13	Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034.	14 th August, 2013	4.00 p.m.	1. Re-appointment of Mr. Prakash C. Kanugo as the Managing Director. 2. Re-appointment of Mr. Ashok M. Seth as a Whole Time Director. 3. Re-appointment of Mr. Hemant P. Kanugo as a Whole Time Director. 4. Re-appointment of Mr. Kamal P. Kanugo as a Whole Time Director.
2013 - 14	Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034.	26 th September, 2014	4.00 p.m.	None
2014 - 15	Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034.	29 th September, 2015	5.00 p.m.	None

There was no Extraordinary General Meeting (“EOGM”) held during the last three years.



Details of the Postal Ballot conducted during the Financial Year 2015 – 16

During the year, the following special resolutions were passed through postal ballot:

Date of passing of the Special resolution(s)	Resolution Number	Purpose	Vote Cast in favour		Vote Cast against	
			No. of Voters	% to total votes	No. of Voters	% to total votes
12 th February, 2016	4	To approve the proposal of dissolution of wholly owned subsidiary - Pioneer Stainless and Alloys F.Z.C., U.A.E.	11,141,661	100	3	-
	5	To approve the dilution of Company's equity stake in Tubacex Prakash India Private Limited not exceeding 12.47% by way of sale to Tubacex S.A., Spain	11,141,661	100	3	-

The Company had appointed Mr. S. Anantha Rama Subramanian, Practising Company Secretary (FCS 4443; CP No.: 1925), as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

In compliance with Section 108 and 110 of the Companies Act, 2013 read with Rules framed thereunder and the SEBI (LODR) Regulations, the Scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by posting ballot were then announced by Mr. Prakash C. Kanugo, Chairman & Managing Director. The voting results were sent to the Stock Exchanges and displayed on the Company's website (www.prakashsteelage.com). The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

Procedure for Postal Ballot

Pursuant to the approval of the Board of Directors and consent of the Scrutinizer, notice of the postal ballot containing text of the resolution and explanatory statement to be passed through postal ballot, postal ballot form and self-addressed postage pre-paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. The Company also provides e-voting facility to enable the shareholders to cast their vote by electronic means. A notice is published in the newspapers regarding dispatch of postal ballot notices. After the last date of receipt of ballots, the Scrutinizer, after due verification submits the result to the Chairman. Thereafter, the result of the postal ballot is declared. The same along with Scrutinizer's Report is submitted to the Stock Exchanges and also displayed on the website of the Company i.e. www.prakashsteelage.com.

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 daily Marathi regional 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).



GENERAL SHAREHOLDER INFORMATION

The Company has provided the details of 'General Shareholder Information' Section which forms part of this Corporate Governance Report.

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 (erstwhile Listing Agreement 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 no. 27 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 the requirements of the SEBI (LODR) Regulations (earlier Listing Agreement) entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI.

However, there was a delay in filing of Corporate Governance Report with BSE Limited for the quarter ended December, 2015 due to technical problem for which the Company paid the penalty and resubmitted the report and complied the requirement.

Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any 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 (erstwhile Clause 49 of the Listing Agreement), 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 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 (earlier Listing Agreement).

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:

There are no qualifications in the 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.

e. Policy for determining 'material' subsidiaries:

As per the definition of 'material' subsidiaries as provided in Regulation 16(1)(c) of the SEBI (LODR) Regulations, the Company does not have a 'material' subsidiary as on 31st March, 2016.

Accordingly, such requirement is not applicable to the Company.

f. 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 (earlier Clause 49 of the Listing Agreement) 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, 2016. Related party transactions have been disclosed under the Note no. 27 of significant accounting policies and notes forming part of the Financial Statements in accordance with "Accounting Standard 18". 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, 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.

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

Pursuant to the provisions of Regulation 17(8) of the SEBI (LODR) Regulations (erstwhile Listing Agreement), 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, 2016 at the Board meeting held on 30th May, 2016.

Accordingly, a certificate to that effect, as prescribed under Part B of Schedule II of Regulation 17(8) of the SEBI (LODR) Regulations (earlier Sub Clause V of Clause 49 of the Listing Agreement), is enclosed separately at the end of this Report.



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.

DISCLOSURE OF ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI (LODR) REGULATIONS

There was no modified opinion in the Financial Statements of the Company for the financial year ended 31st March, 2016 from the Statutory Auditors of the Company.

The Financial Statements of the Company are prepared in compliance with Accounting Standards notified under the Companies Act, 2013 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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

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 to the extent applicable which forms part of this Annual Report.



GENERAL SHAREHOLDER'S INFORMATION

In compliance with the requirement of Schedule V of Regulation 34(3) of the SEBI (LODR) Regulations (earlier Annexure XII (9) of Clause 49 Equity Listing Agreement), the General Information of the Company for reference of the Shareholders is as under:

A. Annual General Meeting:

Day : Thursday
Date : 29th September, 2016
Time : 11:30 a.m.
Venue : Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034.

B. Financial Year of the Company :

01st April, 2015 to 31st March, 2016

C. Date of Book Closure :

From : Saturday, 24th September, 2016
To : Thursday, 29th September, 2016 (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
25 th August, 2010	INE696K01016	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 :

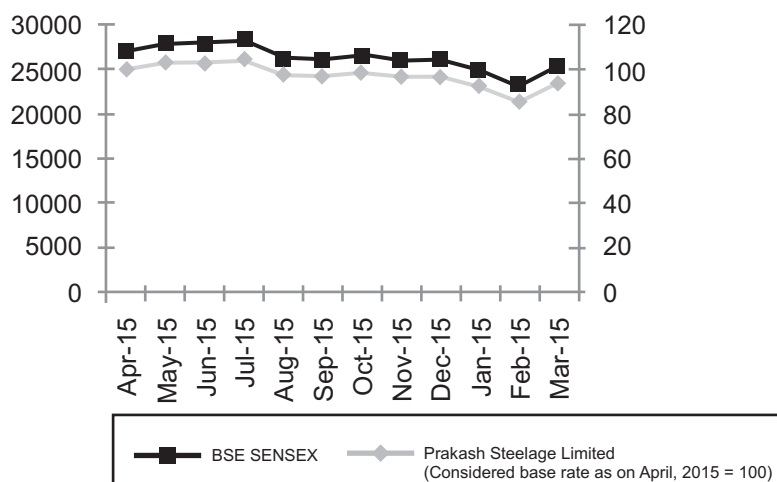
The Annual Listing Fee for the year 2016-17 has been paid to both the Stock Exchange(s) and the Annual Custodial Fees for the year 2016-17 has been paid to National Securities Depository Limited ("NSDL") and Central Depository Services Limited ("CDSL") by the Company.

F. Market Price Data during the financial year 2015 - 2016:

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April	132.90	121.00	139.90	121.00
May	137.00	124.10	139.90	121.10
June	128.90	110.00	127.50	110.00
July	135.00	106.50	142.00	107.00
August	138.00	101.00	140.90	103.00
September	135.90	105.00	140.00	105.00
October	112.60	97.00	116.75	95.65
November	110.00	93.10	103.00	91.95
December	158.80	97.00	159.00	97.00
January	156.40	115.50	155.00	118.00
February	143.50	88.10	147.00	87.00
March	87.40	7.30	88.50	7.10



G. Performance of the share price of the Company in comparison to the BSE Sensex :



H. Registrar & Share Transfer Agents:

Bigshare Services Private Limited
 Address : E2/3, Ansa Industrial Estate, Saki Vihar Road,
 Sakinaka, Andheri (East), Mumbai - 400 072.
 Tel. No. : +91 22 28470632 / 53
 Fax : +91 22 28475207
 Email : babu@bigshareonline.com
 Website : www.bigshareonline.com

I. Share Transfer System :

The transfer of shares in physical form is processed and completed by Registrar & Share Transfer Agents 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 (earlier Listing Agreement) with the Stock Exchanges, Mr. S. Anantha Rama Subramanian, Practicing Company Secretary carries out audit of the system of Transfer and a certificate to that effect is issued.

J. Distribution of Shareholding as on 31st March, 2016 :

Sr. No.	Category of Shares	Number of Shareholders	% of total Shareholders	Shares (in Rs.)	% of total Shares
1.	1-5000	32.43	93.32	27,26,973	1.56
2.	5001-10000	110	3.17	8,68,442	0.50
3.	10001- 20000	38	1.09	6,05,989	0.35
4.	20001- 30000	7	0.20	1,67,549	0.10
5.	30001- 40000	7	0.20	2,47,087	0.14
6.	40001 -50000	11	0.32	5,40,630	0.31
7.	50001 -100000	9	0.26	6,57,225	0.38
8.	100001 & Above	50	1.44	16,91,86,495	96.68
Total		3,475	100.00	17,50,00,390	100.00



K. Dematerialization 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 Agents, Bigshare Services Private Limited. This has facilitated the shareholders to hold and trade their shares in 'electronic form'.

The entire shareholding is held in dematerialized form with National Securities Depository Limited (NSDL) 128,700,796 Equity Shares (73.54 %) and Central Depository Securities Limited (CDSL) 46,299,554 Equity Shares (26.46 %) and only 40 shares are in physical form as on 31st March, 2016.

Dematerialized Position as on 31st March, 2016

Particulars	No. of Equity Shares*	%
Issued Capital	175,000,390	100.00
Listed Capital on BSE & NSE	175,000,390	100.00
Held in Dematerialised form in NSDL	128,700,796	73.54
Held in Dematerialised form in CDSL	46,299,554	26.46

* Pursuant to members' approval through postal ballot dated 12th February, 2016, the Equity Shares of the Company have been sub divided from face value of Rs. 10/- each into Re. 1/- each w.e.f. 04th March, 2016, being the record date.

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

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, as on 31st March, 2016.

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

The details are provided in Management Discussion and Analysis Report

N. Plant Locations :

Silvassa

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

Umbergaon

Plot No. 19, Krishna Industrial Park,
Umbergaon Sanjan Road,
Dist. Valsad, Umbergaon - 396 171.
Gujarat (India)

O. Address for correspondence:

Ms. Palak Kohli Kochhar

Company Secretary & Compliance Officer
Prakash Steelage Limited
1402, 14th Floor, A Wing,
Naman Midtown, Senapati Bapat Marg,
Elphinstone Road, Mumbai - 400 013.
Tel. : +91 22 66134500
Fax : +91 22 66134599
Email : cs@prakashsteelage.com
Website : www.prakashsteelage.com

Bigshare Services Private Limited

E2/3, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East), Mumbai - 400 072.
Tel. : +91 22 28470632 / 53
Fax : +91 22 28475207
Email : babu@bigshareonline.com
Website : www.bigshareonline.com



COMPLIANCE CERTIFICATE BY CEO AND CFO

(Regulation 17(8) of the 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, 2016, and that to the best of our knowledge and belief :
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) 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 violative 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 :
- 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) 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.

Place : **Mumbai**
Date : **30th May, 2016**

Sd/-
Prakash C. Kanugo
Chairman & Managing Director

Sd/-
Ashok M. Seth
Chief Finance Officer

DECLARATION

This is to certify that, in line with the requirement of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors of the Board and Senior Management Personnel have solemnly affirmed that to the best of their knowledge and belief, they have complied with the provisions of the Code of Conduct during the financial year 2015 - 16.

Place : **Mumbai**
Date : **10th August, 2016**

Sd/-
Prakash C. Kanugo
Chairman & Managing Director



INDEPENDENT AUDITOR'S REPORT

To the Members of **PRAKASH STEELAGE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **PRAKASH STEELAGE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Profit and Loss Statement, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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 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 standalone 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 35 of notes to Standalone Financial Statements for the year ended 31st March, 2016 pertaining to exceptional items comprising of Provision for Doubtful Debts of Rs. 246,480,438/- and gain of



Rs.25,566,325/- towards the transfer of the "SS Seamless Tubes & Pipes" business of the company to Tubacex Prakash India Pvt. Ltd. ("the associate company") during the financial year ended 31st March, 2016.

We draw attention to Note No. 48 of notes to Standalone Financial Statements stating that the Company has incurred operational losses during the year due to meltdown in the prices of nickel, chromium, molybdenum, and unfavorable market for steel industry, which has resulted in pressure on the realisibility of receivables, stock and selling prices.

Our opinion 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 paragraphs 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 Profit and Loss Statement and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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, refer to our separate report given in "**Annexure B**" and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 the pending litigations on its financial position in its financial statements as referred to in **Note 42** to the financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts as referred to in **Note 43** to the financial statements.
 - iii) There were no amounts which were required to be transferred, to the investor Education and Protection Fund by the Company during the year ended 31st March, 2016.

For BATLIBOI & PUROHIT
Chartered Accountants
 Firm Reg. No. 101048W

Sd/-
(CA Raman Hangekar)
Partner
 Membership No. 030615

Place : **Mumbai**
 Date : **30th May, 2016**



Annexure "A" to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March 2016, we report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets by the management, as informed to us, is at reasonable intervals, having regard to the size of the Company and the nature of the assets physically verified. As explained to us no material discrepancies were noticed on such verification.
 - (c) The title deeds of the immovable property other than self constructed immovable property (buildings) as disclosed in schedule of fixed assets to the financial statements are held in the name of the Company **(Refer Note No. 10)**
- (ii) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable & no material discrepancies have been noticed on such verification.
- (iii) 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. Therefore, the provisions of Clause 3(iii), of the Order is 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 loss to any party covered under Section 185 of the act, In respect of any loans granted to, guarantees or security in respect of any loan and investment made in body corporate by the Company, the provision of section 186 of the Act has been complied with
- (v) The Company has not accepted any deposits from the public within the meaning of Section 70 to 76 of the Act and Rules framed there under to extent notified.
- (vi) We have broadly reviewed the books of account 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 prime 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) Undisputed statutory dues including employees' provident fund, employees' state insurance (ESIC), central sales Tax, entry tax, tax deducted at source (TDS), Wealth Tax, Service Tax and Profession Tax have generally been regularly deposited with the appropriate authorities except for dues in respect of income tax of Rs. 60,188,711/- for AY 2015-16 & MVAT of Rs. 22,244,749/- which have not yet been deposited and the same were in arrears for period of more than six months from date they become payable.
 - (b) According to the information and explanations given to us, and the records examined by us, the dues in respect of sales tax, income tax, duty of customs, wealth-tax, service tax, entry tax, value added tax, central sales tax, duty of excise, cess as at 31st March, 2016 that have not been deposited with the appropriate authority on account of any disputes and the forum where the dispute is pending are as under:
- (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 loan or borrowing to various banks in the month of February & March 2016 amounting to Rs. 14,093,581/-.



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	285,360/-	Dy. Comm. Sales Tax (Appeal) IV, Mumbai
4	Maharashtra VAT Act, 2002	Maharashtra Value Added Tax	2009 - 10	10,756,527/-	Joint Comm. Sales Tax (Appeal) IV, Mumbai
5	Maharashtra VAT Act, 2002	Maharashtra Value Added Tax	2005 - 06	11,178,701/-	Joint Comm. Sales Tax (Appeal) IV, Mumbai
6	Central Sales Tax Act, 1958	Central Sales Tax	2005 - 06	12,590,800/-	Joint Comm. Sales Tax (Appeal) IV, Mumbai
7	Maharashtra VAT Act, 2002	Maharashtra Value Added Tax	2008 - 09	376,000/-	Joint Comm. Sales Tax (Appeal) IV, Mumbai
8	Central Sales Tax Act, 1958	Central Sales Tax	2008 - 09	38,278,500/-	Joint Comm. Sales Tax (Appeal) IV, Mumbai
9	Central Excise Act, 1944	Cenvat Credit & Penalty	April 2007 to August 2009	1,723,624/-	Customs Excise & Service Tax Appellate Tribunal, Ahmedabad

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (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 give 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 Accounting Standard (AS) 18, Related Party Disclosures specified under the Section 133 of Act, read with Rule 7 of the Companies (Accounts) Rule 2014.
- (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 debenture during the year.
- (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 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's Reg. No. 101048W

Sd/-
(CA Raman Hangekar)
Partner

Membership No. 030615

Place : **Mumbai**
 Date : **30th May, 2016**



Annexure "B" to the Independent Auditors' Report

Referred in paragraph 2(f) of the Independent Auditors' Report of even date to the members of **PRAKASH STEELAGE LIMITED** on the standalone financial statements for the year ended 31st March, 2016.

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 31st March, 2016 in conjunction with our audit of the Standalone Financial Statement of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial control 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 Accounts 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control 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 judgement, including the assessment of the risks of materials 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 control system over financial reporting.

