

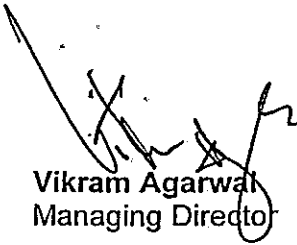
28<sup>th</sup> August, 2014

**FORM A**

(Pursuant to Clause 31 of the Listing Agreement)

1.	Name of the Company	Prakash Industries Limited
2.	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Not Applicable

for Prakash Industries Limited

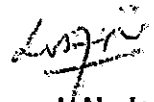
  
Vikram Agarwal  
Managing Director

  
P.L. Gupta  
Whole-time Director

  
Dr. S.L. Keswani  
Chairman Audit Committee



For Chaturvedi & Partners  
Chartered Accountants  
Firm Registration No.307068E

  
L.N. Jain  
Partner  
Membership No.72579

# ANNUAL REPORT 2013-14



**Prakash Industries Limited**

People.. Prosperity.. Progress..

## **PRAKASH INDUSTRIES LIMITED**

### **BOARD OF DIRECTORS**

Shri V. P. Agarwal	Chairman
Shri K. C. Mehra	Director
Dr. S. L. Keswani	Director
Shri Y.N. Chugh	Director
Shri M.R. Agarwal	Director
Shri Pankaj Chaturvedi	Director
Smt Purnima Gupta	Director
Shri Kanha Agarwal	Director
Shri Vikram Agarwal	Managing Director
Shri M.L. Pareek	Whole - time Director
Shri P.L. Gupta	Whole - time Director

### **COMPANY SECRETARY**

Shri Manoj Aggarwal

### **STATUTORY AUDITORS**

Chaturvedi & Partners  
Chartered Accountants

### **BANKERS**

Corporation Bank  
Kotak Mahindra Bank

# **PRAKASH INDUSTRIES LIMITED**

## **REGISTERED OFFICE**

15 Km. Stone, Delhi Road,  
Hissar - 125044 (Haryana)

## **CORPORATE OFFICE**

SRIVAN

Bijwasan,

New Delhi - 110 061

## **WORKS**

Champa (Chhattisgarh)

Chotia (Chhattisgarh)

Raipur (Chhattisgarh)

Kashipur (Uttarakhand)

Koira, Distt. Koenjhar (Odisha)

Muppandal (Tamil Nadu)

## **WEBSITE**

[www.prakash.com](http://www.prakash.com)

**NOTICE**

NOTICE is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of Prakash Industries Limited will be held on Wednesday, the 24<sup>th</sup> September, 2014 at 12.30 p.m. at the Registered Office of the Company at 15 Km. Stone, Delhi Road, Hissar-125044 to transact the following business: -

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri P. L. Gupta (DIN : 00048868), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. The term of appointment of M/s Chaturvedi & Partners, Chartered Accountants (Registration No.307068E) expires at the conclusion of this general meeting and being eligible offer themselves for re-appointment to hold office from the conclusion of this Annual General Meeting till the conclusion of 36<sup>th</sup> Annual General Meeting, subject to rectification by members at every Annual General Meeting to fix their remuneration.

**SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Y.N. Chugh (DIN : 02225961), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to 31<sup>st</sup> March, 2019, not liable to retire by rotation.”

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri M.R. Agarwal (DIN : 00180671), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to 31<sup>st</sup> March, 2019, not liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Pankaj Chaturvedi (DIN : 00003278), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to 31<sup>st</sup> March, 2019, not liable to retire by rotation.”

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Purnima Gupta (DIN : 06885738), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to 31<sup>st</sup> March, 2019, not liable to retire by rotation.”

9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Kanha Agarwal, (DIN : 06885529), who has been appointed as an Additional Director of the Company by the Board of Directors and holds that office under the provisions of Section 161(1) of the Companies Act, 2013, up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Director of the Company, liable to retire by rotation.”

10. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. S. L. Keswani (DIN : 00190790), who was appointed as an Independent Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies

## PRAKASH INDUSTRIES LIMITED

Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to 31<sup>st</sup> March 2019, not liable to retire by rotation."

11. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri K C Mehra, (DIN : 00128733), who was appointed as an Independent Director, liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to 31<sup>st</sup> March 2019, not liable to retire by rotation."

12. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s Rakshit & Associates (FRN 101951), Cost Accountants, Shradhanjali, Netaji Chowk, Pipe Factory Road, New Shanti Nagar, P.O. Shankar Nagar, Raipur - 492007 (C.G.), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15 be paid remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) apart from reimbursement of actual expenses to be incurred by them in connection with conducting the audit of cost records of the Company.

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

13. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 and conditions stipulated in schedule V of the said Act and the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri V.P. Agarwal (DIN : 00048907) as Chairman of the Company w.e.f. 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017 on the following terms and conditions:-

- Salary: ₹ 30,00,000/- p.m.  
(in the grade of ₹ 30,00,000 - 2,00,000 - 34,00,000)
- Perquisites: In addition to the aforesaid salary, the following perquisites would be allowed.

The following perquisites will not be included in the computation of the ceiling on remuneration as per Para 2 of Part II of Section II of Schedule V of the Companies Act, 2013.

- Gratuity - In accordance with the provisions of the Payment of Gratuity

Act but shall not exceed half month's salary for each completed year of service.

- Leave on full pay and allowances as per rules of the Company. Leave accumulated but not availed may be allowed to be encashed as per rules of the Company.