Meaning of Internal Financial Control 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 details, 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 Control 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, 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 31st March 2016, 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 Reg. No. 101048W

Sd/-
(CA Raman Hangekar)
Partner
Membership No. 030615

Place : **Mumbai**
Date : **30th May, 2016**



BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Notes	As At 31-03-2016 Rs.	As At 31-03-2015 Rs.
I Equity And Liabilities			
1 Shareholders' Funds			
a Share Capital	2	175,000,390	175,000,390
b Reserves And Surplus	3	930,062,997	1,744,512,818
2 Non-Current Liabilities			
a Long Term Borrowings	4	270,387,549	483,018,760
b Deferred Tax Liabilities (Net)	5	64,663,950	64,663,950
c Other Long Term Liabilities	6	322,589,877	107,379,044
d Long Term Provisions	7	4,539,957	8,377,455
3 Current Liabilities			
a Short Term Borrowings	8	1,759,936,468	1,896,920,303
b Trade Payables	9	1,198,757,415	3,172,767,471
c Other Current Liabilities	9	167,626,659	244,258,169
d Short Term Provisions	7	74,792,706	76,110,682
Total		4,968,357,968	7,973,009,042
II Assets			
1 Non-Current Assets			
a Fixed Assets	10		
i Tangible Assets		185,710,819	795,577,123
ii Intangible Assets		8,027,847	13,517,135
b Capital Work In Progress		45,790,761	12,544,446
c Intangible Assets Under Development		-	-
d Non-Current Investment	11	33,470,000	4,035,469
e Long Term Loans and Advances	12	223,103,393	148,419,691
2 Current Assets			
a Inventories	14	460,377,154	2,661,900,575
b Trade Receivables	15	2,986,410,938	3,656,314,732
c Cash And Bank Balances	16	41,721,194	93,912,933
d Short Term Loans And Advances	12	969,646,365	525,908,969
e Other Current Assets	13	14,099,497	60,877,969
Total		4,968,357,968	7,973,009,042
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements
AS PER OUR REPORT OF EVEN DATE

FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Firm Registration No.: 101048W

Sd/-
R. D. HANGEKAR
PARTNER
M.No. 030615

PLACE : **MUMBAI**
DATE : **30TH MAY, 2016**

FOR AND ON BEHALF OF THE BOARD

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

Sd/-
PALAK KOHLI KOCHHAR
COMPANY SECRETARY &
COMPLIANCE OFFICER

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



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Notes	Year Ended 31-03-2016 Rs.	Year Ended 31-03-2015 Rs.
Income			
Revenue From Operations (Gross)	17	5,683,900,847	10,866,223,604
Less : Excise Duty		132,660,558	141,905,343
Revenue From Operations (Net)		5,551,240,289	10,724,318,261
Other Income	18	132,555,655	121,198,742
Total Revenue (I)		5,683,795,944	10,845,517,003
Expenses			
Purchases		4,141,548,677	7,765,060,263
Raw Material Consumed	19	808,391,151	2,342,096,521
Increase / Decrease In Stock	20	679,615,917	(598,645,649)
Stores & Spares Consumed		40,235,132	126,893,231
Employee Benefit Expenses	21	65,686,890	105,958,950
Finance Costs	22	286,757,675	361,948,463
Depreciation And Amortisation	10	78,216,111	113,596,732
Other Expenses	23	167,812,896	312,082,297
Total Expenses (II)		6,268,264,449	10,528,990,808
Profit / (Loss) Before Exceptional Item And Prior Period Adjustments			
Prior Period Adjustment (net)	34	-	35,805
Profit / (Loss) Before Exceptional Item and Tax		(584,468,505)	316,526,195
Exceptional Items (net)	35	(220,914,113)	(102,592,154)
Profit / (Loss) Before Tax		(805,382,618)	213,969,846
Tax Expenses			
Current Tax		-	77,745,719
Deferred Tax		-	(4,630,323)
Income Tax relating to earlier years		8,950,252	253,765
Fringe Benefit Tax Relating To earlier year		116,951	-
Total Tax Expenses		9,067,203	73,369,161
Profit / (Loss) After Tax		(814,449,821)	140,600,684
Earnings Per Equity Share (Basic And Diluted)	24	(4.65)	0.80
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements
AS PER OUR REPORT OF EVEN DATE

FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Firm Registration No.: 101048W

Sd/-
R. D. HANGEKAR
PARTNER
M.No. 030615

PLACE : MUMBAI
DATE : 30TH MAY, 2016

FOR AND ON BEHALF OF THE BOARD

Sd/-
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Sd/-
PALAK KOHLI KOCHHAR
COMPANY SECRETARY &
COMPLIANCE OFFICER



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Year Ended 31-03-2016 Rs.	Year Ended 31-03-2015 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior period Adjustment & exceptional item	(584,468,505)	316,526,195
Adjustment for:		
Depreciation, Amortisation and obsolescence	107,843,262	113,596,732
Profit on Sale of Fixed Assets	(37,063,025)	(29,067,945)
Exceptional Item	(220,914,113)	(102,592,154)
Loss on Sale/Theft of Fixed Assets	-	240,503
Sundry Balances Written Back / Off (Net)	(644,757)	20,010,323
Provision for Doubtful Debts	612,723	-
Excess provision written back	-	-
Provision for Wealth Tax	-	23,575
Unrealised gains and losses arising from changes in foreign exchange rates	8,973,458	27,951,486
Interest Received	(15,549,007)	(72,489,544)
Finance Cost	286,757,675	361,948,463
Dividend From Subsidiary Company	(2,659,338)	-
Operating Profit Before Working Capital Changes	(457,111,627)	636,147,634
Adjustment for:		
Inventories	2,201,523,421	(616,141,143)
Trade & Other Receivables	323,960,281	(1,110,248,178)
Trade Payables & Other Current Liabilities	(1,806,637,625)	1,670,385,964
Cash Generated from Operations	261,734,450	580,144,278
Direct Taxes Paid (Net of Refund)	(12,018,174)	(65,976,339)
Cash Flow before prior period Adjustments & Exceptional item	249,716,276	514,167,939
Prior Period Adjustments	-	35,805
Net Cash From / (Used In) Operating Activities (A)	249,716,276	514,203,744
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital work-in-progress	(184,200,663)	(144,674,822)
Investment in Associates	(32,470,000)	-
Investment in Subsidiary	3,035,469	-
Investment in Bank Deposits	36,689,550	21,900,846
Sale of Fixed Assets	606,154,783	42,648,336
Interest Received	17,561,907	74,690,583
Dividend From Subsidiary Company	2,659,338	-
Net Cash From / (Used In) Investing Activities (B)	449,430,384	(5,435,057)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Borrowings (Net)	(342,595,207)	(135,718,630)
Repayment / (proceeds) from Unsecured Borrowings (Net)	(74,276,896)	(64,688,469)
Finance Cost Paid	(287,231,276)	(362,333,413)
Dividend & Dividend Tax Paid	(10,514,495)	(20,458,755)
Share Issue Expenses	-	-
Net Cash From / (Used In) Financing Activities (C)	(714,617,874)	(583,199,267)
Net Increase / (Decrease) in Cash and Cash equivalents (A)+(B)+(C)	(15,471,214)	(74,430,580)
Cash and Cash equivalents at the beginning of the year	17,557,810	92,100,741
Exchange differences on translation of foreign currency		
Cash and Cash equivalents	(30,975)	(112,351)
Cash and Cash equivalents at the end of the year	2,055,621	17,557,810

NOTES :

- Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounts) Rules 2014.
- Cash and Cash equivalent at the end of the year includes earmarked balance with Bank of unpaid dividend of Rs.95,562/- (previous year Rs.78,739/-).
- Figures for the previous year are re-classified / re-arranged / re-grouped, wherever necessary.

As per our report of even date attached

FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Firm Registration No.: 101048W

Sd/-
R. D. HANGEKAR
PARTNER
M.No. 030615

PLACE : MUMBAI
DATE : 30TH MAY, 2016

FOR AND ON BEHALF OF THE BOARD

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

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

Sd/-
PALAK KOHLI KOCHHAR
COMPANY SECRETARY & COMPLIANCE OFFICER



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

1 Summary of significant accounting policies

a) Basis of preparation

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Use of estimates

The preparation of financial statements in conformity with India GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Fixed Assets

Fixed Assets have been stated at cost of acquisition inclusive of expenses directly attributable to the acquisition of such assets. Elements of refundable duties and taxes on capital goods purchased have been reduced from the total cost of such assets.

d) Depreciation

Depreciation on fixed assets is provided on Written Down Value (WDV) Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, except for Fixed Assets pertaining to Umbergaon Unit where depreciation is charged on Straight Line Method (SLM) based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

e) Pre-operative Expenses and Allocation thereon

All pre-operative expenditure & trial run expenditure are accumulated as Capital Work-in-Progress and is allocated to the relevant fixed assets on a pro-rata / reasonable basis.

f) Valuation of 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 cost depending upon the stage of completion of production in general.
- iii) Finished goods and trading stocks have been valued at lower of cost or net realisable value based upon FIFO method except where the finished goods are specifically identifiable.
- iv) Scrap, 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 component and inclusive of other direct cost incurred for acquiring the respective material.

g) Material Events occurring after the Balance Sheet date

Material events occurring after the date of Balance Sheet have been taken cognizance of liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty have been treated as contingent liability and are disclosed by way of notes to accounts.

h) Revenue Recognition

Asale is recognized at the time of dispatching the goods to the customer excluding Value Added Tax & Excise Duty collection. Purchases including import purchases are recognized net of refundable Value Added Tax and Duty component at the time of receipt of goods.

Export benefits have been recognized at the time of making the export sales & valued on estimated monetary benefit receivable there from.



i) Foreign Exchange Transactions

- i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference.
- iii) Non monetary foreign currency items are carried at cost.
- iv) 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.
- v) The premium or discount arising at the inception of a forward exchange contract not intended for trading or speculation purpose is amortised as expense or income over the life of the contract. Exchange difference on account of change in rates of underlying currency at the year end is recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or expense for the Year.

In recording a forward exchange contract intended for trading or speculation purpose, the premium or discount on the contract is ignored and at each Balance Sheet date, the value of the contract is marked to its current market value and gain or loss on the contract is recognized in the Statement of Profit and Loss.

- vi) The exchange difference arising on revenue and other account except as stated under (iv) above and (p) below is adjusted in the Statement of Profit and Loss.

j) Employee Benefits

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

k) Preliminary and Share Issue Expenses

Preliminary and Share Issue expenses are written off in the year in which such expenditure is incurred.

l) Excise Duty on Finished Goods

Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in the stock as at the year end.

m) Duties and Taxes on Purchases

Refundable duties and taxes on purchase of Raw Materials, other eligible inputs and capital goods are adjusted against duties and taxes payable. The unadjusted credits of such duties and taxes are shown under the head "Loans and Advances".

n) Export Benefits

The Company accounts for Export Benefits under duty exemption Advance License Scheme of the Government of India, in the year of exports of goods.

o) Prior Period Adjustment

Expenses and income pertaining to earlier / previous years are accounted as Prior Period Items.

p) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying fixed assets are capitalised as part of cost of assets, up to the date, the asset is put to use. Borrowing costs also include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

q) Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the



Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

r) Investments

Long Term investments are valued at cost. Provision for diminution in value of investment is made to recognize a decline other than temporary.

Current investments are valued at cost or market value whichever is lower on the last day of financial year.

s) Impairment of Assets:

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which assets are identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

t) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an out flow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the Financial Statements.

u) Earning Per Share (E.P.S.)

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year - end, except where the results would be anti dilutive.

2. Share Capital

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Authorised		
200,000,000 (P.Y. 20,000,000 Equity Shars of Rs. 10/- each) Equity Share of Rs. 1/- each	200,000,000	200,000,000
Issued Subscribed & Paid up		
175,000,390 (P.Y. 17,500,039 Equity Shars of Rs. 10/- each) Equity Shares of Rs. 1/- each fully paid up	175,000,390	175,000,390
Total	175,000,390	175,000,390

a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31 st March, 2016		31 st March, 2015	
	Nos.*	In Rs.	Nos.	In Rs.
At the beginning of the period	175,000,390	175,000,390	17,500,039	175,000,390
Issued during the year	-	-	-	-
Outstanding at the end of the period	175,000,390	175,000,390	17,500,039	175,000,390

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of the Company, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the previous year ended 31st March, 2015, the amount of final dividend recognized as distributions to equity shareholders was Re 0.5/- per equity share. The total dividend appropriation for the year ended 31st March, 2015 amounted to Rs.8,750,020/- excluding corporate dividend tax of Rs. 1,791,566/-.



In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the to the number of equity shares held by the shareholders.

c Details of shareholders holding more than 5% shares in the Company

	31 st March, 2016		31 st March, 2015	
	No. of Shares* (Rs. 1/- each)	% of holding in the class	No. of Shares (Rs. 10/- each)	% of holding in the class
Equity shares of Rs. 1 each fully paid				
Prakash C. Kanugo	37,835,000	21.62%	3,783,500	21.62%
AMS Trading and Investment Private Limited	28,760,000	16.43%	2,876,000	16.43%
Seth Iron and Steel Private Limited	14,900,000	8.51%	1,490,000	8.51%
Balmiki Agencies Private Limited	9,706,490	5.55%	970,649	5.55%

Note : *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 dated 12th February, 2016.

3. Reserves and Surplus

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Share Premium Account		
As per Last Balance Sheet	671,589,261	671,589,261
Add : Share Issue Expenses (Net of Tax)	-	-
Closing Balance	671,589,261	671,589,261
General Reserve		
As per Last Balance Sheet	325,312,948	275,312,948
Add : Amount Transferred from surplus balance in the statement of Profit and Loss	-	50,000,000
Closing Balance	325,312,948	325,312,948
Surplus / (Deficit) in the statement of profit and loss		
As per Last Balance Sheet	747,610,609	673,528,396
Less : Depreciation Adjustment relating to Fixed Assets (Refer Note No. 40)	-	(9,070,071)
Add : Deffered tax on above depreciation (Refer Note No. 40)	-	3,082,917
Add : Profit / (Loss) for the year	(814,449,821)	140,600,684
Less : Appropriations		
Transfer to General Reserve	-	50,000,000
Dividend Proposed	-	8,750,020
Dividend Distribution Tax	-	1,781,298
Total Appropriations	-	60,531,318
Net Surplus in the statement of Profit and Loss	(66,839,212)	747,610,609
Total Reserve and Surplus	930,062,997	1,744,512,818



4 Long Term Borrowings

	Non Current portion		Current Maturities	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Term Loans				
Indian rupee loan from Bank (Secured)	-	146,281,031	-	67,568,568
Indian rupee loan from Promoter Director (Unsecured)	269,247,990	335,000,000	-	-
Vehicle Loans				
From Banks (Secured)	1,139,559	1,737,729	1,081,068	941,215
	270,387,549	483,018,760	1,081,068	68,509,783
The above amount includes				
Secured Borrowings	1,139,559	148,018,760	1,081,068	68,509,783
Unsecured Borrowings	269,247,990	335,000,000	-	-
Amount Disclosed under the head "Other current liabilities" (Note 9)	-	-	1,081,068	68,509,783
Net Amount	270,387,549	483,018,760	-	-

- a (i) Indian rupee loan from Banks (secured) carries interest @ 15.50 % p.a. (previous year 15.50% p.a.). The loan is repayable in 84 monthly installments of Rs 1,460,714/- each along with interest from the date of loan, viz., 10th July, 2008 the loan is secured by way of mortgage of factory land & building, and hypothecation of plant & machinery of Company at Umbergaon. (First pari passu charge between Vijaya Bank and Bank of Baroda). During the year, the said rupee loan have been fully repaid.
- (ii) Indian rupee loan from Banks (secured) carries interest 13% p.a. (previous year 13% p.a.). The loan is repayable after 15 months from the date of first disbursement (date: 18-05-2013) in 59 monthly equal installments of Rs 4,170,000/- and last installment will be of Rs. 3,970,000/- along with interest from the date of loan, Interest and other charges to be paid as and when debited. This loan is secured by way of mortgage of factory land & building, and hypothecation of plant & machinery of Company at Umbergaon. (First pari passu charge with Vijaya Bank and Bank of Baroda). Also second pari passu charge on current assets of the Company including stocks and book debts. During the year, the said rupee loan have been fully repaid.
- b Indian rupee loan from Promoter Director (Unsecured) taken from a proprietary concern of a Promoter Director, carries interest @ 9.00% (previous year 9.00% p.a.). interest is payable on annual basis, Loan of Rs. 250,000,000/- and also taken additional loan of Rs. 85,000,000/- from the said proprietary concern of a Promoter Director as interest free loan, repayable after the expiry of 5 years with an option to be paid fully or in tranches. The said loan has been introduced as per the sanction terms & conditions of consortium arrangement led by by Vijaya Bank and shall remain in the business during the currency of the loan from consortium banks. During the year, the Company has repaid the interest bearing loan to the tune of Rs.67,500,000/- against recovery of its non current assets, for which approval of banks were required.
- c Vehicle loans from Banks (secured) carries interest in the range of 10% p.a. to 12% p.a. (previous year 7.50% p.a. to 12.50% 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.



5. Deferred Tax Liabilities (Net)

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Deferred Tax Liability		
Fixed assets : Tax impact of difference between carrying amount of fixed assets in the financial statement and the income tax return	64,663,950	70,568,547
Gross Deferred Tax Liability	66,663,950	70,568,547
Deferred tax assets		
Outstanding Leave encashment Gratuity and Bonus	-	3,763,732
Provision of doubtful debts	-	1,845,354
Preliminary Expenses u/s. 35D of the Income Tax Act, 1961	-	295,511
Gross Deferred Tax Assets	-	5,904,597
Deferred Tax Liabilities (Net)	64,663,950	64,663,950

The management has not recognised deferred tax assets during the year due to virtual uncertainty in its realisability in the near future.