Provided that the total of all remunerations as mentioned above shall not exceed 5% of the net profit of the Company.

RESOLVED FURTHER THAT provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) and travelling expenses actually incurred for the business of the Company shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to accept any modification(s) in the terms and conditions of the remuneration in such manner as may be suggested by shareholders / any authority and acceptable to Shri V. P. Agarwal.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary and desirable to give effect to this resolution."

14. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT, consent of the Company be and is hereby given in terms of the provisions of Section 62(3) of the Companies Act, 2013 (earlier Section 81(3), 81(1A) of the Companies Act, 1956) (the "Act") and other applicable provisions, if any, of the Act, the regulations/guidelines, if any, issued/prescribed by the Government of India, SEBI (including the provisions of Chapter VII) and other applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the respective stock exchanges where the equity shares of the Company are listed, and all other concerned and relevant authorities from time to time, to the extent applicable and subject to such approvals of relevant statutory/government authorities as may be required by the Board of Directors of the Company for conversion of Term Loan of ₹ 100.00 crores (Rupees One Hundred Crores Only) availed by the Company from SREI Infrastructure Finance Limited (SREI) vide loan agreement No 334 and/or any other term loan of any lender(s) present and future, into fully paid up equity shares of the Company in the event of default, on such terms and conditions as contained in their respective loan agreements entered into by the Company, as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be issued and allotted upon conversion of the Rupee Loan referred to above or as may be necessary in accordance with the terms and conditions of the loan agreement and all such shares shall rank pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to the above resolution."

15. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in supersession of the resolution adopted at the Extra Ordinary General Meeting held on 25<sup>th</sup> April, 2008 and pursuant to Section

## PRAKASH INDUSTRIES LIMITED

180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles of Association of the Company, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (the Board) (with power to delegate all or any of the powers hereby conferred on any Director or Committee thereof) to borrow moneys whether rupee loans or foreign currency loans or other external commercial borrowings, from time to time, at their discretion either from the Company's Banker and / or any one or more persons or Financial Institutions or from any other Institution or Fund or other Bodies Corporate, NBFC, Authorities / Entities in India or abroad whether by way of cash credit, advance, loans or bills discounting, Issue of Non-convertible debentures / Fully convertible debentures / Partly convertible debentures with or without detachable or non-detachable warrants or warrants of any other kind, bonds, external commercial borrowings or other debt instruments, or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge on the Company's assets and properties whether moveable or immoveable or stock-in-trade (including raw materials, stores, spare parts and components or stock in transit) and work-in-progress of the Company on such terms and conditions as may be considered suitable by the Board of Directors, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding upto an amount, the aggregate outstanding of which should not exceed, at any given time, ₹5000 crores (Rupees Five Thousand Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and to do all such acts, deeds, matters and things including, without limitation, making any filings with any regulatory, supervisory or governmental authorities and to execute all deeds, documents and agreements as it may in its absolute discretion deem necessary or desirable and also to settle any question, doubt or difficulty that may arise with regard to the proposed borrowing and to do all such acts and things as may be necessary to implement this resolution."

16. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in supersession of the resolution adopted at the 30<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2011 consent of the Company be and is hereby given in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors to mortgage/ hypothecate and/ or create charge/ pledge, etc. in addition to the mortgages/ hypothecations/ charges/ pledges created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/ or immoveable properties of the Company, both present and future and/ or the whole or any part of the undertaking(s) of the Company in favour of the Banks, Financial Institutions, Bodies Corporate, NBFCs, Persons or any other Lending Institutions whether situated in India or abroad, Agents and/ or Trustees for securing any loans, advances, working capital facilities, bill discounting, or any other financial assistance, fully/ partly convertible debentures and/ or secured non convertible debentures with or without detachable or non-detachable warrants or secured premium notes, floating rate notes/ bonds or any other secured debt instruments or external commercial borrowings in any form together with interest, further interest thereon, compound interest in case of default, accumulated interest, all other costs, charges and expenses payable by the Company upto an amount, which should not exceed, at any given time, ₹5000 crores (Rupees Five Thousand Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable, delegate all or any of these powers to a Committee of Directors or Managing Director or Whole-time Director or Director or Company Secretary or any other employee of the Company and to settle any question, difficulty or doubt that may arise in this regard, to finalise and execute all such deeds, documents and writings as it may deem necessary, desirable, expedient or proper."

17. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

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

By order of the Board  
For Prakash Industries Limited

Registered Office:  
15 Km. Stone,  
Delhi Road,  
Hissar – 125044 (Haryana)  
Dated : 28<sup>th</sup> May, 2014  
CIN : L27109HR1980PLC010724

Manoj Aggarwal  
Company Secretary

## PRAKASH INDUSTRIES LIMITED

### NOTES:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
  2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
  3. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered/Corporate Office not less than 48 hours before commencement of the meeting. A proxy form for the AGM is enclosed.
  4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting to the Company.
  5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
  6. Members are requested to bring their duly filled Attendance Slip enclosed herewith to attend the meeting along with their copy of Annual Report.
  7. Register of Members and Share Transfer Books will remain closed from Tuesday, 26<sup>th</sup> August, 2014 to Saturday, 30<sup>th</sup> August, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
  8. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on 26<sup>th</sup> August, 2014.
  9. i) Members are requested to quote their folio, DP and client ID No. in all correspondence with the Company.  
ii) If there is any change in the postal address / email ID, members may update their new address or email ID with their respective DP in case of holding shares in demat form and if holding shares in physical form they should write to the Company.  
iii) Members holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company may send Form 2B for the purpose which is available at the Corporate Office of the Company or may be downloaded from the Company's website [www.prakash.com](http://www.prakash.com)  
iv) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities Market. Members holding shares in demat form are requested to update their PAN details with their respective DPs and those holding shares in physical form may send self attested copy of PAN card to the Company.
  10. As per rules regarding **unpaid / unclaimed dividend** prescribed by MCA; Company has already given the details of unpaid/ unclaimed dividend for the financial year 2010-11 and 2011-12 on the website of Investor Education and Protection Fund (IEPF) viz. [www.iepf.gov.in](http://www.iepf.gov.in). Investors can also check their unpaid / unclaimed dividend details from the abovesaid website.
- Members who have not received / encashed their dividend warrants for the financial year 2010-11, 2011-12 and 2012-13 may please write to Shri Manoj Aggarwal, Company Secretary and Compliance Officer, at the Company's Corporate Office for claiming the said dividends. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
- The Securities and Exchange Board of India (SEBI) has mandated that dividend should be directly credited to the Bank accounts of the members. Hence, **members holding shares in electronic form are requested to submit particulars of their bank account alongwith copy of cancelled cheque to their respective depositories (not to the Company) for payment of dividend.**
- Members who are holding shares in physical form are requested to submit particulars of their bank account alongwith copy of cancelled cheque to the Company's office at SRIVAN, Najafgarh - Bijwasan Road, Bijwasan, New Delhi- 110061.**
- Form for providing bank details is available on the Company's website [www.prakash.com](http://www.prakash.com) and also **annexed with the Annual Report.**
11. The Ministry of Corporate Affairs (MCA) has undertaken a "Green Initiative in Corporate Governance" and allowed Companies to send documents through electronic mode to its members. A recent amendment to the Listing Agreements with the Stock Exchanges permits Companies to send soft copies of the Annual Report and other notices to all those members who have registered their email ids for the said purpose. Members are requested to support this Green Initiative by registering /updating their email ids for receiving electronics communications. Members holding shares in electronic mode are requested to update their email ids with their respective DPs and those holding shares in physical mode are requested to update their email ids with the Company at SRIVAN, Najafgarh - Bijwasan Road, Bijwasan, New Delhi - 110061.
  12. **Voting through electronic means -**
    - I. 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 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the 33rd Annual General Meeting ("AGM"). The Company has engaged the services of National Securities Depository Limited ("NSDL") as the Authorised Agency to provide e-voting facilities.
    - II. Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:  
**Instructions:**
      - A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participant(s)]:



## PRAKASH INDUSTRIES LIMITED

- (i) Open email and open PDF file PIL e-Voting.pdf with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password noted in step (i) above as initial password/PIN. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" (E-voting Event Number) of Prakash Industries Limited.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [csreetikagupta@gmail.com](mailto:csreetikagupta@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s)]:
- (i) User ID, initial password and EVEN will be provided at the bottom of the Attendance Slip for the AGM.
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
  - (iii) In case of any queries, you may refer to the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholder available at the Downloads section of <http://www.evoting.nsdl.com>
  - (iv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - (v) The e-voting period commences on Friday, 19<sup>th</sup> September, 2014 (09:00 am IST) and ends on Monday, 22<sup>nd</sup> September, 2014 (05:00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 16<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  - (vi) The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. 16<sup>th</sup> August, 2014.

- (vii) Ms. Reetika Gupta, Practicing Company Secretary (Membership No. 27111, CP No. 12440) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (viii) The Scrutinizer shall, within a period not exceeding 3 (three) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (ix) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.prakash.com](http://www.prakash.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

### 13. Information as required under Clause 49 IV(G) of the Listing Agreement with respect to the Directors who are retiring by rotation and being eligible seeking re-appointment is as under:

#### Information regarding Shri P. L. Gupta proposed for re-appointment as Director:

Shri P. L. Gupta retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. He has been allotted Director Identification No.00048868.

Shri P.L. Gupta joined the Board of the Company in the year 2011.

Shri P.L. Gupta is a Chartered Accountant and has experience of more than 37 years. Because of his vast experience, his re-appointment would be beneficial to the Company.

#### Directorship(s) held in other Companies

Company's Name	Committee Chairmanship	Committee Membership
Prakash Thermal Power Ltd	-	-
Radhikapur (West) Coal Mining Pvt. Ltd.	-	-
Manhar Builders Pvt. Ltd.	-	-

As on 31<sup>st</sup> March, 2014, Shri P L Gupta is not holding any equity share of Prakash Industries Ltd.

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(2) OF THE COMPANIES ACT, 2013

#### Item No.5

Shri Y.N. Chugh is B.E. (Electronics) and has wide experience in power sector of over 41 years. He has worked with many Government Authorities in various capacities and was associated in installation and operating a number of power plants.

Shri Y.N. Chugh retired from the post of Director -Technical of Haryana Power Generation Corporation in the year 2010. Shri Chugh was appointed by the Board of Directors of the Company as an additional Director with effect from 14<sup>th</sup> November, 2013. As per the provisions of Section 161 of the Companies Act, 2013, an additional Director holds office upto the date of the next Annual General Meeting of the Company. The term of the above named Director will, therefore, expire at this Annual General Meeting. Because of his vast experience, his appointment as an Independent Director not liable to retire by rotation would be beneficial to the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 from a member notifying his intention to propose the name of Shri Y.N. Chugh for his appointment as Director.