6. Other long term Liabilities

	Long-Term		Short-Term	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Sundry Creditors - Raw Material	322,589,877	107,379,044	-	-
	322,589,877	107,379,044	-	-

7. Provisions

	Long-Term		Short-Term	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
(a) Provision for employee benefits				
Provision for Leave Encashment	1,077,562	1,304,619	73,826	76,633
Provision for Gratuity	3,462,395	7,072,836	300,101	432,992
	4,539,957	8,377,455	373,927	509,625
(b) Other Provisions				
Proposed Dividend	-	-	-	8,750,020
Dividend Distribution Tax	-	-	-	1,781,298
Income Tax (Net of Advance Taxes)	-	-	74,418,779	64,902,201
Fringe Benefit Tax (Net of Advance Taxes)	-	-	-	143,963
Wealth Tax (Net of Advance Taxes)	-	-	-	23,575
	-	-	74,418,779	75,601,057
	4,539,957	8,377,455	74,792,706	76,110,682

8. Short-Term Borrowings

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Cash Credit from Banks (Secured)	1,735,936,468	1,682,404,503
Buyer's Credit from Banks (Secured)	-	103,243,840
Export Packing Credit from Banks (Secured)	-	78,747,074
Bill Discounting from Bank (Unsecured)	-	32,524,886
Bill Discounting from a NBFC (Unsecured)	24,000,000	-
	1,759,936,468	1,896,920,303
The Above amount includes		
Secured Borrowings	1,735,936,468	1,864,395,417
Unsecured Borrowings	24,000,000	32,524,886
Total	1,759,936,468	1,896,920,303



- a** Cash Credit from Bank (Secured) are repayable on demand and carries interest @ 11.65% to 12.65% p.a., (previous year @ 12.20% to 12.95% p.a.), Buyers Credit (Secured) represents Foreign Currency Buyers Credit from various Banks which carries interest ranging from 1 % to 5.25 % p.a. (previous year 1 % to 5.25% p.a.) having a tenor of maximum upto 180 days., Export Packing Credit from Banks (Secured) represents export packing Credit facility from banks. The tenor of the facility is maximum upto 180 days and the rate of interest (Foreign Currency facility) is Margin + LIBOR i.e. approximately 3.50% to 5% p.a. (previous year 3.50% to 5% p.a.) and rate of interest (Indian Currency facility outstanding as at the end of the previous year) was @ 12.20% p. a., All these loans are secured by hypothecation of Stocks of Raw Material, Stocks-in-process, Finished Goods, stores and spares (not relating to plant & machinery), bills receivables, book debts & all other current assets and movables (both present & future) at Silvassa & Umbergaon [First Pari Passu charges amongst Vijaya Bank, Bank of Baroda, Union Bank of India, Bank of India & DBS Bank Ltd., and the whole of the movable plant & machinery including all the spare parts and all other movable assets such as furniture, fixture, fittings, vehicles & equipments (both present and future) at Silvassa (First Pari Passu charges amongst the above mentioned banks) and at Umbergaon (Second Pari Passu charges amongst above mentioned banks) and collateral securities in form of first pari-passu charge on piece and parcel of non agricultural land along with the building Unit No. 1 at Silvassa, Second pari-passu charge on piece and parcel of non agricultural land along with the building at Unit No. 2 at Umbergaon, & first pari-passu charge on piece and parcel of non agricultural land belonging to the Company behind factory at Unit no. 2 Umbergaon, District : Valsad , State Gujarat, office premises no. 101 & 102 at Islampura Street, at Mumbai, 701 & 702, Mahalaxmi chambers, at Mumbai, Bungalow Unit No. C 26, at Swapan Lok Complex, Lonavala, District Pune, Plot at OHM Industrial Infrastructure Park, Umbergaon, District Valsad, State Gujarat and two residential Plot No. B 30 & C 20, at Sheetal Township Project, Umbergaon, District : Valsad , State Gujrat Industrial land at Survey No. 83 and 98, Village Wawanje, Taluka Panvel, District Raigad belonging to two Directors and their relatives and personal guarantee of three directors & their relatives. However during the year working facility from DBS Ltd. has been fully repaid.
- b** Bill Discounting from Bank at the end of the previous year (Unsecured) represents export bills discounted with foreign banks. The tenor of the loan is in the range of 50 to 120 days and the rate of interest is approximately 3.5% to 5.50% p.a. Bill Discounting from a NBFC (Unsecured) was availed from finance companies and the tenor of the load is 90 to 120 days and the rate of interest is 14.25% to 16.75% p.a. (previous year 14.25% to 16.75% p.a.)

9 Other Current Liabilities

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Trade payable (including acceptances) (refer note 30 for details of dues to micro and small enterprises)	1,198,757,415	3,172,767,471
Other Liabilities		
Current maturities of Long Term Borrowings (Note 4)	1,081,068	68,509,783
Liability for expenses (refer note 30 for details of dues to micro and small enterprises)	53,132,988	68,328,349
Creditors for capital expenditure	39,380,476	11,974,651
Advance received from customer	42,782,092	65,816,532
Interest Accrued but not due on Loans	1,235,858	1,709,459
Unpaid Dividend	95,562	78,739
Security deposit from employees	-	177,100
Statutory dues	29,918,615	27,663,556
	167,626,659	244,258,169
	1,366,384,074	3,417,025,640



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2016

NOTE 11 : NON CURRENT INVESTMENT (VALUED) AT COST UNLESS STATED OTHERWISE)

	Maturity Date	Number of Unit 31-03-2016	Face Value per Unit	Face Value	As at 31-03-2016 (Rs.)	Number of Units 31-03-2015	As at 31-03-2015 (Rs.)
I							
INVESTMENTS IN EQUITY SHARES							
UNQUOTED EQUITY SHARES IN SUBSIDIARY COMPANY Pioneer Stainless & Alloys FZC			USD 504	USD 50409	-	100	3,035,469
			Total (I)		-		3,035,469
UNQUOTED EQUITY SHARES IN ASSOCIATE COMPANY Tubacex Prakash India Pvt. Ltd.		3,247,000	Rs. 10	32,470,000	32,470,000	-	-
					32,470,000		
II							
MUTUAL FUNDS							
QUOTED FIXED MATURITY PLAN Union KBC Capital Protection Oriented Fund - Series 5 - Regular Plan - Growth	Feb-17	1,00,000	Rs. 10	Rs. 1,000,000	1,000,000	1,00,000	1,000,000
			Total (II)		1,000,000		1,000,000
			Grand Total (I+II)		33,470,000		4,035,469

Notes :

	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
(a) Aggregate Book Value - Quoted Investments	1,000,000	1,000,000
(b) Aggregate Market Value of Quoted Investments	1,252,300	1,238,620
(c) Aggregate Book Value - Unquoted Investments	32,470,000	3,035,469



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Note 10 : FIXED ASSETS

Sr. No.	Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
		As on 01/04/2015 Rs.	Addition Rs.	Deduction/ Adjustments Rs.	As on 31/03/2016 Rs.	As on 01/04/2015 Rs.	Dep. for the year Charged to P&L A/c Rs.	Deduction/ Adjustments Rs.	Upto 31/03/2016 Rs.	As on 31/03/2016 Rs.	As on 31/03/2015 Rs.
	Tangible assets										
1	Factory Land	21,849,028	53,649,905	61,660,830	13,838,103	-	-	-	-	13,838,103	21,849,028
2	Factory Building	329,713,162	-	315,513,180	14,199,982	62,225,666	59,577,792	6,673,471	6,673,471	7,526,511	267,487,496
3	Office Building	731,040	-	-	731,040	448,458	11,303	-	459,761	271,279	282,582
4	Plant & Machinery	800,281,432	257,193	499,957,761	300,580,864	317,133,083	62,906,219	146,582,192	146,582,192	153,998,672	483,148,348
5	Electrical & Telephone Installation & Office equipment	16,842,861	832,715	11,113,185	6,562,391	14,947,060	882,548	5,658,357	5,658,357	904,034	1,895,802
6	Computers	13,790,207	326,377	6,185,295	7,931,289	13,257,468	276,395	6,141,267	7,392,596	538,693	532,739
7	Furniture & Fixtures	25,724,247	4,666,389	22,800,504	7,590,132	14,189,853	3,194,293	14,059,472	3,324,674	4,265,458	11,534,393
8	Vehicles	46,394,141	1,846,849	18,221,338	30,019,652	37,547,406	2,635,226	14,531,049	25,651,583	4,368,069	8,846,735
9	Live Stock	-	-	-	-	-	-	-	-	-	-
	Intangible assets										
	Computer Software	25,346,992	-	5,102,464	20,244,528	11,829,858	4,284,530	3,897,707	12,216,681	8,027,847	13,517,135
	Total Current Year	1,280,673,110	61,579,428	940,554,557	401,697,981	471,578,852	78,216,111	341,835,648	207,959,315	193,738,666	809,094,257
	Total Previous Year	1,191,219,913	106,098,822	16,645,625	1,280,673,110	351,736,777	122,666,803	2,824,731	471,578,852	809,094,258	839,483,136

Notes :

(1) During the year, the company has reviewed its fixed assets for impairment loss as required by Accounting Standards 28 - "Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.



12 Loans and Advances

	Long-Term		Short-Term	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	204,976,118	88,195,372	-	-
(A)	204,976,118	88,195,372	-	-
Security Deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good				
- Security Deposit to Related Party	-	55,000,000		
- Others	4,479,024	4,464,128	1,468,345	1,648,345
(B)	4,479,024	59,464,128	1,468,345	1,648,345
Loans & Advances to related parties				
Pioneer Stainless & Alloys F. Z. C.	-	-	-	196,972
Tubacex Prakash India Pvt Ltd	-	-	-	5,140,000
(C)	-	-	-	5,336,972
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	942,140,336	479,224,079
Doubtful	-	-	-	-
(D)	-	-	942,140,336	479,224,079
Other loans and advances				
(Unsecured, considered good)				
Advance income tax (net of provision for taxation)	-	-	-	-
Balance with central excise authority	-	-	10,460,578	22,098,801
Collateral/Margin Money	-	-	3,600,000	49,297
Deferred Premium	-	-	-	-
Prepaid expenses	-	-	2,290,668	4,855,738
Loans and advances to employees	-	-	556,863	784,370
Advance income tax (net of provision for taxation)	12,692,494	392,483	-	-
Balances with statutory / Government authorities	955,757	367,708	9,129,575	11,911,367
(E)	13,648,251	760,191	26,037,684	39,699,573
(A+B+C+D+E)	223,103,393	148,419,691	969,646,365	525,908,969

Collateral / Margin money deposits given as security

Margin money deposits with a carrying amount of Rs. 3,600,000/- (Previous year Rs.49,297/-) are given against the discounting of bills of exchange.

	Long-Term		Short-Term	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Security deposits include				
Dues from Directors & their relatives (refer note 27)	-	55,000,000	-	-
Loans to employee include				
Dues from Officers	-	-	545,960	723,495
Dues from Workers	-	-	10,903	60,875



13 Other Current Assets

	Non-Current		Current	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Unsecured, considered good unless stated otherwise				
Non current bank balances (note 16)	-	-	-	-
Interest Accrued on Bank deposits	-	-	1,007,258	2,492,010
Interest Accrued on other deposits	-	-	-	528,148
Export Benefit Incentive	-	-	13,092,239	57,857,811
	-	-	14,099,497	60,877,969

14 Inventories (Valued at cost or market value whichever is lower, as taken, valued and certified by management)

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Raw materials and components	92,102,974	250,738,071
Work in progress	50,675,719	384,705,805
Finished goods	22,692,311	130,389,828
Traded goods	293,628,175	1,845,972,337
Stores and spares	1,277,975	50,094,534
	460,377,154	2,661,900,575

15 Trade Receivable

	Non-Current		Current	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	476,182,899	74,060,992
Doubtful	-	-	248,873,317	5,429,109
	-	-	725,056,216	79,490,101
Provision for doubtful debts	-	-	(248,873,317)	(5,429,109)
	-	-	476,182,899	74,060,992
Other debts				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	2,510,228,039	3,582,253,740
	-	-	2,510,228,039	3,582,253,740
	-	-	2,986,410,938	3,656,314,732



16 Cash and Bank Balances

	Non-Current		Current	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Cash and cash equivalents				
Currency in hand	-	-	187,316	610,093
Cash on hand	-	-	1,151,682	343,864
Balances with banks:				
On current accounts	-	-	621,060	16,525,114
Earmarked balance with Bank (Unpaid Dividend)	-	-	95,563	78,739
Cheques/drafts in hand	-	-	-	-
Total Cash and cash equivalents			2,055,621	17,557,810
Other bank balances				
Margin money deposit	-	-	39,665,573	76,355,123
	-	-	39,665,573	76,355,123
Amount disclosed under non-current assets (Note - 13)	-	-	-	-
	-	-	41,721,194	93,912,933

Margin money deposits given as security :

Fixed deposits amounting to Rs.39,665,573/- (Previous year Rs.76,355,123/-) have been kept with the banks as a margin money for non fund based facilities.

17 Revenue From Operations

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Operating revenue		
Sale of Products		
Finished goods	1,360,058,753	2,988,664,213
Traded goods	4,286,147,804	7,787,953,606
Other operating revenue		
Export Incentives	36,818,371	85,876,399
Job Work Income	633,986	3,713,441
Profit on Consignment Sales	241,933	15,945
Revenue from operations (Gross)	5,683,900,847	10,866,223,604
Less : Excise duty #	132,660,558	141,905,343
Revenue from operations (Net)	5,551,240,289	10,724,318,261

Excise duty on sales amounting to Rs.132,660,558/- (Previous year Rs.141,905,343) has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / decrease in stock amounting to Rs.(11,966,391) [Previous year : Rs. 5,327,178] has been considered as (income) / expense in note 23 of financial statements.

**Details of product sold**

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Finished goods sold		
S. S. Pipe / Tubes	1,337,498,949	2,936,649,242
S. S. Scrap	22,559,804	52,014,971
	1,360,058,753	2,988,664,213
Traded goods sold		
S. S. Pipe / Tubes	583,407,639	695,629,658
S. S. Sheets / Coil / Plate	3,702,740,165	7,092,323,948
	4,286,147,804	7,787,953,606
	5,646,206,557	10,776,617,819

18 Other Income

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Interest Income on		
- Bank Deposits	5,355,088	7,488,562
- Loans & Advances	6,628,934	65,000,982
- Receivables	3,564,985	-
Profit on Sale of Land for Industrial Park	36,974,900	29,067,945
Profit / (Loss) on Sale of other fixed assets	88,125	(240,503)
Sundry Balance write back (net) (Refer Note No. 33)	644,757	-
Excess provision written back	-	-
Fluctuation in Foreign Currency		
Gain in cancellation of Forward Contract (net)		
Dividend From Subsidiary Company	2,659,338	-
Cash Discount received	66,924,359	-
Other Income	3,167,750	26,302
Discount on Forward Contracts (net of premium)	6,547,419	19,855,454
	132,555,655	121,198,742

19 Raw Material Consumed

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Opening Stock	250,738,071	239,490,841
Add : Purchases (Net of transfer under slump sale)	649,756,054	2,353,343,751
	900,494,125	2,592,834,592
Less Closing Stock	92,102,974	250,738,071
	808,391,151	2,342,096,521

Details of raw material and components consumed

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
S. S. Strip / Sheet / Coil / Plate	495,646,227	1,099,720,224
S. S. Round Bar	52,499,325	406,796,699
S. S. Pipe	260,245,599	835,579,598
	808,391,151	2,342,096,521

**Details of inventory**

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Raw materials and components		
S. S. Strip / Sheet / Coil / Plate	54,331,320	87,901,014
S. S. Round Bar	-	3,346,924
S. S. Pipe	37,771,654	159,490,133
	92,102,974	250,738,071

20 Increase / decrease in stock

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Opening Stock :		
Traded Goods	1,845,972,337	1,515,365,041
Work in Process	384,705,805	165,071,021
Finished Goods	130,389,828	81,986,259
Land for Industrial Park	-	8,818,164
	2,361,067,970	1,771,240,485
Reconversions of Stock in trade into Land	-	(8,818,164)
Less : Transfer to exceptional item including slump sale	1,314,455,848	-
Closing Stock :		
Traded Goods	293,628,175	1,845,972,337
Work in Process	50,675,719	384,705,805
Finished Goods	22,692,311	130,389,828
	366,996,205	2,361,067,970
	679,615,917	(598,645,649)

Details of purchase of traded goods

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
S. S. Pipe / Tubes	484,354,884	684,995,448
S. S. Sheet / Coil / Plate	3,657,193,793	7,080,064,815
	4,141,548,677	7,765,060,263

Details of inventory

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Traded goods		
S. S. Pipe / Tubes	24,406,643	197,651,498
S. S. Sheet / Coil / Plate	269,221,532	1,648,320,839
	293,628,175	1,845,972,337
Work-in-progress		
S.S. Strip / Sheet/ Coil /Plate	11,163,229	48,609,789
S.S. Pipe	39,512,490	336,096,016
	50,675,719	384,705,805
Finished goods		
S.S. Pipe / Tubes	22,391,297	128,815,749
S.S. Scrap	301,014	1,574,079
	22,692,311	130,389,828



21 Employee Benefit Expenses

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Salaries, Bonus and Other Benefits	17,204,312	17,750,609
Contribution to Provident and Other Funds	2,392,759	3,489,560
Wages , Bonus & Other Benefits	39,669,052	74,419,331
Remuneration to Directors	3,400,000	4,500,000
Staff welfare Expenses	3,020,767	5,799,450
	65,686,890	105,958,950

22 Finance Costs

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Interest on Term Loan	6,328,626	17,701,127
Interest on Cash Credit & Other Facilities	205,729,662	272,881,158
Interest on Car Loans	291,838	356,755
Interest on unsecured loans	20,676,716	24,997,046
Other Interest	15,389,260	27,347,209
	248,416,102	343,283,295
Bank Commission & Other Finance Charges	38,341,573	18,665,168
	286,757,675	361,948,463
	286,757,675	361,948,463