## PRAKASH INDUSTRIES LIMITED

Shri Y.N. Chugh is not holding Directorship in any other Company.

As on 31<sup>st</sup> March, 2014, Shri Y.N. Chugh is not holding any equity share of Prakash Industries Ltd.

None of the Directors except Shri Y.N. Chugh is interested in the resolution.

The Board recommends the resolution set out at Item No.5 for your approval.

### Item No.6

Shri M.R. Agarwal is a Chartered Accountant and has wide experience of 28 years in the profession. He was appointed by the Board of Directors of the Company as an additional Director with effect from 14<sup>th</sup> November, 2013. As per the provisions of Section 161 of the Companies Act, 2013, an additional Director holds office upto the date of the next Annual General Meeting of the Company. The term of the above named Director will, therefore, expire at this Annual General Meeting. Because of his vast experience, his appointment as an Independent Director not liable to retire by rotation would be beneficial to the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 from a member notifying his intention to propose the name of Shri M.R. Agarwal for his appointment as Director.

Shri M.R. Agarwal is not holding Directorship in any other Company.

As on 31<sup>st</sup> March, 2014, Shri M.R. Agarwal is not holding any equity share of Prakash Industries Ltd.

None of the Directors except Shri M.R. Agarwal is interested in the resolution.

The Board recommends the resolution set out at Item No.6 for your approval.

### Item No.7

Shri Pankaj Chaturvedi is a Chartered Accountant and has wide experience of 15 years in the profession. Shri Pankaj Chaturvedi was appointed by the Board of Directors of the Company as an additional Director with effect from 28<sup>th</sup> May, 2014. As per the provisions of Section 161 of the Companies Act, 2013, an additional Director holds office upto the date of the next Annual General Meeting of the Company. The term of the above named Director will, therefore, expire at this Annual General Meeting. Because of his vast experience, his appointment as an Independent Director not liable to retire by rotation would be beneficial to the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 from a member notifying his intention to propose the name of Shri Pankaj Chaturvedi for his appointment as a Director.

Shri Pankaj Chaturvedi is holding Directorship in the following companies:

### Directorship(s) held in other Companies

Company's Name	Committee Chairmanship	Committee Membership
Andhra Bank	-	3
Perfect Business Advisory Services Pvt. Ltd.	-	-
Vijayalakshmi Printing Works Pvt. Ltd.	-	-
Suvidha Polymers Pvt. Ltd.	-	-
United ERP Solutions Pvt. Ltd.	-	-
Mahavidya International Pte Ltd.	-	-
Gordon House Estate Pvt. Ltd.	-	-
Galaxy Datamatics Pvt. Ltd.	-	-
Sagar Dymowld Pvt. Ltd.	-	-
Modern Rail Welders Pvt. Ltd.	-	-
First Serv Solutions Pvt. Ltd.	-	-
First Advisory Services Pvt. Ltd.	-	-
First Techsolution Pvt. Ltd.	-	-

As on 31<sup>st</sup> March, 2014, Shri Pankaj Chaturvedi is holding 5000 nos. equity shares of Prakash Industries Ltd.

None of the Directors except Shri Pankaj Chaturvedi is interested in the resolution.

The Board recommends the resolution set out at Item No.7 for your approval.

### Item No.8

Smt. Purnima Gupta is an Advocate and has wide experience in the profession. Smt. Purnima Gupta was appointed by the Board of Directors of the Company as an additional Director with effect from 28<sup>th</sup> May, 2014. As per the provisions of Section 161 of the Companies Act, 2013, an additional Director holds office upto the date of the next Annual General Meeting of the Company. The term of the above named Director will, therefore, expire at this Annual General Meeting. Because of her vast experience, her appointment as an Independent Director not liable to retire by rotation would be beneficial to the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 from a member notifying his intention to propose the name of Smt. Purnima Gupta for her appointment as a Director.

Smt. Purnima Gupta is not holding Directorship in any other Company.

As on 31<sup>st</sup> March, 2014, Smt. Purnima Gupta is not holding any equity share of Prakash Industries Ltd.

None of the Directors except Smt. Purnima Gupta is interested in the resolution.

The Board recommends the resolution set out at Item No.8 for your approval.

### Item No.9

Shri Kanha Agarwal is a commerce graduate and young industrialist hailing from a reputed business house.

Shri Kanha Agarwal was appointed by the Board of Directors of the Company as an additional Director with effect from 28<sup>th</sup> May, 2014. As per the provisions of Section 161 of the Companies Act, 2013, an additional Director holds office upto the date of the next Annual General Meeting of the Company. The term of the above named Director will, therefore, expire at this Annual General Meeting and his appointment as a Director liable to retire by rotation would be beneficial to the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 from a member notifying his intention to propose the name of Shri Kanha Agarwal for his appointment as a Director.

Shri Kanha Agarwal is not holding Directorship in any other Company.

As on 31<sup>st</sup> March, 2014, Shri Kanha Agarwal is holding 18540 nos. equity shares of Prakash Industries Ltd.

None of the Directors except Shri Kanha Agarwal, Shri V. P. Agarwal, Shri Vikram Agarwal are interested in the resolution.

The Board recommends the resolution set out at Item No.9 for your approval.

### Item No.10 & 11:

Shri K. C. Mehra and Dr. S. L. Keswani are Independent Directors of the Company and have held the positions as such for more than 5 (Five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed Company.