23 Other Expenses

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Manufacturing & Other Expenses		
Testing , Cutting & Job Work Charges	28,608,812	35,528,058
Power, Fuel & Water Charges	11,020,947	34,025,183
Insurance (Factory)	257,029	512,975
Repairs & Maintenance (Factory)	4,868,521	8,834,410
Liquidated damages/Late delivery charges paid	5,489,051	3,331,778
Excise Duty on increase / decrease in Stock	(11,966,391)	5,327,178
	38,277,969	87,559,582
Administrative, Selling Expenses & Other Expenses		
Fluctuation in Foreign Currency	3,762,086	22,966,521
Advertisement Expenses	909,698	1,888,599
Sales Promotion Expenses	4,440,557	7,712,571
Discount & Rebate	-	897,953
Donation	90,974	406,185
Export Freight	19,557,142	78,965,535
Legal and Professional Expenses	14,149,109	31,959,598
Packing, Transport, Coolie & Cartage	8,821,776	16,446,585
Printing & Stationary	1,431,702	1,601,025
Rates & Taxes	946,243	1,896,446
Registration & Tender Fees	46,246	55,356
Rent	9,311,759	1,975,174
Electricity Charges	2,131,292	1,451,138
Repairs & Maintenance	1,454,771	935,656
Security Charges	1,217,699	738,625
Auditors Remuneration	700,000	842,711
Insurance	1,811,865	3,679,693
Director Sitting Fees	3,45,000	250,000



	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Sundry Expenses	2,015,931	3,080,059
Telephone, Postage & Telegram	2,054,096	3,435,402
Travelling & Conveyance	6,660,813	15,480,037
Vehicle Maintenance & Insurance	7,031,513	7,496,156
Brokerage & Commission	1,890,524	64,180
Sundry Balances Written off (net) (refer note no. 33)	-	20,010,323
Assets Discarded / Obsolete	29,627,150	-
Training & Recruitment Expenses	-	287,187
Provision for doubtful debts	612,723	-
Bad Debts written off	6,614,257	-
Corporate Social responsibility expenses	1,900,000	-
	(B)	224,522,715
	(A+B)	312,082,297
Note :		
Payment to auditors		
As auditor :		
Audit fee	700,000	800,000
In other capacity :		
Reimbursement of expenses	-	42,711
	700,000	842,711

24 Earning Per Share (EPS)

In accordance with Accounting Standard 20 - "Earning per Share" as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. the required disclosure is given below:

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations :		
Net profit / (loss) attributable to Shareholders (Rs.)	(814,449,821)	140,600,684
Weighted average number of equity shares issued for basic EPS	175,000,390	175,000,390
Basic earnings per share of Rs. 1/- each (in Rs.)	(4.65)	0.80

The Company does not have any potential dilutive equity shares. Consequently, the basic and diluted earning per share remain the same.

The Equity Share of the Company has been sub-divided from face value of Rs. 10/- per share to face value of Rs. 1/- per share w.e.f. 04th March 2016, the Record Date; pursuant to members' approval through postal ballot dated 12th February, 2016 E.P.S. pertaining to the previous year has been restated according to Accounting Standard 20 "Earning Per Share".



25 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

Consequent to Accounting Standard 15 "Employee Benefits" (Revised 2005) becoming effective, the Company has made the provision for Defined Contribution Plan and Defined Benefit Plan.

Defined Contribution Plan

During the year, the Company has recognized Rs. 2,193,304/- (Previous Year Rs. 3,489,560/-) towards Provident Fund and Employees, State Insurance Corporation as Defined Contribution Plan Obligation.

Defined Benefit Plan

Gratuity & Leave Encashment

Liability is computed on the basis of Gratuity & Leave Encashment payable on retirement, death and other withdrawals as per the Act and already accrued for past service, with the qualifying wages/salaries appropriately projected, as per the Projected Unit Credit Method.

I Actuarial Assumption

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Discount Rate Current	7.80%	7.80%	7.80%	7.80%
Rate of Increase in compensation Levels	6.00%	6.00%	6.00%	6.00%

II Table Showing change in Benefit Obligation

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Project Benefit Obligation (PBO) at the beginning of the year	7,505,828	5,552,118	1,381,253	1,171,859
Transfer in / (out) obligation	(1,964,674)	-	-	-
Interest Cost	568,568	490,475	104,749	101,911
Service Cost	919,536	1,055,656	584,276	727,591
Benefit paid	(1,023,511)	(312,858)	(1,435,870)	(1,087,378)
Actuarial (gain) / loss on Obligations	(2,243,251)	720,437	516,980	467,270
Projected Benefit Obligations (PBO) at the end of the year	3,762,496	7,505,828	1,151,388	1,381,253

III Funded Status

Particulars	Gratuity		Leave Encashment	
	31 st March,, 2016	31 st March,, 2015	31 st March, 2016	31 st March, 2015
Present Value of unfunded obligation	(3,762,496)	(7,505,828)	(1,151,388)	(1,381,253)

IV The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Present Value of Obligation	3,762,496	7,505,828	1,151,388	1,381,253
Fair value of Plan Assets	-	-	-	-
Diff	3,762,496	7,505,828	1,151,388	1,381,253
Unrecognised Actuarial gains (losses)	-	-	-	-
Unrecognised Transitional Liability	-	-	-	-
Liability Recognised in Balance Sheet	3,762,496	7,505,828	1,151,388	1,381,253



V Net Periodic Cost

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Current Service Cost	919,536	1,055,656	584,276	727,591
Interest Cost	568,568	490,475	104,749	101,911
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain) loss recognised in the year	(2,243,251)	720,437	516,980	467,270
Expenses Recognised in the Income Statement	(755,147)	2,266,568	1,206,005	1,296,772

VI Movement in the liability recognised in the Balance Sheet

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Opening Net Liability	7,505,828	5,552,118	1,381,253	1,171,859
Expenses as above	(755,147)	2,266,568	1,206,005	1,296,772
Benefit Paid	(1,023,511)	(312,858)	(1,435,870)	(1,087,378)
Transfer in/(out) obligation	(1,964,674)	-	-	-
Closing Net Liability	3,762,496	7,505,828	1,151,388	1,381,253

VII Experience Adjustments

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Defined benefit obligation	3,762,496	7,505,828	1,151,388	1,381,253
Plan assets	-	-	-	-
Surplus/ (deficit)	(3,762,496)	(7,505,828)	(1,151,388)	(1,381,253)
Experience adjustment on plan liabilities	(2,243,251)	(274,694)	516,980	276,151
Actuarial Loss/(Gain) due to change in assumptions	-	995,131	-	191,119
Experience adjustment on plan assets	-	-	-	-
Net Actuarial Loss/ (Gain) for the year	(2,243,251)	720,437	516,980	467,270

26 Segment Reporting

The Company's operations predominantly relates to manufacturing and trading of "Stainless Steel Tubes & Pipes", Hence there is no separate reporting segment as per Accounting Standard 17 "Segment Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.



26 Related Party Disclosure

Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

Related Parties	Nature of relationship
M/s. Pioneer Stainless & Alloys F.Z.C. (w.e.f. 10 th April, 2013)	Subsidiary Company
M/s.Tubacex Prakash India Pvt.Ltd. (formed on 22 nd April , 2015)	Associates Company
M/s. Sunrise Metal Industries	Enterprise of which key management person (Shri Prakash C. Kanugo) is proprietor
M/s. AMS Trading & Investments Pvt. Ltd.	Associates / Enterprises over which directors and/or their relatives has significant influence
M/s. Seth Iron & Steel Pvt. Ltd.	
M/s. Seth Steelage Pvt. Ltd.	
M/s. Prakash Stainless Pvt. Ltd.	
M/s. PCK Metal Pvt. Ltd.	
M/s. Seth Carbon & Alloys Pvt. Ltd.	
M/s. Prakash & Daga Infra Projects Pvt. Ltd.	
M/s. Prakash C. Kanugo (HUF)	
M/s. Ashok M. Seth (HUF)	
M/s. Prakash Integrated Hi-Tech Steel And Metal Cluster Private Limited	
M/s. Chandan and Kanugo Land Developer	
M/s. Hemant & Co.	
M/s. Prakash Land Developer	
M/s. DH Developer	
M/s. Hemant P Kanugo (HUF)	
M/s. Vimal P Kanugo (HUF)	
Shri Prakash C. Kanugo, Chairman & Managing Director	Key Management Personnel
Shri Ashok M. Seth, Executive Director & Cheif Financial Officer	
Shri Hemant P. Kanugo, Whole Time Director	
Shri Kamal P. Kanugo , Whole Time Director*	
Smt. Babita P. Kanugo	Relatives of Key Management Personnel
Shri Vimal P. Kanugo	
Shri Kirti P. Kanugo	
Smt. Ekta H. Kanugo	

Note : Related Party Relationships have been identified by the Management and relied upon by the Auditors.

* Shri Kamal Kanugo continued only as Director w.e.f. 01st August 2015, however, resigned from the directorship of the Company w.e.f. 09th November, 2015.



Details of transactions between the Company & related parties & the status of outstanding balance as on 31st March, 2016

Nature of Transactions	Name of Party	Associates/Enterprises over which directors and/or their relatives has significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
		(in Rs.)					
Unsecured Loans Taken	M/s. Sunrise Metal Industries	94,000,000	111,000,000	-	-	-	-
Unsecured Loans Repaid	M/s. Sunrise Metal	161,500,000	26,000,000	-	-	-	-
Purchases from Associates	M/s. Tubacex Prakash India Pvt. Ltd.	81,717,222	-	-	-	-	-
Sales to Associates	M/s. Tubacex Prakash India Pvt. Ltd.	15,797,820	-	-	-	-	-
Preliminary charges Incurred	M/s. Tubacex Prakash India Pvt. Ltd.	33,676,566	-	-	-	-	-
Preliminary Charges Reimbursed	M/s. Tubacex Prakash India Pvt. Ltd.	33,676,566	-	-	-	-	-
Job work done by Associates	M/s. Tubacex Prakash India Pvt. Ltd.	10,456,419	-	-	-	-	-
Dividend From Foreign Subsidiary	M/s. Pioneer Stainless Alloys Fzc	2,659,338	-	-	-	-	-
Receipt of Investment during the year due to liquidation of foreign Subsidiary	M/s. Pioneer Stainless Alloys Fzc	3,035,469	-	-	-	-	-
Investment in Associate during the year	M/s. Tubacex Prakash India Pvt. Ltd.	32,470,000	-	-	-	-	-
Expenses Incurred on Behalf of Foreign Subsidiary Company	M/s. Pioneer Stainless Alloys Fzc	50,000	-	-	-	-	-
Expenses Reimbursed from Foreign Subsidiary Company	M/s. Pioneer Stainless Alloys Fzc	50,000	-	-	-	-	-
Loan & Advances Repaid by Subsidiary Company	M/s. Pioneer Stainless Alloys Fzc	196,972	-	-	-	-	-
Interest Paid	M/s. Sunrise Metal Industries	18,609,042	22,881,772	-	-	-	-



Details of transactions between the Company & related parties & the status of outstanding balance as on 31st March, 2016

(in Rs.)

Nature of Transactions	Name of Party	Associates/Enterprises over which directors and/or their relatives has significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Advance Given to Subsidiary	M/s. Tubacex Prakash India Pvt. Ltd.	-	5,140,000	-	-	-	-
Remuneration / Salary	Shri Ashok M. Seth	-	-	700,000	1,200,000	-	-
	Shri Hemant P. Kanugo	-	-	900,000	900,000	-	-
	Shri Kamal P. Kanugo	-	-	300,000	900,000	-	-
	Shri Kirti P. Kanugo	-	-	-	-	450,000	360,000
	Shri Prakash C. Kanugo	-	-	1,500,000	1,500,000	-	-
	Shri Vimal P. Kanugo	-	-	-	-	450,000	360,000
Rent Paid	Shri Prakash C. Kanugo	-	-	60,000	60,000	-	-
	M/s. Prakash C. Kanugo (HUF)	440,000	480,000	-	-	-	-
	M/s. Ashok M. Seth (HUF)	330,000	360,000	-	-	-	-
	Smt. Ekta H. Kanugo	-	-	-	-	440,000	480,000
	Shri Kamal P. Kanugo	-	-	605,000	660,000	-	-
	Shri Hemant P. Kanugo	-	-	108,000	108,000	-	-
Outstanding Balances							
Office Deposit Given	M/s. Ashok M. Seth (HUF)	-	11,000,000	-	-	-	-
	M/s. Prakash C. Kanugo (HUF)	-	14,000,000	-	-	-	-
	Smt. Ekta H. Kanugo	-	-	-	-	-	14,000,000
	Shri Kamal P. Kanugo	-	-	-	11,000,000	-	-
Other Deposit Given	Shri Kamal P. Kanugo	-	-	-	5,000,000	-	-
Rent payable	Shri Kamal P. Kanugo	-	-	-	45,000	-	-
Interest Payable	M/s. Sunrise Metal Industries	17,47,990	-	-	-	-	-
Unsecured Loan Taken	M/s. Sunrise Metal Industries	267,500,000	335,000,000	-	-	-	-
Investment in Subsidiary	M/s. Pioneer Stainless Alloys Fzc	-	3,035,469	-	-	-	-
Loans & Advances to Subsidiary*	M/s. Pioneer Stainless Alloys Fzc	-	196,972	-	-	-	-
Payable to Associates	M/s. Tubacex Prakash India Pvt. Ltd.	9,086,558	-	-	-	-	-
Investment in Associates Company	M/s. Tubacex Prakash India Pvt. Ltd.	32,470,000	-	-	-	-	-
Advance Given to Associates	M/s. Tubacex Prakash India Pvt. Ltd.	-	5,140,000	-	-	-	-

* Due to change on account of exchange Fluctuation.



28 Capital and Other Commitment

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Estimated amount of contracts remaining to be executed on Capital Account	-	11,735,625

29 Contingent Liabilities

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Contingent liabilities not provided for in respect of:		
a) Guarantees given by the bankers of the company	33,747,670	36,673,338
b) Sales Tax / VAT demands disputed in appeals	73,929,407	78,183,375
c) Central Sales Tax Liability towards pending declaration forms	7,347,201	9,541,061
d) Disputed Excise Duty Rebate Claim	551,080	551,080
e) Disputed CENVAT Credit	4,511,524	4,511,524
f) Commitment towards development work for Industrial Park Project	-	73,195,050

30 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006, (MSMED Act) as at 31st March, 2016. The disclosure pursuant to the said Act is as under :

Particulars	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Principal amount remaining unpaid to any supplier as at the year end	596,771	646,780
Interest due thereon	-	-
Amount of interest paid during the year	-	-
Amount of payments made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006.	-	-

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" Enterprises on the basis of information available with the Company.

- 31 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. The Management, however, does not expect any material variation.
- 32 In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.
- 33 Sundry balances (net) written back amounting to Rs. 644,757/- are net of sundry debit balances written off amounting to Rs.1,684,383/- (in previous year, sundry balances (net) written off amounting to Rs.20,010,323/- are net of sundry credit balances written back amounting to Rs. 4,527,680/-)
- 34 Prior period adjustment (Net) amounting to Rs. NIL (credit) {Previous year Rs. 35,805/- (credit)} includes income of Rs. NIL (Previous year Rs. 37,864/-) and expenses Rs. NIL (Previous year Rs. 2,059/-).



35 The exceptional item represents provisions for doubtful debts of Rs. 246,480,438/- and gain of Rs.25,566,325/- net of expenditure & business loss due to transfer of the "SS Seamless Tubes & Pipes" Business of the Company to Tubacex Prakash India Private Limited, the Associate Company, during the financial year ended 31st March, 2016. The amount of Rs. 102,592,154/- shown in the previous year ended 31st March, 2015 pertains to bad debts written off.

36 CIF value of Imports

Class of Goods	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Material	510,768,840	1,334,252,691
Capital Goods	47,921,625	6,572,542
Stores and Spares	3,790,270	11,701,541
Total	562,480,735	1,352,526,774

37 Expenditure in Foreign Currency (on accrual basis)

Particulars	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Professional Fees	176,938	548,660
Travelling Exp.	2,093,123	5,481,469
Others	1,963,095	8,472,091
Total	4,233,156	14,502,220

38 Earning in foreign exchange on exports of goods (FOB Value)

Particulars	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Exports of Goods	444,963,782	1,850,553,438

39 Disclosures of derivative instruments

The Company has entered into the following derivative instruments. All the forward contracts are accounted for as per Accounting Policies stated in Note 1(i) annexed to Balance Sheet and Statement of Profit and Loss.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The Company does not use forward contracts for speculative purposes.

(a) Outstanding Short-term Forward Exchange Contracts entered into by the Company on account of receivables :

Particulars	31 st March, 2016	31 st March, 2015
No. of Contracts	-	29
US Dollar Equivalent	-	2,865,379
INR Equivalent	-	179,346,351
Particulars	31 st March, 2016	31 st March, 2015
No. of Contracts	-	1
EURO Equivalent	-	100,000
INR Equivalent	-	6,751,040



(b) Outstanding Short-term Forward Exchange Contracts entered into by the Company on account of payables :

Particulars	31 st March, 2016	31 st March, 2015
No. of Contracts	-	-
USD / EURO equivalent	-	-
INR equivalent	-	-

(c) The un-hedged foreign currency exposure as on 31st March 2016 is given below :

	Payables as at 31 st March 2016		Payables as at 31 st March 2015	
	Foreign Currency Amount	Local Currency	Foreign Currency Amount	Local Currency
USD	5,028,513	333,555,845	5,104,506	319,495,089
EURO	-	-	5,657	381,939
GBP	-	-	-	-

	Receivables as at 31 st March 2016		Receivables as at 31 st March 2015	
	Foreign Currency Amount	Local Currency	Foreign Currency Amount	Local Currency
USD	453,582	30,087,408	2,863,834	179,249,679
EURO	-	-	1,058,464	71,457,323
GBP	-	-	91,672	8,475,914

40 During the previous year ended on 31st March, 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 01st April, 2014, the Company has revised the useful life of its assets to the useful life specified in Schedule II whereas previously the Company was providing the depreciation on its fixed assets at the rates specified in Schedule XIV of the Companies Act, 1956. Accordingly, the carrying amount of the fixed assets as on 01st April, 2014 is being depreciated over the remaining revised useful life of the fixed assets. As a result, the depreciation charge for year ended 31st March, 2015 was higher by Rs.23,621,956/- and profit before tax year ended 31st March, 2015 was lower to the said extent. Further, based on the transitional provisions provided in note 7(b) of the Schedule II, fixed assets whose useful life had already been completed as on 01st April, 2014, the carrying value of those fixed assets amounting to Rs.9,070,071/- and the corresponding deferred tax thereon amounting to Rs.3,082,917/- have been debited and credited respectively to the opening balance of 'Retained Earnings'.

41 Pursuant to JV Agreement, Tubacex S. A. on 13th February, 2015 the Company transferred its seamless pipes and tubes business to Tubacex Prakash India Pvt. Ltd. (JV Company) on 27th July, 2015 (Business Transfer Agreement date) on a receipt of consideration of Rs. 2,091,600,000/-. JV Company has been incorporated as a wholly owned subsidiary and subsequently the 67.53% of the share holding in JV Company held by Tubacex S.A. and 32.47% by the Company. The JV Company which had been incorporated as a wholly owned subsidiary, has become an Associate Company.

42 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 contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position (Refer note no 29 for details on contingent liabilities).

43 The Company periodically reviews all its long term contracts including derivative contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/ accounting standard.

44 For the year ended 31st March, 2016, the Company is not required to transfer any amount into the investor education & protection fund.



45 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, 2016 is Rs. 9,336,962/-.

(b) Amount spent during the year is Rs. 1,900,000/-.

46 Disclosure pursuant to clause 32 of the Listing Agreement:

	As at 31-03-2016	Maximum amount Outstanding during the year 2015 - 16	As at 31-03-2015	Maximum amount Outstanding during the year 2014 - 15
a) Loans to Subsidiaries:				
i) Pioneer Stainless & Alloys F.Z.C.	-	196,972	196,972	196,972
ii) Tubacex Prakash India Pvt. Ltd.*	-	5,140,000	5,140,000	5,140,000
b) Where there is no repayment schedule:				
i) Pioneer Stainless & Alloys F.Z.C.	-	196,972	196,972	196,972
ii) Tubacex Prakash India Pvt. Ltd.*	-	5,140,000	5,140,000	5,140,000
c) Where no interest or interest below Section 186 (11) of Companies Act:				
i) Pioneer Stainless & Alloys F.Z.C.	-	1,96,972	196,972	196,972
ii) Tubacex Prakash India Pvt. Ltd.*	-	5,140,000	5,140,000	5,140,000
d) In the nature of loans to Firms/ Companies in which directors are interested.	Nil	Nil	Nil	Nil

* Company formed on 22nd April, 2015

e) All the above loans and advances have been given for business purposes.

f) Loans to employees as per the Company's policy are not considered.

47 Details of loans given , Investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2013:

Details of the loans are given in note 46 above and details of investment are given in note no 11 above.

48 Due to meltdown in the prices of nickel, chromium, stainless steel and other related global commodities, 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, 2016.

49 During the year, the Company has dissolved its wholly owned subsidiary, Pioneer Stainless & Alloy - F.Z.C., U.A.E., pursuant to member's approval through postal ballot dated 12th February, 2016. Further, the wholly owned subsidiary applied for liquidation on 27th March, 2016 to Ajman Free Zone Authority and thereafter, received the final approval on 26th April, 2016.

50 Figures of the previous year have been re-grouped, re-classified and re-arranged, wherever necessary.

AS PER OUR REPORT OF EVEN DATE

FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Firm Registration No.: 101048W

Sd/-
R. D. HANGEKAR
PARTNER
M.No. 030615

PLACE : MUMBAI
DATE : 30TH MAY, 2016

SIGNATURES TO NOTES "1" TO "50"

FOR AND ON BEHALF OF THE BOARD

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

Sd/-
PALAK KOHLI KOCHHAR
COMPANY SECRETARY &
COMPLIANCE OFFICER

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



INDEPENDENT AUDITOR'S REPORT

To the Member of **PRAKASH STEELAGE LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **PRAKASH STEELAGE LIMITED** ("the Company") which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 and presentation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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 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 consolidated 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 consolidated 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note No. 35 of notes to Consolidated Financial Statement for the year ended 31st March, 2016 pertaining to exceptional items comprising of Provision for Doubtful Debts of Rs. 246,480,438/- and gain of Rs.25,566,325/- towards the transfer of the "SS Seamless Tubes & Pipes" business of the company to Tubacex Prakash India Pvt. Ltd. ("the Associate Company") during the financial year ended 31st March, 2016.

We draw attention to Note No. 49 of notes to Consolidated Financial Statements stating that the Company has incurred operational losses during the year due to meltdown in the prices of nickel, chromium, molybdenum, and unfavorable market for steel industry, which has resulted in pressure on the realisibility of receivables, stock and selling prices.



Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of Pioneer Stainless & Alloy-F.Z.C., Ajman, United Arab Emirates ("Wholly-Owned Foreign Subsidiary") whose financial statements reflect total assets (net) of **Rs. NIL** as at 31st March, 2016, total revenues of Rs.94,870,263/- for the year ended 31st March, 2016. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion is based solely on the other auditor's report.

For the purpose of valuation of investment in Tubacex Prakash India Pvt. Ltd. ("the Associate Company"), the Unaudited Financial Statements of the said Associate Company as at 31st March, 2016 have been considered. These Unaudited Financial Statements have been furnished to us by the Management and our report is based solely on such Unaudited Financial Statements.

Our opinion is not qualified 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 paragraphs 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 Profit and Loss Statement and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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, refer to our separate report given in "**Annexure A**".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 the pending litigations on its financial position in its financial statements as referred to in **Note 42** to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts as referred to in **Note 43** to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2016.

For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg. No. 101048W

Sd/-
(CA Raman Hangekar)
Partner
Membership No. 030615

Place: **Mumbai**
Date: **30th May, 2016**



Annexure "A" 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 31st March 2016 in conjunction with our audit of the Consolidated 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 control 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 control, 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 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 judgement, 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 or 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 companies with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 31st March 2016, 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 Reg. No. 101048W

Sd/-
(CA Raman Hangekar)
Partner
Membership No. 030615

Place : **Mumbai**
Date : **30th May, 2016**



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Notes	AS AT 31-03-2016 Rs.	AS AT 31-03-2015 Rs.
I Equity And Liabilities			
1 Shareholders' Funds			
a Share Capital	2	175,000,390	175,000,390
b Reserves And Surplus	3	930,062,997	1,800,015,525
2 Non-Current Liabilities			
a Long Term Borrowings	4	270,387,549	483,018,760
b Deferred Tax Liabilities (Net)	5	64,663,950	64,663,950
c Other long term Liabilities	6	3,22,589,877	107,379,044
c Long Term Provisions	7	4,539,957	8,377,455
3 Current Liabilities			
a Short Term Borrowings	8	1,759,936,468	1,896,920,303
b Trade Payables	9	1,198,757,415	3,172,767,471
c Other Current Liabilities	9	167,626,659	244,383,383
d Short Term Provisions	7	74,792,706	76,110,682
Total		4,968,357,968	8,028,636,964
II Assets			
1 Non-Current Assets			
a Fixed Assets	10		
i Tangible Assets		185,710,819	795,577,123
ii Intangible Assets		8,027,847	13,517,135
b Capital Work In Progress		45,790,761	12,544,446
c Intangible Assets Under Development		-	-
d Non-Current Investment	11	33,470,000	1,000,000
e Long Term Loans And Advances	12	223,103,393	148,419,691
2 Current Assets			
a Inventories	14	460,377,154	2,706,338,773
b Trade Receivables	15	2,986,410,938	3,670,436,998
c Cash And Bank Balances	16	41,721,194	94,212,832
d Short Term Loans And Advances	12	969,646,365	525,711,997
e Other Current Assets	13	14,099,497	60,877,969
Total		4,968,357,968	8,028,636,964
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE
FOR BATLIBOI & PUROHIT
 CHARTERED ACCOUNTANTS
 Firm Registration No.: 101048W

Sd/-
R. D. HANGEKAR
 PARTNER
 M.No. 030615

PLACE : **MUMBAI**
 DATE : **30TH MAY, 2016**

FOR AND ON BEHALF OF THE BOARD

Sd/-
PRAKASH C. KANUGO
 CHAIRMAN &
 MANAGING DIRECTOR

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

Sd/-
PALAK KOHLI KOCHHAR
 COMPANY SECRETARY &
 COMPLIANCE OFFICER



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Notes	Year Ended 31-03-2016 Rs.	Year Ended 31-03-2015 Rs.
Income			
Revenue From Operations (Gross)	17	5,778,771,111	11,373,661,829
Less: Excise Duty		132,660,558	141,905,343
Revenue From Operations (Net)		5,646,110,553	11,231,756,486
Other Income	18	129,896,317	121,198,742
Total Revenue (I)		5,776,006,870	11,352,955,228
Expenses			
Purchases		4,236,418,940	8,257,946,776
Raw Material Consumed	19	808,391,151	2,342,096,521
Increase / Decrease In Stock	20	724,054,115	(602,197,732)
Stores & Spares Consumed		40,235,132	126,893,231
Employee Benefit Expenses	21	66,446,592	106,675,932
Finance Costs	22	286,847,218	362,100,047
Depreciation And Amortisation	10	78,216,111	113,596,732
Other Expenses	23	184,385,426	322,799,853
Total Expenses (II)		6,424,994,685	11,029,911,359
Profit / (Loss) Before Exceptional Item And Prior Period Adjustments		(648,987,815)	323,043,868
Prior Period Adjustments (net)	34	-	35,805
Profit / (Loss) Before Exceptional Item and Tax		(648,987,815)	323,079,674
Exceptional Item (Net)	35	(220,914,113)	(102,592,154)
Profit/(Loss) Before Tax		(869,901,928)	220,487,520
Tax Expenses			
Current Tax		-	77,745,719
Deferred Tax		-	(4,630,323)
Income Tax Relating To Earlier Years		8,950,252	253,765
Fringe Benefit Tax Relating To Earlier Year		116,951	-
Total Tax Expenses		9,067,203	73,369,161
Profit/(Loss) After Tax		(878,969,131)	147,118,358
Earnings Per Equity Share (Basic And Diluted)	24	(5.02)	0.84
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE
FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Firm Registration No.: 101048W

Sd/-
R. D. HANGEKAR
PARTNER
M.No. 030615

PLACE : MUMBAI
DATE : 30TH MAY, 2016

FOR AND ON BEHALF OF THE BOARD

Sd/-
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MANAGING DIRECTOR

Sd/-
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EXECUTIVE DIRECTOR &
CHIEF FINANCIAL OFFICER

Sd/-
PALAK KOHLI KOCHHAR
COMPANY SECRETARY &
COMPLIANCE OFFICER



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Year Ended 31-03-2016 Rs.	Year Ended 31-03-2015 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior period Adjustment & exceptional item	(648,987,815)	323,043,868
Adjustment for:		
Depreciation, Amortisation and obsolescence	107,843,262	113,596,732
Profit on Sale of Fixed Assets	(37,063,025)	(29,067,945)
Exceptional Item	(220,914,113)	(102,592,154)
Loss on Sale/Theft of Fixed Assets	-	240,503
Sundry Balances Written Back / Off (Net)	(644,757)	20,010,323
Provision for Doubtful Debts	612,723	-
Provision for Wealth Tax	-	23,575
Unrealised gains and losses arising from changes in foreign exchange rates	8,973,458	27,951,486
Preliminary expenses w/off	-	-
Interest Received	(15,549,007)	(72,489,544)
Finance Cost	286,847,218	362,100,047
Operating Profit Before Working Capital Changes	(518,882,056)	642,816,892
Adjustment for:		
Inventories	2,245,961,619	(619,961,191)
Trade & Other Receivables	337,885,575	(1,120,430,215)
Trade Payables & Other Current Liabilities	(1,806,762,840)	1,670,026,523
Cash Generated from Operations	258,202,298	572,452,009
Direct Taxes Paid (Net of Refund)	(12,018,174)	(65,976,339)
Cash Flow before prior period Adjustments & Exceptional item	246,184,124	506,475,670
Prior Period Adjustments	-	35,805
Net Cash From / (Used In) Operating Activities (A)	246,184,124	506,511,475
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital work-in-progress	(184,200,663)	(144,674,822)
Investment in Associates	(32,470,000)	-
Investment in Bank Deposits	36,689,550	21,900,846
Sale of Fixed Assets	606,154,783	42,648,336
Interest Received	17,561,907	74,690,583
Net Cash From / (Used In) Investing Activities (B)	443,735,577	(5,435,057)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Borrowings (Net)	(342,595,207)	(135,718,630)
Repayment / (proceeds) from Unsecured Borrowings (Net)	(74,276,896)	(64,688,469)
Finance Cost Paid	(287,320,819)	(362,484,997)
Dividend & Dividend Tax Paid	(10,514,495)	(20,458,755)
Preliminary expenses incurred by subsidiary	-	-
Net Cash From / (Used In) Financing Activities (C)	(714,707,417)	(583,350,851)
Net Increase / (Decrease) in Cash and Cash equivalents (A)+(B)+(C)	(24,787,716)	(82,274,433)
Cash and Cash equivalents at the beginning of the year	17,857,709	99,464,830
Exchange differences on translation of foreign currency Cash and Cash equivalents	8,985,628	667,313
Cash and Cash equivalents at the end of the year	2,055,621	17,857,709

NOTES:

- Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounts) Rules, 2014.
- Cash and Cash equivalent at the end of the year includes earmarked balance with Bank of unpaid dividend of Rs. 95,562/- (previous year Rs.78,739/-).
- Figures for the previous year are re-classified / re-arranged / re-grouped, wherever necessary.

**AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR BATLIBOI & PUROHIT**

CHARTERED ACCOUNTANTS
Firm Registration No.: 101048W

Sd/-
R. D. HANGEKAR
PARTNER
M.No. 030615

PLACE : MUMBAI
DATE : 30TH MAY, 2016

FOR AND ON BEHALF OF THE BOARD

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

Sd/-
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EXECUTIVE DIRECTOR &
CHIEF FINANCIAL OFFICER

Sd/-
PALAK KOHLI KOCHHAR
COMPANY SECRETARY &
COMPLIANCE OFFICER



NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

1 Summary of Significant Accounting Policies

a Basis of Consolidation

The Consolidated Financial Statements (CFS) relates to Prakash Steelage Limited ("the Company" or "the Parent Company") and its subsidiary company, "collectively referred to as "the Group".

(i) Basis of preparation

The Consolidated Financial Statements of the Company and its subsidiary are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956 and Accounting Standard 21 "Consolidated Financial Statements", as notified by Companies (Accounting Standards) Rules 2006 (which continues to be applicable in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

(ii) Use of estimates

The preparation of financial statements in conformity with India GAAP requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(iii) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- (a) The Financial Statements of the Parent Company and its subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and transactions resulting in unrealized profits or losses on intra-group transactions and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- (b) The excess of the cost to the Company of its investment in subsidiary over the Company's portion of equity of the subsidiary as at the date on which investment in subsidiary is made, is recognized in the financial statement as Goodwill. The excess of Company's share of equity and reserve of the subsidiary over the cost of acquisition is treated as Capital Reserve.
- (c) Minority Interests in the CFS is identified and recognized after taking into consideration:
 - The amount of equity attributable to minority's at the date on which investments in a subsidiary is made.
 - The minority's share of movements in equity since the date parent subsidiary relationships came into existence.
- (iv) The particulars of a subsidiary, which is considered for consolidation and the percentage of voting power therein of the company as on 31st March, 2016 is as under:

Name of Company	W.e.f.	Country of Incorporation	Percentage of voting power as at 31 st March, 2016	Reporting Date	Financial Status Audited / Unaudited
Subidiaries					
Pioneer Stainless & Alloy - F.Z.C.	10 th April, 2013	Ajman, UAE	100%	31 st March, 2016	Audited

**b Method of Accounting**

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The Company has prepared these Financial Statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

c Fixed Asset

- (i) Fixed Assets have been stated at cost of acquisition inclusive of expenses directly attributable to the acquisition of such assets.
- (ii) Elements of refundable duties and taxes on capital goods / fixed assets purchased have been reduced from the total cost of such assets.
- (iii) Goodwill arising on consolidation is stated at cost and impairment is recognized, if any.

d Depreciation

- (i) Depreciation on fixed assets is provided on Written Down Value (WDV) Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, except for Fixed Assets pertaining to Umbergaon Unit where depreciation is charged on Straight Line Method (SLM) at the rates prescribed in schedule XIV to the Companies Act, 1956.
- (ii) Subsidiary company does not possess any property, plant and Equipment/machinery.

e Pre-operative Expenses and Allocation thereon

All pre-operative expenditure & trial run expenditure are accumulated as Capital Work-in-Progress and is allocated to the relevant fixed assets on a pro-rata / reasonable basis.

f Valuation of Inventory

- (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 cost depending upon the stage of completion of production in general.
- (iii) Finished goods and trading stocks have been valued at lower of cost or net realisable value based upon FIFO method except where the finished goods are specifically identifiable.
- (iv) Scrap, 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 component and inclusive of other direct cost incurred for acquiring the respective material.

g Material Events occurring after the Balance Sheet date

Material events occurring after the date of Balance Sheet have been taken cognizance of liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty have been treated as contingent liability and are disclosed by way of notes to accounts.

h Revenue Recognition

A sale is recognized at the time of dispatching the goods to the customer excluding Value Added Tax & Excise Duty collection. Purchases including import purchases are recognized net of refundable Value Added Tax and Duty component at the time of receipt of goods.