It is proposed to appoint Shri K. C. Mehra and Dr. S. L. Keswani as Independent Directors under Section 149 of the Companies Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

The Company has received from Shri K. C. Mehra and Dr. S. L. Keswani (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not dis-qualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

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The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri K. C. Mehra and Dr. S. L. Keswani for the office of Directors of the Company.

In the opinion of the Board, Shri K. C. Mehra and Dr. S. L. Keswani fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri K. C. Mehra and Dr. S. L. Keswani are independent of the management. Brief resume of Shri K. C. Mehra and Dr. S. L. Keswani, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are mentioned below:

### Shri K.C. Mehra:

Shri K.C. Mehra is a retired banker and has served at senior positions in various banks during his tenure of service. Shri K.C. Mehra joined the Board of the Company in the year 1985. He is a member of Audit and Nomination & Remuneration Committees of the Company. Shri Mehra has been allotted Director Identification No.00128733.

### Directorship(s) held in other Companies

Company's Name	Committee Chairmanship	Committee Membership
Seasons Textiles Ltd.	Chairman	-
Seasons Furnishing Ltd.	Chairman	-

As on 31st March, 2014, Shri K.C. Mehra is not holding any equity share of Prakash Industries Ltd.

### Dr. S L Keswani:

Dr. S.L. Keswani is an experienced technocrat and has assisted in setting up a number of projects as a Consultant. Dr. S.L. Keswani joined the Board of the Company in the year 1980. He is Chairman of the Audit, Nomination & Remuneration and Stakeholders Relationship Committees of the Company. He has been allotted Director Identification No.00190790.

### Directorship(s) held in other Companies :

Company's Name	Committee Chairmanship	Committee Membership
Chemproject Consulting Pvt. Ltd.	-	-
Chemcon Fabricators (Delhi) Pvt. Ltd.	-	-
AEN Associates Pvt. Ltd.	-	-
Fuelco Coal India Ltd.	-	-
Fuelco Ispat (India) Ltd.	-	-
Fuelco Washeries (India) Ltd.	-	-
Fuelco Power and Mining Ltd.	-	-
Perfectpac Ltd.	-	-

As on 31<sup>st</sup> March, 2014, Dr. S.L. Keswani is holding 15000 nos. equity shares of Prakash Industries Ltd.

Shri K. C. Mehra and Dr. S. L. Keswani are interested in the resolutions set out respectively at Item Nos.10 and 11 of the Notice with regard to their respective appointments. The relatives of Shri K. C. Mehra and Dr. S. L. Keswani may be deemed to be interested in the resolutions set out respectively at Item Nos.10 and 11 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos.10 and 11

of the Notice for approval of the shareholders. The resolution seeks the approval of members for the appointment of Shri K. C. Mehra and Dr. S. L. Keswani as an Independent Directors of the Company upto 31st March, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. They are not liable to retire by rotation.

In the opinion of the Board of Directors, Shri K. C. Mehra and Dr. S. L. Keswani, the Independent Directors proposed to be appointed, fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and they are independent of the Management.

The Board also considers that Shri K. C. Mehra's and Dr. S. L. Keswani's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of both the Directors as Independent Directors.

The Board recommends the resolutions set out at Item No.10 & 11 for your approval.

### Item No. 12

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2014-15 as mentioned in the resolution set out at Item No.12 of the notice.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2014-15.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Resolution set out at Item No.12 for your approval.

### Item No.13

Shri V.P. Agarwal is an experienced Industrialist hailing from a reputed business house. He has been with the Company since its inception and is thus conversant with all the facets of the working of the Company.

The Shareholders of the Company at the Annual General Meeting held on 29<sup>th</sup> September, 2011 had re-appointed Shri V.P. Agarwal for a period of three years from 1<sup>st</sup> April, 2011. Under the management control and guidance of Shri V.P. Agarwal, the Company has consistently improved upon its performance. The Board has re-appointed him as Chairman of the Company for a period of three years commencing from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017 on the terms & conditions as mentioned in the resolution.

The matter had been discussed and approved by the Managerial Remuneration Committee and Board in its meetings held on 8<sup>th</sup> February, 2014 which recommended the re-appointment and remuneration payable as mentioned in the resolution as set out at item No.13 of the Notice subject to the approval of the shareholders.

Shri V.P. Agarwal is holding Directorship in Jindal Industries Ltd.

A copy of the resolution passed by the Board of Directors relating to the terms and conditions of payment of remuneration and other relevant documents are open for inspection for the members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting and also at the meeting. The above terms and conditions as set out in the said Resolution may be treated as an abstract under Section 190 of the Companies Act, 2013.

The Board also considers that Shri V. P. Agarwal's continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Chairman of the Company.

None of the Directors except Shri V.P. Agarwal, Shri Vikram Agarwal and Shri Kanha Agarwal are interested in the resolution.

The Board recommends the resolution set out at Item No.13 for your approval.

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### Item No. 14

The Company has, from time to time availed of various financial assistances from various Lender(s). SREI and/or any other lender(s), present and future may convert fully or partly of such loan in to equity shares of the Company in the event of default by the Company on the terms mentioned in their respective loan agreements, at a price as prescribed under SEBI ICDR Regulations. In terms of provisions of Companies Act 2013, moreover, the Company's shares are listed on the Stock Exchanges, the provision of the SEBI ICDR Regulations in so far as they relate to Preferential Issues are also applicable to this issue.

The above resolutions proposed to be passed by way of special resolution. The above proposals are in the best interest of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.14 of the Notice.

The Board recommends the Resolution set out at Item No. 14 for your approval.

### Item No.15

The borrowing powers of the Board of Directors was fixed at ₹3000 crores by a resolution passed under section 293(1)(d) of the Companies Act, 1956, at the Extra-Ordinary General Meeting of the Company held on 25<sup>th</sup> April, 2008. The Board of Directors considers that in view of the change in Companies Act, 2013 and expanding activities of the Company and also for financing the future expansion/diversification/forward or backward integration projects of the Company, the borrowing powers of the Board of Directors of the Company need to be increased substantially. It is propose to raise the borrowing powers of the Board of Directors to ₹ 5000 crores. The Board considered this matter in its meeting held on 28<sup>th</sup> May, 2014.

In terms of section 180(1)(c) of the Companies Act, 2013 enhancement of the Borrowing powers of the Board of Directors requires approval of shareholders by special resolution and hence this resolution.

None of the Directors of the Company is interested in the resolution.

The Board recommends the resolution set out at Item No.15 for your approval.

### Item No.16

The shareholders of the Company in their 30<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2011, approved the limit of ₹ 3000 crores (Rupees Three Thousand Crores Only) to secure the borrowed funds by creation of hypothecation, mortgages, charges etc. on the movable and immovable properties of the Company was fixed at ₹ 3000 crores by a resolution passed under section 293(1)(a) of the Companies Act, 1956, at the 30<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2011.

The Company has to secure the borrowings by way of mortgage, hypothecation, charge, etc. as may be required by the lenders. Since the Company is also increasing the borrowing limit, approval is sought from the shareholders in terms of Section 180(1)(a) of the Companies Act, 2013, for securing the borrowed funds upto ₹ 5000 crores (Rupees Five Thousand Crores Only) by way of hypothecation, mortgages, charges etc. on the movable and immovable properties of the Company. The Board considered this matter in its meeting held on 28<sup>th</sup> May, 2014.

In terms of section 180(1)(a) of the Companies Act, 2013 enhancement of the powers of the Board of Directors to create security requires approval of shareholders by special resolution and hence this resolution.

None of the Directors is, in any way, concerned or interested in the resolution.

The Board recommends the resolution set out at Item No.16 for your approval.

### Item No. 17

The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On 12<sup>th</sup> September, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on 26<sup>th</sup> March, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of Companies stand notified.

With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a Company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- new provisions relating to appointment of Chief Executive Officer and Chief Financial Officer, in addition to Manager and Company Secretary;
- existing articles have been streamlined and aligned with the Act;
- the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a Company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication – their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.17 of the Notice.

The Board recommends the Resolution set out at Item No.17 for your approval.

By order of the Board  
For Prakash Industries Limited

Registered Office:

15 Km. Stone,  
Delhi Road,  
Hissar – 125044 (Haryana)  
Dated : 28<sup>th</sup> May, 2014  
CIN : L27109HR1980PLC010724

Manoj Aggarwal  
Company Secretary

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the 33<sup>rd</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS**

	(₹ in Crores)	
	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Net Sales & Other Income	2,600.14	2,513.37
EBIDTA	379.18	328.68
Depreciation	115.06	103.67
Financial Expenses	57.83	55.33
Expenses Amortised	2.70	2.70
Profit before tax	203.59	166.98
Provision for Taxes	32.42	2.09
Excess Tax Provision for Earlier Years Written Back	1.99	-
Profit after tax	173.16	164.89
Balance brought forward	16.29	17.14
	189.45	182.03
Transfer to General Reserve	150.00	150.00
Proposed Dividend	13.45	13.45
Tax on Dividend	2.29	2.29
Carried over to next year	23.71	16.29

**PERFORMANCE**

During the year under review, the Company has achieved net sales revenue of ₹ 2,600 crores as against ₹ 2,513 crores in the previous year. The operating EBITDA for the year stood at ₹ 379 crores as compared to ₹ 329 crores of previous year showing a growth of 15%. After providing for interest, depreciation and tax, the net profit of the Company stands at ₹ 173 crores during the year under review.

**DIVIDEND**

The Board has recommended dividend of 10% i.e. ₹ 1 per equity share on 13,44,88,514 equity shares of ₹ 10 each of the Company for the year ended 31<sup>st</sup> March, 2014, subject to the approval of the Members at the ensuing Annual General Meeting.

**OPERATIONAL REVIEW**

Your Directors have pleasure in informing you that the performance of the integrated steel plant of the Company was satisfactory during the year with improved production volumes, turnover and profitability. Capacity additions were successfully implemented in the Ferro Alloys division and the Steel Melting Shop and these divisions have clocked record production levels during the year. This has contributed significantly both to the top-line and bottom-line and resulted in optimum utilization of power capacities. In the finished steel segment, particularly,

in Wire Rods and TMT bars, the company has taken various steps to expand the distribution channel network to enhance the reach and visibility of the products. This has helped the company in achieving optimum level of production and capacity utilization in this segment. Correction in iron ore prices along with improved availability towards the later part of the year has made a visible impact towards cost reduction and improvement in the margins.

The operations of captive coal mine were stable with uninterrupted production. Rigid PVC Pipes division also performed satisfactory during the year. The company continues to focus on its commitment towards quality which has enabled it to create a niche in the market for its products.