Export benefits have been recognized at the time of making the export sales & valued on estimated monetary benefit receivable there from.



i Foreign Exchange Transaction

- (i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference.
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) 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.
- (v) The premium or discount arising at the inception of a forward exchange contract not intended for trading or speculation purpose is amortised as expense or income over the life of the contract. Exchange difference on account of change in rates of underlying currency at the year end is recognized in the Statement of Consolidated Profit and Loss. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the Year.

In recording a forward exchange contract intended for trading or speculation purpose, the premium or discount on the contract is ignored and at each Balance Sheet date, the value of the contract is marked to its current market value and gain or loss on the contract is recognized in the Statement of Consolidated Profit and Loss.

- (vi) The exchange difference arising on revenue and other account except as stated under (iv) above and (p) below is adjusted in the Statement of Consolidated Profit and Loss.
- (vii) Assets and liabilities of foreign subsidiary are translated at closing rate and income and expenditure are translated at average exchange rate for the year. The difference arising on such translation is debited / credited to foreign currency translation reserve.

j Employee Benefits

- (i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Consolidated Profit and Loss of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Consolidated Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Consolidated Profit and Loss.
- (iii) In case of subsidiary, no provision is made for the amounts payable under UAE Labour Law applicable to the employees for the accumulated period of service as at the balance sheet date as they are not yet due.

k Preliminary and Share Issue Expenses

Preliminary and Share Issue expenses are written off in the year in which such expenditure is incurred.

l Excise Duty on Finished Goods

Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in the stock as at the year end.

m Duties and Taxes on Purchases

Refundable duties and taxes on purchase of Raw Materials, other eligible inputs and capital goods are adjusted against duties and taxes payable. The unadjusted credits of such duties and taxes are shown under the head "Loans and Advances".

n Export Benefit / Incentive

Export benefits have been recognised at the time of making the export sales & valued on estimated monetary benefit receivable there from.



o Prior Period Adjustment

Expenses and income pertaining to earlier / previous years are accounted as Prior Period Items.

p Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying fixed assets are capitalised as part of cost of assets, up to the date, the asset is put to use. Borrowing costs also include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other borrowing costs are charged to the Statement of Consolidated Profit and Loss in the year in which they are incurred.

q Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

r Investments

Long Term investments are valued at cost. Provision for diminution in value of investment is made to recognize a decline other than temporary.

Current investments are valued at cost or market value whichever is lower on the last day of financial year.

s Impairment of Assets

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Consolidated Profit and Loss in the year in which assets are identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

t Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

u Earning Per Share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti dilutive.

v Other Accounting Policies

These are set out under "Significant Accounting Policies" as given in the financial statements of Prakash Steelage Limited and its Group.

2 Share Capital

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Authorised		
200,000,000 (P.Y. 20,000,000 Equity Shares of Rs. 10/- each) Equity Shares of Rs. 1/- each	200,000,000	200,000,000
Issued Subscribed & Paid up		
175,000,390 (P.Y. 17,500,039 Equity Shares of Rs. 10/- each) Equity Shares of Rs. 1/- each fully paid up	175,000,390	175,000,390
Total	175,000,390	175,000,390



a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31 st March, 2016		31 st March, 2015	
	Nos.*	In Rs.	Nos.	In Rs.
At the beginning of the period	175,000,390	175,000,390	17,500,039	175,000,390
Issued during the year	-	-	-	-
Outstanding at the end of the period	175,000,390	175,000,390	17,500,039	175,000,390

Note : *The Equity Shares of the Company has been sub - divided from face value of Rs. 10/- each to face value of Rs. 1/- each w.e.f. 04th March, 2016, the record date, pursuant to the shareholders' approval through postal ballot dated 12th February, 2016.

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of the Company, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the previous year ended 31st March, 2015, the amount of final dividend recognized as distributions to equity shareholders was Rs. 0.5/- per equity share. The total dividend appropriation for the year ended 31st March, 2015 amounted to Rs. 8,750,020/- excluding corporate dividend tax of Rs. 1,791,566/-.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

c Details of shareholders holding more than 5% shares in the Company

	31 st March, 2016		31 st March, 2015	
	No. of Shares* (Rs. 1/- each)	% of holding in the class	No. of Shares (Rs. 10/- each)	% of holding in the class
Equity shares of Rs. 1 each fully paid				
Prakash C. Kanugo	37,835,000	21.62%	3,783,500	21.62%
AMS Trading and Investment Private Limited	28,760,000	16.43%	2,876,000	16.43%
Seth Iron and Steel Private Limited	14,900,000	8.51%	1,490,000	8.51%
Balmiki Agencies Private Limited	9,706,490	5.55%	970,649	5.55%

Note : *The Equity Shares of the Company has been sub - divided from face value of Rs. 10/- each to face value of Rs. 1/- each w.e.f. 04th March, 2016, the record date, pursuant to the shareholders' approval through postal ballot dated 12th February, 2016.



3) Reserves & Surplus

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Share Premium Account		
As per Last Balance Sheet	671,589,261	671,589,261
Add : Share Issue Expenses (Net of Tax)	-	-
Closing Balance	671,589,261	671,589,261
Foreign Currency Translation Reserve		
As per Last Balance Sheet	455,777	(323,885)
Foreign Currency Translation Reserve	9,016,603	779,662
Closing Balance	9,472,379	455,777
General Reserve		
As per Last Balance Sheet	325,312,948	275,312,948
Add : Amount Transferred from surplus balance in the statement of Profit and Loss	-	50,000,000
Closing Balance	325,312,948	325,312,948
Surplus / (Deficit) in the statement of profit and loss		
As per Last Balance Sheet	802,657,540	722,057,654
Less : Depreciation Adjustment relating to Fixed Assets (Refer Note No. 40)	-	(9,070,071)
Add : Deferred tax on above depreciation (Refer Note No. 40)	-	3,082,917
Add : Profit / (Loss) for the year	(878,969,131)	147,118,358
Less : Appropriations		
Transfer to General Reserve	-	50,000,000
Dividend Proposed	-	8,750,020
Dividend Distribution Tax	-	1,781,298
Total Appropriations	-	60,531,318
Net Surplus in the statement of Profit and Loss	(76,311,591)	802,657,540
Total Reserve and Surplus	930,062,997	1,800,015,525

4 Long Term Borrowings

	Non Current portion		Current Maturities	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Term Loans				
Indian rupee loan from Bank (Secured)	-	146,281,031	-	67,568,568
Indian rupee loan from Promoter Director (Unsecured)	269,247,990	335,000,000	-	-
Vehicle Loans				
From Banks (Secured)	1,139,559	1,737,729	1,081,068	941,215
	270,387,549	483,018,760	1,081,068	68,509,783
The above amount includes				
Secured Borrowings	1,139,559	148,018,760	1,081,068	68,509,783
Unsecured Borrowings	269,247,990	335,000,000	-	-
Amount Disclosed under the head "Other current liabilities" (Note 9)	-	-	1,081,068	68,509,783
Net Amount	270,387,549	483,018,760	-	-



- a (i) Indian rupee loan from Banks (secured) carries interest @ 15.50 % p.a. (previous year 15.50% p.a.). The loan is repayable in 84 monthly installments of Rs 1,460,714/- each along with interest from the date of loan, viz., 10th July, 2008 the loan is secured by way of mortgage of factory land & building, and hypothecation of plant & machinery of Company at Umbergaon. (First pari passu charge between Vijaya Bank and Bank of Baroda) During the year, the said rupee loan have been fully repaid.
- (ii) Indian rupee loan from Banks (secured) carries interest 13% p.a. (previous year 13% p.a.). The loan is repayable after 15 months from the date of first disbursement (date: 18-05-2013) in 59 monthly equal installments of Rs 4,170,000/- and last installment will be of Rs. 3,970,000/- along with interest from the date of loan, Interest and other charges to be paid as and when debited. This loan is secured by way of mortgage of factory land & building, and hypothecation of plant & machinery of Company at Umbergaon. (First pari passu charge with Vijaya Bank and Bank of Baroda). Also second pari passu charge on current assets of the Company including stocks and book debts. During the year, the said rupee loan have been fully repaid.
- b Indian rupee loan from Promoter Director (Unsecured) taken from a proprietary concern of a Promoter Director, carries interest @ 9.00% (previous year 9.00% p.a.) interest payable on annual basis, Loan of Rs.250,000,000/- and also taken additional loan of Rs. 85,000,000/- from the said proprietary concern of a Promoter Director as interest free loan, repayable after the expiry of 5 years with an option to be paid fully or in tranches. The said loan has been introduced as per the sanction terms & conditions of consortium arrangement led by Vijaya Bank and shall remain in the business during the currency of the loan from consortium banks. During the year, the Company has repaid the interest bearing loan to the tune of Rs.67,500,000/- against recovery of its non current assets. For which approval of banks were required.
- c Vehicle loans from Banks (secured) carries interest in the range of 10% p.a. to 12% p.a. (previous year 7.50% p.a. to 12.50% 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.

5 Deferred Tax Liabilities (Net)

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Deferred Tax Liability		
Fixed assets : Tax impact of difference between carrying amount of fixed assets in the financial statement and the income tax return	64,663,950	70,568,547
Gross Deferred Tax Liability	64,663,950	70,568,547
Deferred tax assets		
Outstanding Leave encashment Gratuity and Bonus	-	3,763,732
Provision of doubtful debts	-	1,845,354
Preliminary Expenses u/s. 35D of the Income Tax Act, 1961	-	295,511
Gross Deferred Tax Assets	-	5,904,597
Deferred Tax Liabilities (Net)	64,663,950	64,663,950

The management has not recognised deferred tax assets during the year due to virtual uncertainty in its realisability in the near future.

6. Other long term Liabilities

	Long-Term		Short-Term	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Sundry Creditors - Raw Material	322,589,877	107,379,044	-	-
	322,589,877	107,379,044	-	-



7. Provisions

	Long-Term		Short-Term	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
(a) Provision for employee benefits				
Provision for Leave Encashment	1,077,562	1,304,619	73,826	76,633
Provision for Gratuity	3,462,395	7,072,836	300,101	432,992
	4,539,957	8,377,455	373,927	509,625
(b) Other Provisions				
Proposed Dividend	-	-	-	8,750,020
Dividend Distribution Tax	-	-	-	1,781,298
Income Tax (Net of Advance Taxes)	-	-	74,418,779	64,902,201
Fringe Benefit Tax (Net of Advance Taxes)	-	-	-	143,963
Wealth Tax (Net of Advance Taxes)	-	-	-	23,575
	-	-	74,418,779	75,601,057
	4,539,957	8,377,455	74,792,706	76,110,682

8. Short-Term Borrowings

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Cash Credit from Banks (Secured)	1,735,936,468	1,682,404,503
Buyer's Credit from Banks (Secured)	-	103,243,840
Export Packing Credit from Banks (Secured)	-	78,747,074
Bill Discounting from Bank (Unsecured)	-	32,524,886
Bill Discounting from a NBFC (Unsecured)	24,000,000	-
	1,759,936,468	1,896,920,303
The Above amount includes		
Secured Borrowings	1,735,936,468	1,864,395,417
Unsecured Borrowings	24,000,000	32,524,886
Total	1,759,936,468	1,896,920,303

- a Cash Credit from Banks (Secured) are repayable on demand and carries interest @ 11.65% to 12.65% p.a., (previous year @ 12.20% to 12.95% p.a.), Buyers Credit (Secured) represents Foreign Currency Buyers Credit from various Banks which carries interest ranging from 1 % to 5.25 % p.a. (previous year 1 % to 5.25 % p.a.) having a tenor of maximum upto 180 days., Export Packing Credit from Banks (Secured) represents export packing Credit facility from banks. The tenor of the facility is maximum upto 180 days and the rate of interest (Foreign Currency facility) is Margin + LIBOR i.e. approximately 3.50% to 5 % p.a. (previous year 3.50% to 5% p.a.) and rate of interest (Indian Currency facility outstanding as at the end of the previous year) was @ 12.20% p. a., all these loans are secured by hypothecation of Stocks of Raw Material, Stocks-in-process, Finished Goods, stores and spares (not relating to plant & machinery), bills receivables, book debts & all other current assets and movables (both present & future) at Silvassa & Umargaon [First Pari Passu charges amongst Vijaya Bank, Bank of Baroda, Union Bank of India, Bank of India & DBS Bank Ltd., and the whole of the movable plant & machinery including all the spare parts and all other movable assets such as furniture, fixture, fittings, vehicles & equipments (both present and future) at Silvassa (First Pari Passu charges amongst the above mentioned banks) and at Umargaon (Second Pari Passu charges amongst above mentioned banks) and collateral securities in form of first pari-passu charge on piece and parcel of non agricultural land along with the building unit no. 1 at Silvassa, Second pari-passu charge on piece and parcel of non agricultural land along with the building at Unit no. 2 at Umbergaon, & first pari-passu charge on piece and parcel of non agricultural land belonging to the company behind factory at Unit no. 2 Umbergaon, District : Valsad , State Gujarat, office premises no. 101 & 102 at Islampura Street, at Mumbai, 701 & 702, Mahalaxmi chambers, at Mumbai, Bungalow unit No.C 26, at Swapan Lok Complex, Lonavla, District Pune, Plot at OHM Industrial Infrastructure Park, Umbergaon, District Valsad, State Gujarat and two residential Plot No.B 30 & C 20, at Sheetal Township Project, Umbergaon, District : Valsad , State Gujarat Industrial land at Survey No. 83 and 98, Village Wawanje, Taluka Panvel, District Raigad belonging to two Directors and their relatives and personal guarantee of three directos & their relatives. However during the year working capital facility from DBS Bank Ltd has been fully repaid.



- b Bill Discounting from Bank at the end of the previous year (Unsecured) represents export bills discounted with foreign banks. The tenor of the loan is in the range of 50 to 120 days and the rate of interest is approximately 3.5% to 5.50% p.a.. Bill Discounting from a NBFC (Unsecured) was availed from finance companies and the tenor of the loan is 90 to 120 days and the rate of interest is 14.25% to 16.75% p.a. (previous year 14.25% to 16.75% p.a.).

9 Other Current Liabilities

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Trade payable (including acceptances) (refer note 30 for details of dues to micro and small enterprises)	1,198,757,415	3,172,767,471
Other Liabilities		
Current maturities of Long Term Borrowings (Note 4)	1,081,068	68,509,783
Liability for expenses (refer note 30 for details of dues to micro and small enterprises)	53,132,988	68,453,563
Creditors for capital expenditure	39,380,476	11,974,651
Advance received from customer	42,782,092	65,816,532
Interest Accrued but not due on Loans	1,235,858	1,709,459
Unpaid Dividend	95,562	78,739
Security deposit from employees	-	177,100
Statutory dues	29,918,615	27,663,556
	167,626,659	244,383,383
	1,366,384,074	3,417,150,854



CONSOLIDATED NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Note 10 : FIXED ASSETS

Sr. No.	Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
		As on 01/04/2015 Rs.	Addition Rs.	Deduction/ Adjustments Rs.	As on 31/03/2016 Rs.	As on 01/04/2015 Rs.	Deduction/ Adjustments Rs.	Upto 31/03/2016 Rs.	As on 31/03/2016 Rs.	As on 31/03/2015 Rs.
	Tangible assets									
1	Factory Land	21,849,028	53,649,905	61,660,830	13,838,103	-	-	-	13,838,103	21,849,028
2	Factory Building	329,713,162	-	315,513,180	14,199,982	62,225,666	4,025,597	6,673,471	7,526,511	267,487,495
3	Office Building	731,040	-	-	731,040	448,458	11,303	459,761	271,279	282,582
4	Plant & Machinery	800,281,432	257,193	499,957,761	300,580,864	317,133,083	62,906,219	146,582,192	153,998,672	483,148,349
5	Electrical & Telephone Installation & Office equipment	16,842,861	832,715	11,113,185	6,562,391	14,947,060	882,548	10,171,251	904,034	1,895,802
6	Computers	13,790,207	326,377	6,185,295	7,931,289	13,257,468	276,395	6,141,267	538,693	532,739
7	Furniture & Fixtures	25,724,247	4,666,389	22,800,504	7,590,132	14,189,853	3,194,293	14,059,472	4,265,458	11,534,393
8	Vehicles	46,394,141	1,846,849	18,221,338	30,019,652	37,547,406	2,635,226	14,531,049	4,368,069	8,846,735
9	Live Stock	-	-	-	-	-	-	-	-	-
	Intangible assets									
	Computer Software	25,346,992	-	5,102,464	20,244,528	11,829,858	4,284,530	3,897,707	8,027,847	13,517,135
	Total Current Year	1,280,673,110	61,579,428	940,554,557	401,697,981	471,578,852	78,216,111	207,959,315	193,738,666	809,094,257
	Total Previous Year	1,191,219,913	106,098,822	16,645,625	1,280,673,110	351,736,777	122,666,803	471,578,852	809,094,258	839,483,136

Notes:

- (1) During the year, the Company has reviewed its fixed assets for impairment loss as required by Accounting Standards 28 - "Impairment of Assets". In the opinion of Management no provision for impairment loss is considered necessary.