**FUTURE PROSPECTS**

The long term vision of the company continues to grow both in steel and power businesses. In this direction the company has taken various initiatives towards further enhancement and balancing of capacities so as to reach the next level of integration. Towards this end, setting up of an additional sponge iron Kiln is underway and is expected to be commissioned by the end of this financial year. The company has also taken steps to expand capacity of its steel melting shop by setting up new furnaces and also replace some of the existing furnaces with higher capacity energy efficient furnaces. Ferro Alloys capacity is also being augmented further by adding new furnaces and introduction of new value added products. In order to meet the additional requirement of power, arising therefrom, the company proposes to take up implementation of the next phase of captive power plant towards the later part of the current financial year. As regards the captive iron ore mines allotted to the Company in the states of Chhattisgarh and Orissa, it is making all efforts to open the mines at the earliest, subsequent to which the Company shall not only become completely self reliant but also get insulated against any vagaries of the market.

The execution of the above expansion plans including the opening of the iron ore mines, together with the capacity additions already made by the Company during the year, shall contribute significantly to the Company's turnover, profitability and operating margins and take the company to next level of operations with improved profitability and long term sustainability of the business.

**ENVIRONMENT AND SOCIAL RESPONSIBILITY**

As a part of its commitment to being a good corporate citizen and a community member, the company is committed to a strong set of environmental principles. The company has a policy to minimize the environmental impact that may be associated with any of its activities. The company constantly works with its clients, contractors and suppliers to improve efficiency, conserve natural resources and reduce waste and emissions. While the company continually works for the creation of new technologies that will reduce the impact on the environment and reliance on non-renewable natural resources, its projects are designed to meet global current environmental standards. Company has established a Corporate Environment Policy to regulate environmental activities and an Environment Management System (EMS) to ensure prevention of pollution and conservation of energy and natural resources.

The Company believes that good governance requires adherence to social responsibility aimed at creating value in the larger interest of the general public in and around its locations in the areas of health, education and welfare. The company conducts non-formal education programs in the areas around the plants. The company assists the local schools in the area by constructing class rooms, funding libraries, supplying science apparatus, computers and sports kits. Company organizes weekly health camps for conducting health checkups, detecting cancer, eye care, family planning and spreading awareness for AIDS. Company has installed deep water

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tube wells, rain water harvesting wells in the villages to meet the shortage of water in the nearby villages. Company has also developed recreational and infrastructure facilities in the surrounding areas by renovating public spaces, temples, recreational parks, roads, shelter sheds and markets.

### CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

During the year, your directors have constituted the Corporate Social Responsibility and Governance Committee (CSR&G Committee) comprising Dr. S. L. Keswani, as Chairman and Shri K C Mehra, Shri Kanha Agarwal, Smt Purnima Gupta and Shri Vikram Agarwal as other members. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

### DIRECTORS

In accordance with the provisions of section 152 of the Companies Act, 2013, Shri P.L. Gupta is liable to retire by rotation at the ensuing Annual General Meeting. Being eligible for re-appointment, he offers himself for re-appointment.

Pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Y.N. Chugh and Shri M.R. Agarwal were appointed as additional Directors designated as Independent Directors w.e.f. 14th November, 2013 and Shri Pankaj Chaturvedi and Smt. Purnima Gupta were appointed as additional Directors designated as Independent Directors not liable to retire by rotation and Shri Kanha Agarwal was appointed as additional Director designated as a Director liable to retire by rotation w.e.f. 28th May, 2014 by the Board of Directors and hold office upto the date of the ensuing Annual General Meeting.

In terms of the Articles of Association of the Company, Shri K. C. Mehra and Dr. S. L. Keswani, Directors retire at the ensuing Annual General Meeting. The Company has received requisite notices in writing from members proposing Shri K. C. Mehra and Dr. S. L. Keswani for appointment as Independent Directors to hold office for next 5 (Five) consecutive years.

Notice in terms of Section 160 of the Companies Act, 2013 have been received from members proposing their names to be Directors of the Company.

The Company has also received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Their appointment as Directors is to be approved by the members in the ensuing Annual General Meeting. Dr. Ram K. Vepa, Shri Manish Bahl, Shri Piyoosh Goyal and Shri Vipul Agarwal have resigned from the Board during the year.

### FIXED DEPOSITS

Company has not accepted any deposits during the year under review.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2014 on a 'going concern' basis.

### AUDITORS

M/s Chaturvedi and Partners, Auditors of the Company, retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956. Your Directors recommend their re-appointment as Auditors of the Company.

### COST AUDITORS

M/s Rakshit & Associates were appointed as Cost Auditors for auditing the Cost Accounts of the Company for the financial year 2013-14.

The Cost Audit reports are required to be filed within 180 days from the end of financial year. The Cost Audit reports for the financial year ended 31<sup>st</sup> March, 2014 will be filed in due course.

In terms of the Companies (Cost Audit Report) Rules 2011, as amended, the cost audit report for the financial year ended 31<sup>st</sup> March, 2013 has been duly filed with the cost audit branch of the Ministry of Corporate Affairs. In terms of the Companies (Cost Accounting Records) Rules 2011, as amended, the Compliance Report for the financial year ended 31<sup>st</sup> March, 2013 as applicable has been duly filed.

### AUDITORS' OBSERVATIONS

As regards Auditors' observations in their Report, the relevant Notes on the Accounts are self-explanatory.