CONSOLIDATED NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 11 : NON CURRENT INVESTMENT (VALUED) AT COST UNLESS STATED OTHERWISE)

	Maturity Date	Number of Unit	Face Value per Unit (Rs.)	Face Value (Rs.)	As at 31-03-2016 (Rs.)	As at 31-03-2015 (Rs.)
I						
INVESTMENT IN EQUITY SHARES UNQUOTED EQUITY SHARES IN ASSOCIATE COMPANY TUBACEX PRAKASH INDIA PRIVATE LIMITED		3,247,000	10	32,470,000	32,470,000	-
					32,470,000	-
II						
MUTUAL FUNDS						
QUOTED FIXED MATURITY PLAN Union KBC Capital Protection Oriented Fund - Series 5 - Regular Plan - Growth	Feb-17	100000	10	1,000,000	1,000,000	1,000,000
			Total		1,000,000	1,000,000
			Grand Total (I+II)		33,470,000	1,000,000

Notes :	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
(a) Aggregate Book Value - Quoted Investments	1,000,000	1,000,000
(b) Aggregate Market Value of Quoted Investments	1,252,300	1,238,620
(c) Aggregate Book Value - Unquoted Investments	32,470,000	-



12 Loans and Advances

	Long-Term		Short-Term	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Capital Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	204,976,118	88,195,372	-	-
(A)	204,976,118	88,195,372	-	-
Security Deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good				
- Security Deposit to Related Party	-	55,000,000	-	-
- Others	4,479,024	4,464,128	1,468,345	1,648,345
(B)	4,479,024	59,464,128	1,468,345	1,648,345
Loans & Advances to related parties				
Tubacex Prakash India Pvt Ltd	-	-	-	5,140,000
(C)	-	-	-	5,140,000
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	942,140,336	479,224,079
Doubtful	-	-	-	-
(D)	-	-	942,140,336	479,224,079
Other loans and advances (Unsecured, considered good)				
Balance with central excise authority	-	-	10,460,578	22,098,801
Collateral / Margin Money	-	-	3,600,000	49,297
Deferred Premium	-	-	-	-
Prepaid expenses	-	-	2,290,668	4,855,738
Loans and advances to employees	-	-	556,863	784,370
Advance income tax (net of provision for taxation)	12,692,494	392,483	-	-
Balances with statutory / Government authorities	955,757	367,708	9,129,575	11,911,367
(E)	13,648,251	760,191	26,037,684	39,699,573
(A+B+C+D+E)	223,103,393	148,419,691	969,646,365	525,711,997

Collateral / Margin money deposits given as security :

Margin money deposits with a carrying amount of Rs. 3,600,000/- (Previous year Rs. 49,297/-) are given against the discounting of bills of exchange.

	Long-Term		Short-Term	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Security deposits include				
Dues from Directors & their relatives (refer note no. 27)	-	55,000,000	-	-
Loans to employee include				
Dues from Officers	-	-	545,960	723,495
Dues from Workers	-	-	10,903	60,875



13 Other Current Assets

	Non-Current		Current	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Unsecured, considered good unless stated otherwise				
Non current bank balances (note 16)	-	-	-	-
Interest Accrued on Bank deposits	-	-	1,007,258	2,492,010
Interest Accrued on other deposits	-	-	-	528,148
Export Benefit Incentive	-	-	13,092,239	57,857,811
	-	-	14,099,497	60,877,969

14 Inventories (Valued at cost or market value whichever is lower, as taken, valued and certified by management)

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Raw materials and components	92,102,974	250,738,071
Work in progress	50,675,719	384,705,805
Finished goods	22,692,311	130,389,828
Traded goods	293,628,175	1,890,410,535
Stores and spares	1,277,975	50,094,534
	460,377,154	2,706,338,773

15 Trade Receivable

	Non-Current		Current	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	476,182,899	74,060,992
Doubtful	-	-	248,873,317	5,429,109
	-	-	725,056,216	79,490,101
Provision for doubtful debts	-	-	(248,873,317)	(5,429,109)
(A)	-	-	476,182,899	74,060,992
Other debts				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	2,510,228,039	3,596,376,006
(B)	-	-	2,510,228,039	3,596,376,006
(A+B)	-	-	2,986,410,938	3,670,436,998



16 Cash and Bank Balances

	Non-Current		Current	
	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Cash and cash equivalents				
Currency in hand	-	-	187,316	610,093
Cash on hand	-	-	1,151,682	577,542
Balances with banks:				
On current accounts	-	-	621,060	16,591,335
Earmarked balance with Bank (Unpaid Dividend)	-	-	95,563	78,739
Cheques/drafts in hand	-	-	-	-
Total Cash and cash equivalents			2,055,621	17,857,709
Other bank balances				
Margin money deposit	-	-	39,665,573	76,355,123
	-	-	39,665,573	76,355,123
Amount disclosed under non-current assets (Note - 13)	-	-	39,665,573	76,355,123
	-	-	41,721,194	94,212,832

Margin money deposits given as security :

Fixed deposits amounting to Rs.39,665,573/- (Previous year Rs.76,355,123/-) have been kept with the banks as a margin money for non fund based facilities.

17 Revenue From Operations

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Operating revenue		
Sale of Products		
Finished goods	1,360,058,753	2,988,664,213
Traded goods	4,381,018,068	8,295,391,831
Other operating revenue		
Export Incentives	36,818,371	85,876,399
Job Work Income	633,986	3,713,441
Profit on Consignment Sales	241,933	15,945
Revenue from operations (Gross)	5,778,771,111	11,373,661,829
Less : Excise duty #	132,660,558	141,905,343
Revenue from operations (Net)	5,646,110,553	11,231,756,486

Excise duty on sales amounting to Rs.132,660,558 (Previous year Rs.141,905,343) has been reduced from sales in the Statement of Profit and Loss and excise duty on increase / decrease in stock amounting to Rs.(11,966,391) [Previous year : Rs. 5,327,178] has been considered as (income) / expense in Note 23 of Financial Statements.

**Details of product sold**

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Finished goods sold		
S. S. Pipe / Tubes	1,337,498,949	2,936,649,242
S. S. Scrap	22,559,804	52,014,971
	1,360,058,753	2,988,664,213
Traded goods sold		
S. S. Pipe / Tubes	583,407,640	695,629,658
S. S. Sheets / Coil / Plate	3,797,610,428	7,599,762,173
	4,381,018,068	8,295,391,831
	5,741,076,821	11,284,056,044

18 Other Income

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Interest Income on		
- Bank Deposits	5,355,088	7,488,562
- Loans & Advances	6,628,934	65,000,982
- Receivables	3,564,985	-
Profit on Sale of Land for Industrial Park	36,974,900	29,067,945
Profit / (Loss) on Sale of other fixed assets	88,125	(240,503)
Sundry Balance write back (net) (Refer Note No.33)	644,757	-
Cash Discount received	66,924,359	-
Other Income	3,167,750	26,302
Discount on Forward Contracts (net of premium)	6,547,419	19,855,454
	129,896,317	121,198,742

19 Raw Material Consumed

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Opening Stock	250,738,071	239,490,841
Add : Purchases (Net of transfer under slump sale)	649,756,054	2,353,343,751
	900,494,125	2,592,834,592
Less Closing Stock	92,102,974	250,738,071
	808,391,151	2,342,096,521

Details of raw material and components consumed

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
S. S. Strip / Sheet / Coil / Plate	495,646,227	1,099,720,224
S. S. Round Bar	52,499,325	406,796,699
S. S. Pipe	260,245,599	835,579,598
	808,391,151	2,342,096,521

**Details of inventory**

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Raw materials and components		
S. S. Strip / Sheet / Coil / Plate	54,331,320	87,901,014
S. S. Round Bar	-	3,346,924
S. S. Pipe	37,771,654	159,490,133
	92,102,974	250,738,071

20 Increase / decrease in stock

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Opening Stock :		
Traded Goods	1,890,410,535	1,556,251,156
Work in Process	384,705,805	165,071,021
Finished Goods	130,389,828	81,986,259
Land for Industrial Park	-	8,818,164
	2,405,506,168	1,812,126,600
Reconversion of stock in trade into Land	-	(8,818,164)
Less : Transfer to exceptional item including slump sale	1,314,455,848	-
Closing Stock :		
Traded Goods	293,628,175	1,890,410,535
Work in Process	50,675,719	384,705,805
Finished Goods	22,692,311	130,389,828
	366,996,205	2,405,506,168
	724,054,115	(602,197,732)

Details of purchase of traded goods

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
S. S. Pipe / Tubes	484,354,884	684,995,448
S. S. Sheet / Coil / Plate	3,752,064,056	7,572,951,328
	4,236,418,940	8,257,946,776

Details of inventory

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Traded goods		
S. S. Pipe / Tubes	24,406,643	197,651,498
S. S. Sheet / Coil / Plate	269,221,532	1,692,759,037
	293,628,175	1,890,410,535
Work-in-progress		
S.S. Strip / Sheet/ Coil /Plate	11,163,229	48,609,789
S.S. Pipe	39,512,490	336,096,016
	50,675,719	384,705,805
Finished goods		
S.S. Pipe / Tubes	22,391,297	128,815,749
S.S. Scrap	301,014	1,574,079
	22,692,311	130,389,828



21 Employee Benefit Expenses

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Salaries, Bonus and Other Benefits	17,943,135	18,449,561
Contribution to Provident and Other Funds	2,392,759	3,489,560
Wages, Bonus & Other Benefits	39,669,052	74,419,331
Remuneration to Directors	3,400,000	4,500,000
Staff welfare Expenses	3,041,646	5,817,480
	66,446,592	106,675,932

22 Finance Costs

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Interest on Term Loan	6,328,626	17,701,127
Interest on Cash Credit & Other Facilities	205,729,662	272,881,158
Interest on Car Loans	291,838	356,755
Interest on unsecured loans	20,676,716	24,997,046
Other Interest	15,389,260	27,347,209
	248,416,102	343,283,295
Bank Commission & Other Finance Charges	38,431,116	18,816,752
	286,847,218	362,100,047
	286,847,218	362,100,047

23 Other Expenses

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Manufacturing & Other Expenses		
Testing , Cutting & Job Work Charges	28,608,812	35,528,058
Power, Fuel & Water Charges	11,020,947	34,025,183
Insurance (Factory)	257,029	512,975
Repairs & Maintenance (Factory)	4,868,521	8,834,410
Liquidated damages/Late delivery charges paid	5,489,051	3,331,778
Excise Duty on increase / decrease in Stock	(11,966,391)	5,327,178
	38,277,969	87,559,582
Administrative, Selling Expenses & Other Expenses		
Fluctuation in Foreign Currency	3,762,086	22,966,521
Advertisement Expenses	1,266,003	2,067,676
Sales Promotion Expenses	4,711,930	7,895,927
Discount & Rebate	119	1,192,422
Donation	90,974	406,185
Export Freight	19,557,142	78,965,535
Legal and Professional Expenses	15,457,318	32,590,709
Packing, Transport, Coolie & Cartage	20,666,047	23,846,276
Printing & Stationary	1,583,643	1,689,891
Rates & Taxes	946,243	1,896,446
Registration & Tender Fees	46,246	55,356
Rent	10,082,704	2,525,241
Electricity Charges	2,228,624	1,536,802
Repairs & Maintenance	1,454,771	935,656
Security Charges	1,217,699	738,625
Auditors Remuneration	892,736	964,948
Insurance	1,882,535	3,723,698
Director Sitting Fees	345,000	250,000



	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Sundry Expenses	2,296,330	3,290,947
Telephone, Postage & Telegram	2,254,092	3,600,911
Travelling & Conveyance	7,186,662	15,963,097
Vehicle Maintenance & Insurance	7,031,513	7,496,156
Brokerage & Commission	2,392,910	343,736
Sundry Balances Written off (net) (refer note no.33)	-	20,010,323
Assets Discarded / obsolete	29,627,150	-
Training & Recruitment Expenses	-	287,187
Provision for doubtful debts	612,723	-
Bad Debts written off	6,614,257	-
Corporate Social responsibility exp.	1,900,000	-
	(B)	235,240,271
	(A+B)	322,799,853
Note :		
Payment to auditors		
As auditor :		
Audit fee	892,736	922,237
In other capacity :		
Reimbursement of expenses	-	42,711
	892,736	964,948

24 Earning Per Share (EPS)

In accordance with Accounting Standard 20 - "Earning per Share" as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. the required disclosure is given below:

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations		
Net profit / (loss) attributable to Shareholders (Rs.)	(878,969,131)	147,118,358
Weighted average number of equity shares issued for basic EPS	175,000,390	175,000,390
Basic earnings per share of Rs. 1/- each (in Rs.)	(5.02)	0.84

The Company does not have any potential dilutive equity shares. Consequently, the basic and diluted earning per share remain the same.

The Equity Share of the Company has been sub-divided from face value of Rs. 10/- per share to face value of Rs. 1/- per share w.e.f. 04th March, 2016, the record date; pursuant to members' approval through postal ballot dated 12th February, 2016. E.P.S. pertaining to the previous year has been restated according to Account Standard 20 "Earning Per Share".



25 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

Consequent to Accounting Standard 15 "Employee Benefits" (Revised 2005) becoming effective, the Company has made the provision for Defined Contribution Plan and Defined Benefit Plan.

Defined Contribution Plan

During the year, the Company has recognized Rs. 2,193,304/- (Previous Year Rs. 3,489,560/-) towards Provident Fund and Employees, State Insurance Corporation as Defined Contribution Plan Obligation.

Defined Benefit Plan

Gratuity & Leave Encashment

Liability is computed on the basis of Gratuity & Leave Encashment payable on retirement, death and other withdrawals as per the Act and already accrued for past service, with the qualifying wages/salaries appropriately projected, as per the Projected Unit Credit Method.

I Actuarial Assumption

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Discount Rate Current	7.80%	7.80%	7.80%	7.80%
Rate of Increase in compensation Levels	6.00%	6.00%	6.00%	6.00%

II Table Showing change in Benfit Obligation

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Project Benefit Obligation (PBO) at the beginning of the year	7,505,828	5,552,118	1,381,253	1,171,859
Transfer in/(out) obligation	(1,964,674)	-	-	-
Interest Cost	568,568	490,475	104,749	101,911
Service Cost	919,536	1,055,656	584,276	727,591
Benefits paid	(1,023,511)	(312,858)	(1,435,870)	(1,087,378)
Actuarial (gain) / loss on Obligations	(2,243,251)	720,437	516,980	467,270
Projected Benefit Obligations (PBO) at the end of the year	3,762,494	7,505,828	1,151,388	1,381,253

III Funded Status

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Present Value of unfunded obligation	(3,762,496)	(7,505,828)	(1,151,388)	(1,381,253)

IV The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Present Value of Obligation	3,762,496	7,505,828	1,151,388	1,381,253
Fair value of Plan Assets	-	-	-	-
Diff	3,762,496	7,505,828	1,151,388	1,381,253
Unrecognised Actuarial gains (losses)	-	-	-	-
Unrecognised Transitional Liability	-	-	-	-
Liability Recognised in Balance Sheet	3,762,496	7,505,828	1,151,388	1,381,253



V Net Periodic Cost

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Current Service Cost	919,536	1,055,656	584,276	727,591
Interest Cost	568,568	490,475	104,749	101,911
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain) loss recognised in the year	(2,243,251)	720,437	516,980	467,270
Expenses Recognised in the Income Statement	(755,147)	2,266,568	1,206,005	1,296,772

VI Movements in the liability recognised in the Balance Sheet

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Opening Net Liability	7,505,828	5,552,118	1,381,253	1,171,859
Expenses as above	(755,147)	2,266,568	1,206,005	1,296,772
Benefit Paid	(1,023,511)	(312,858)	(1,435,870)	(1,087,378)
Transfer in/(out) obligatoin	(1,964,674)	-	-	-
Closing Net Liability	3,762,496	7,505,828	1,151,388	1,381,253

VII Experience Adjustments

Particulars	Gratuity		Leave Encashment	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Defined benefit obligation	3,762,496	7,505,828	1,151,388	1,381,253
Plan assets	-	-	-	-
Surplus/ (deficit)	(3,762,496)	(7,505,828)	(1,151,388)	(1,381,253)
Experience adjustment on plan liabilities	(2,243,251)	(274,694)	516,980	276,151
Acturial Loss / (Gain) due to change in assumptions	-	995,131	-	191,119
Experience adjustment on plan assets	-	-	-	-
Net Acturial Loss / (Gain) for the year	(2,243,251)	720,437	516,980	467,270

26 Segment Reporting

The Company's operations predominantly relates to manufacturing and trading of "Stainless Steel Tubes & Pipes", Hence there is no separate reporting segment as per Accounting Standard 17 "Segment Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.



27 Related Party Disclosure

Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

Related Parties	Nature of relationship
M/s.Tubacex Prakash India Pvt.Ltd. (formed on 22 nd April, 2015)	Associate Company
M/s. Sunrise Metal Industries	Enterprise of which key management person (Shri Prakash C. Kanugo) is proprietor
M/s. AMS Trading & Investments Pvt. Ltd.	Associates / Enterprises over which directors and / or their relatives has significant influence
M/s. Seth Iron & Steel Pvt. Ltd.	
M/s. Seth Steelage Pvt. Ltd.	
M/s. Prakash Stainless Pvt. Ltd.	
M/s. PCK Metal Pvt. Ltd.	
M/s. Seth Carbon & Alloys Pvt. Ltd.	
M/s. Prakash & Daga Infra Projects Pvt. Ltd.	
M/s. Prakash C. Kanugo (HUF)	
M/s. Ashok M. Seth (HUF)	
M/s. Prakash Integrated Hi-Tech Steel And Metal Cluster Private Limited	
M/s. Chandan and Kanugo Land Developer	
M/s. Hemant & Co.	
M/s. Prakash Land Developer	
M/s. DH Developer	
M/s. Hemant P Kanugo (HUF)	
M/s Vimal P Kanugo (HUF)	
Shri Prakash C. Kanugo, Chairman & Managing Director	Key Management Personnel
Shri Ashok M. Seth, Executive Director & Chief Financial Officer	
Shri Hemant P. Kanugo, Whole Time Director	
Shri Kamal P. Kanugo, Whole Time Director *	
Smt. Babita P. Kanugo	Relatives of Key Management Personnel
Shri Vimal P. Kanugo	
Shri Kirti P. Kanugo	
Smt. Ekta H. Kanugo	

Note : Related Party Relationships have been identified by the Management and relied upon by the Auditors.

* **Shri Kamal Kanugo continued only as Director w.e.f. 01st August 2015 however, resigned from the directorship of the Company w.e.f. 09th November, 2015.**



Details of transactions between the Company & related parties & the status of outstanding balance as on 31st March, 2016

Nature of Transactions	Name of Party	(in Rs.)					
		Associates/Enterprises over which directors and/or their relatives has significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Unsecured Loans Taken	M/s. Sunrise Metal Industries	94,000,000	111,000,000	-	-	-	-
Unsecured Loans Repaid	M/s. Sunrise Metal Industries	161,500,000	26,000,000	-	-	-	-
Purchases from Associates	M/s. Tubacex Prakash India Pvt. Ltd.	81,717,222	-	-	-	-	-
Sales to Associates	M/s. Tubacex Prakash India Pvt. Ltd.	15,797,820	-	-	-	-	-
Preliminary charges Incurred	M/s. Tubacex Prakash India Pvt. Ltd.	33,676,566	-	-	-	-	-
Preliminary Charges Reimbursed	M/s. Tubacex Prakash India Pvt. Ltd.	33,676,566	-	-	-	-	-
Job work done by Associates	M/s. Tubacex Prakash India Pvt. Ltd.	10,456,419	-	-	-	-	-
Investment in Associate during the year	M/s. Tubacex Prakash India Pvt. Ltd.	32,470,000	-	-	-	-	-
Interest Paid	M/s. Sunrise Metal Industries	18,609,042	22,881,772	-	-	-	-
Advance Given to Associates	M/s. Tubacex Prakash India Pvt. Ltd.	-	5,140,000	-	-	-	-
Remuneration / Salary	Shri Ashok M. Seth	-	-	700,000	1,200,000	-	-
	Shri Hemant P. Kanugo	-	-	900,000	900,000	-	-
	Shri Kamal P. Kanugo	-	-	300,000	900,000	-	-
	Shri Kirti P. Kanugo	-	-	-	-	450,000	360,000
	Shri Prakash C. Kanugo	-	-	1,500,000	1,500,000	-	-
	Shri Vimal P. Kanugo	-	-	-	-	450,000	360,000



Details of transactions between the Company & related parties & the status of outstanding balance as on 31st March, 2016

(in Rs.)

Nature of Transactions	Name of Party	Associates/Enterprises over which directors and/or their relatives has significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Rent Paid	Shri Prakash C. Kanugo	-	-	60,000	60,000	-	-
	M/s. Prakash C. Kanugo (HUF)	440,000	480,000	-	-	-	-
	M/s. Ashok M. Seth (HUF)	330,000	360,000	-	-	-	-
	Smt. Ekta K. Kanugo	-	-	-	-	440,000	480,000
	Shri Kamal P. Kanugo	-	-	605,000	660,000	-	-
	Shri Hemant P. Kanugo	-	-	108,000	108,000	-	-
Outstanding Balances		-	-	-	-	-	-
Office Deposit Given	M/s. Ashok M. Seth (HUF)	-	11,000,000	-	-	-	-
	M/s. Prakash C. Kanugo (HUF)	-	14,000,000	-	-	-	-
	Smt. Ekta H. Kanugo	-	-	-	-	-	14,000,000
	Shri Kamal P. Kanugo	-	-	-	11,000,000	-	-
Other Deposit Given	Shri Kamal P. Kanugo	-	-	-	5,000,000	-	-
Rent Payable	Shri Kamal P. Kanugo	-	-	-	45,000	-	-
Interest Payable	M/s. Sunrise Metal Industries	1,747,990	-	-	-	-	-
Unsecured Loan Taken	M/s. Sunrise Metal Industries	267,500,000	335,000,000	-	-	-	-
Payable to Associates	M/s. Tubacex Prakash India Pvt. Ltd.	9,086,558	-	-	-	-	-
Investment in Associates Company	M/s. Tubacex Prakash India Pvt. Ltd.	32,470,000	-	-	-	-	-
Advance Given to Associates	M/s. Tubacex Prakash India Pvt. Ltd.	-	5,140,000	-	-	-	-



28 Capital and other Commitment

	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	-	11,735,625
29 Contingent Liabilities		
<u>Contingent liabilities not provided for in respect of:</u>		
(a) Guarantees given by the bankers of the company	33,747,670	36,673,338
(b) Sales Tax / VAT demands disputed in appeals	73,929,407	78,183,375
(c) Central Sales Tax Liability towards pending declaration forms	7,347,201	9,541,061
(d) Disputed Excise Duty Rebate Claim	551,080	551,080
(e) Disputed CENVAT Credit	4,511,524	4,511,524
(f) Commitment towards development work for Industrial Park Project	-	73,195,050

30 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006, (MSMED Act) as at 31st March, 2016. The disclosure pursuant to the said Act is as under :

Particulars	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Principal amount remaining unpaid to any supplier as at the year end	596,771	646,780
Interest due thereon	-	-
Amount of interest paid during the year	-	-
Amount of payments made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006	-	-

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" Enterprises on the basis of information available with the Company.

- 31** 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. The Management, however, does not expect any material variation.
- 32** In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.
- 33** Sundry balances (net) written off amounting to Rs. 31,326,734/- are net of sundry credit balances written back amounting to Rs. 85,65,196/-)
- 34** Prior period adjustment (Net) amounting to Rs 31,090/- (credit) includes income of Rs. 290,025/- and expenses Rs. 258,935/-.



35 The exceptional item represents provision for doubtful debts of Rs. 246,480,438/- and gain of Rs.25,566,325/- net of expenditure & business loss due to transfer of the "SS Seamless Tubes & Pipes" Business of the Company to Tubacex Prakash India Private Limited, the Associate Company during the financial year ended 31st March, 2016. The amount of Rs. 102,592,154/- shown in the previous year ended 31st March, 2015 pertain to bad debts written off.

36 CIF value of Imports

Class of Goods	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Material	510,768,840	1,334,252,691
Capital Goods	47,921,625	6,572,542
Stores and Spares	3,790,270	11,701,541
Total	562,480,735	1,352,526,774

37 Expenditure in Foreign Currency (on accrual basis)

Particulars	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Professional Fees	176,938	548,660
Travelling Exp.	2,093,123	5,481,469
Others	1,963,095	8,472,091
Total	4,233,156	14,502,220

38 Earning in foreign exchange on exports of goods (FOB Value)

Particulars	31 st March, 2016 in Rs.	31 st March, 2015 in Rs.
Exports of Goods	444,963,782	1,850,553,438

39 Disclosures of derivative instruments

The Holding Company has entered into the following derivative instruments. All the forward contracts are accounted for as per Accounting Policies stated in Note 1(i) annexed to Balance Sheet and Statement of Profit and Loss.

The Holding Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The Company does not use forward contracts for speculative purposes.

(a) Outstanding Short-term Forward Exchange Contracts entered into by the Company on account of receivables :

Particulars	31 st March, 2016	31 st March, 2015
No. of Contracts	-	29
US Dollar equivalent	-	2,865,379
INR Equivalent	-	179,346,351

(b) Outstanding Short-term Forward Exchange Contracts entered into by the Company on account of payables :

Particulars	31 st March, 2016	31 st March, 2015
No. of Contracts	-	-
USD / EURO equivalent	-	-
INR Equivalent	-	-



(c) The un - hedged foreign currency exposure as on 31st March 2016 is given below :

	Payables as at 31 st March 2016		Payables as at 31 st March 2015	
	Foreign Currency Amount	Local Currency	Foreign Currency Amount	Local Currency
USD	5,028,513	333,555,845	5,104,506	319,495,089
EURO	-	-	5,657	381,939
GBP	-	-	-	-

	Receivables as at 31 st March 2016		Receivables as at 31 st March 2015	
	Foreign Currency Amount	Local Currency	Foreign Currency Amount	Local Currency
USD	453,582	30,087,408	2,863,834	179,249,679
EURO	-	-	1,058,464	71,457,323
GBP	-	-	91,672	8,475,914

- 40** During the previous year ended on 31st March 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 01st April 2014, the Company had revised the useful life of its assets to the useful life specified in Schedule II whereas previously the Company was providing the depreciation on its fixed assets at the rates specified in Schedule XIV of the Companies Act, 1956. Accordingly, the carrying amount of the fixed assets as on 01st April 2014, is being depreciated over the remaining revised useful life of the fixed assets. As a result, the depreciation charge for year ended 31st March, 2015 was higher by Rs.23,621,956/- and profit before tax year ended 31st March, 2015 was lower to the said extent. Further, based on the transitional provisions provided in note 7(b) of the Schedule II, fixed assets whose useful life had already been completed as on 01st April 2014, the carrying value of those fixed assets amounting to Rs.9,070,071/- and the corresponding deferred tax thereon amounting to Rs.3,082,917/- had been debited and credited respectively to the opening balance of 'Retained Earnings'.
- 41** Pursuant to JV Agreement with Tubacex S.A. on 13th February, 2015, the Company transferred its seamless pipes and tubes business to Tubacex Prakash India Pvt Ltd (JV Company) on 27th July, 2015 (Business Transfer Agreement date) on a receipt of consideration of Rs. 2,091,600,000/- . JV Company has been incorporated as a wholly owned subsidiary and subsequently the 67.53% of the share holding in JV Company hold by Tubacex S.A. and 32.47% by the Company. The JV Company which had been incorporated as a wholly owned subsidiary, has become an Associate Company.
- 42** The Group'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 contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position (Refer Note No 29 for details on contingent liabilities)
- 43** The Group's periodically reviews all its long term contracts including derivative contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law / accounting standard.
- 44** For the year ended 31st March, 2016, the Company is not required to transfer any amount into the investor education & protection fund.
- 45** 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, 2016 is Rs. 9,336,962/-
- (b) Amount spent during the year is Rs. 1,900,000/-


46 Additional disclosure on Consolidated Financial Statements under Schedule-III of Companies Act, 2013.

Name of entity	Country of Incorporation	Net Asset (i.e. Total Asset minus Total Liabilities) as on 31 st March, 2016		Share in Profit and Loss Account for the financial year ended 31 st March, 2016		Net Asset (i.e. Total Asset minus Total Liabilities) as on 31 st March, 2015		Share in Profit and Loss Account for the financial year ended 31 st March, 2015	
		As % of Consolidated Net Assets	Amount	As % of Consolidated profit and loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated profit and loss	Amount
(a) Holding Company : Prakash Steelage Limited	India	100%	1,105,063,387	92.66%	(814,449,821)	97.03%	1,916,280,758	95.57%	140,600,684
(b) Subsidiaries :									
1) Pioneer Stainless & Alloys FZC	UAE	0.00%	-	7.34%	(64,519,310)	2.97%	58,735,157	4.43%	6,517,674
2) Tubacex Prakash India Private Limited*	India	-	-	-	-	-	-	-	-
Total		100.00%	1,105,063,387	100.00%	(878,969,131)	100.00%	1,975,015,915	100.00%	147,118,358

* Subsidiary formed on 22nd April, 2015

47 Disclosure pursuant to clause 32 of the Listing Agreement:

	As At 31-03-2016	Maximum amount Outstanding during the year 2015-16	As At 31-03-2015	Maximum amount Outstanding during the year 2014-15
a) Loans to Subsidiaries:				
i) Pioneer Stainless & Alloys F.Z.C.	-	196,972	196,972	196,972
ii) Tubacex Prakash India Pvt. Ltd.*	-	5,140,000	5,140,000	5,140,000
b) Where there is no repayment schedule:				
i) Pioneer Stainless & Alloys F.Z.C.	-	196,972	196,972	196,972
ii) Tubacex Prakash India Pvt. Ltd.*	-	5,140,000	5,140,000	5,140,000
c) Where no interest or interest below Section 186 (11) of Companies Act:				
i) Pioneer Stainless & Alloys F.Z.C.	-	1,96,972	196,972	196,972
ii) Tubacex Prakash India Pvt. Ltd.*	-	5,140,000	5,140,000	5,140,000
d) In the nature of loans to Firms/ companies in which directors are	Nil	Nil	Nil	Nil

* Company formed on 22nd April, 2015

e) All the above loans and advances have been given for business purposes.

f) Loans to employees as per the Company's policy are not considered.

48 Details of loans given, Investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2013: Details of the loans are given in Note 47 above and details of investment are given in Note No 11 above.

49 Due to meltdown in the prices of nickel, chromium, stainless steel and other related global commodities, there has been pressure on the realisability of our receivables, stocks and selling prices, which has resulted into operational losses during the financial year ended 31st March, 2016.

50 Figures of the previous year have been re-grouped, re-classified and re-arranged, wherever necessary.

AS PER OUR REPORT OF EVEN DATE

FOR BATLIBOI & PUROHIT
CHARTERED ACCOUNTANTS
Firm Registration No.: 101048W

Sd/-
R. D. HANGEKAR
PARTNER
M.No. 030615

PLACE : MUMBAI
DATE : 30TH MAY, 2016

SIGNATURES TO NOTES "1" TO "50"

FOR AND ON BEHALF OF THE BOARD

Sd/-
PRAKASH C. KANUGO
CHAIRMAN &
MANAGING DIRECTOR

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

Sd/-
PALAK KOHLI KOCHHAR
COMPANY SECRETARY &
COMPLIANCE OFFICER

Prakash Steelage Limited

Regd. Off.: 1402, 14th Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.
Tel.: +91 22 6613 4500 || **Fax:** +91 22 6613 4599 || **CIN:** L27106MH1991PLC061595
E-Mail: investorgrievances@prakashsteelage.com || **Website:** www.prakashsteelage.com

Attendance Slip

(To be duly filled and presented at the entrance of the meeting hall)

25th ANNUAL GENERAL MEETING

On **Thursday, the 29th September, 2016** at **11.30 a.m.**
at Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai – 400 034.

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.

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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 : _____ Email Id : _____
Address : _____

Signature : _____ , or failing him / her

2. Name : _____ Email Id : _____
Address : _____

Signature : _____ , or failing him / her

3. Name : _____ Email Id : _____
Address : _____

Signature : _____

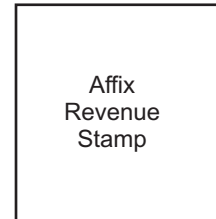
as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **25th ANNUAL GENERAL MEETING** of the Company, to be held on **Thursday, the 29th September, 2016** at **11.30 a.m.** at Victoria Memorial School for the Blind, Opp. A.C. Market, Tardeo, Mumbai - 400 034 and at any 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 & Consolidated Financial Statements of the Company for the financial year ended on 31 st March, 2016 along with reports of the Board of Directors and Auditor's thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To appoint a Director in place of Mr Hemant P. Kanugo (DIN : 00309894), who retires by rotation and being eligible, offers himself for re-appointment.	<input type="checkbox"/>	<input type="checkbox"/>
3. To ratify the appointment of M/s. Batliboi & Purohit, Chartered Accountants, (Firm Registration No.: 101048W) as Statutory Auditors of the Company and fixing their remuneration for the financial year 2016 - 17.	<input type="checkbox"/>	<input type="checkbox"/>
4. To ratify the remuneration payable to M/s. Amish Parmar & Associates, Cost Accountant (Firm Registration No. 100502), Cost Auditors of the Company for the financial year ending on 31 st March, 2017.	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution		
5. To consider and approve remuneration payable to Mr. Prakash C. Kanugo (DIN : 00286366), Managing Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6. To consider and approve remuneration payable to Mr. Hemant P. Kanugo (DIN: 00309894), Whole Time Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this _____ day of _____, 2016.

Signature of Shareholder : _____

Signature of Proxy holder(s) : _____



Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 1402, 14th Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013 not less than 48 hours before the commencement of the meeting.

Prakash Steelage Limited

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E-Mail: investorgrievances@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

Core Management Team





PRAKASH STEELAGE LIMITED

Regd. Off.: 1402, 14th Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.

Tel.: +91 22 6613 4500 || **Fax:** +91 22 6613 4599 || **CIN:** L27106MH1991PLC061595

Domestic Sales : sales@prakashsteelage.com || **International Sales :** exports@prakashsteelage.com

E-Mail: investorgrievances@prakashsteelage.com || **Website:** www.prakashsteelage.com