### SECRETARIAL AUDIT REPORT

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Ms Reetika Gupta, Practising Company Secretary, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2014, is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956 and 98 sections of the Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754(E) dated 12th September, 2013, the Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, the Foreign Exchange Management Act, 1999 to the extent applicable to Foreign Currency Convertible Bonds (FCCBs), all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Securities and Listing Agreements with the Stock Exchanges and the Memorandum and Articles of Association of the Company.

## **PRAKASH INDUSTRIES LIMITED**

### **PARTICULARS OF EMPLOYEES**

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the annexure 'A' to the Directors' report.

### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, a statement showing the information relating to the Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo is enclosed as annexure 'B' to this report.

### **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49, is attached to the Report on corporate governance.

### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their gratitude for the valuable guidance and support rendered by the Government of India, various State Government departments, Financial Institutions, Banks and various stakeholders, such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

**By Order of the Board**

Place : New Delhi  
Dated : 28<sup>th</sup> May, 2014

**P. L. Gupta**                      **Vikram Agarwal**  
**Whole-time Director**   **Managing Director**

# PRAKASH INDUSTRIES LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure & Developments

The Indian Steel Industry is expected to grow at a robust pace in the coming years. From the current tally of 4th largest steel producing country in the world, it is expected to become the 2nd largest steel producer by the year 2015. The National Steel policy has envisaged the domestic steel production to reach up to 110 mn tpa by 2020. The demand is expected to further spike with the US\$1 trillion of infrastructure investments expected over the next five years. On the global front, the world steel demand is expected to witness a rebound with a growth of 3.3%, which will be largely contributed by the developed economies. The steel demand is expected to pick up in the developing countries also with the spurt in construction activities, urbanization, industrialization, political stability and pro industry credit policies. As regards India, it is the 4th largest producer of iron ore in the world and it continues to enjoy this advantage over other steel producing countries on account of rich and abundant reserves of iron ore, which are sufficient to meet the expected steel demand. On the whole, the future outlook is bright and promising for the Indian Steel Industry in the years to come.

### Opportunities and Threats

The largest opportunity before the domestic steel sector is that there is mammoth scope for increasing consumption of steel in almost all sectors in the country. The use of steel in cost effective manner is possible in the areas of housing, fencing, structures and other possible applications where steel can substitute other materials. This shall not only bring about advantages to users but shall also lead to the conservation of forest resources. Opportunities exist for future growth of the sector due to reasons that include potentially huge domestic demand for steel-intensive social and economic infrastructure resulting from all round economic development and particularly because of anticipated growth in urbanization; demographic conditions that favour Increasing demand for consumer durables; untapped rural market and increasing interest of domestic and overseas producers in capacity creation to serve the domestic and overseas markets. The presently low per capita steel consumption of around 60 kgs in India as against the world average of more than 200 kgs clearly reflects huge growth potential in demand for steel in the country.

The major threat being currently faced by the steel industry is the tough phase under which the mining industry is reeling through on account of various regulatory interventions in certain states, which has in turn resulted in difficulties in procuring the major inputs like iron ore and coal. In order to mitigate itself against this threat, the only remedy available to the steel players is to enhance the level of integration in its entire chain of operations to become self reliant to the extent possible. In this direction, your company has achieved significant success since it is meeting the requirement of coal for steel making from the operations of the captive coal mine allotted to it. The only area of concern continues to be iron ore, which is another critical input in steel making and constitutes a major portion of the raw material costs. However, since the Company has been allotted iron ore mines, which are under various stages of clearances with government authorities and are expected to be operational towards the end of the current financial year, the dependence of the company on external sources for procurement of ore is not expected to continue for long. Subsequent to the iron ore mines becoming operational, the operations of the Company shall become fully integrated.

### Segment Wise / Product Wise Performance / Outlook

The Steel, Power and Mining divisions of the company have performed satisfactorily during the year under review. The company made addition in its Ferro Alloys and Steel Melting Shop capacity during the year by setting up new furnaces, which resulted in achieving higher production in the divisions. During the year, the capacity utilization in the Finished steel products namely, Wire Rod and TMT Bars was also satisfactory during the year. Captive coal mining operations continued at optimal levels throughout the year. The Rigid PVC pipe division also performed well during the year under review.

### Risks and Concerns

Your directors strongly believe that all business are subject to one or the other type of risks which could present serious threat to its success. Businesses should methodically identifying the risks surrounding their business activities, assess their possibility to occur, understand the means to respond to these risks, put systems in place to deal with the consequences and monitor their effectiveness. A business house that identifies the risks and the tools to overcome these risks will always be better prepared and have a more cost-effective way of managing them. Effective risk management helps to increase the likelihood of successfully achieving the businesses objectives. In line with their thoughts, your directors identify and monitor all types of risks, whether internal or external or combination of both, on a continuous basis and devise the appropriate tools to meet or mitigate them.

The company has tried to mitigate itself against the inherent cyclic nature of the steel industry by venturing into power sector. However, the government needs to push for key reforms in the sector like regular cost linked growth in power rates and easing the availability of coal. As regards the steel industry, its growth is predominantly dependent on the mining sector, which has witnessed severe obstacles during the past few years on account of various regulatory and environmental issues and political instability. However, the performance of your company was still satisfactory during the year since it has already insulated itself against the vagaries of coal. As regards iron ore, although today the company is still sensitive to the volatility in the prices and supplies of the ore, it is expected that in the coming times, this risk will be mitigated as the Company has been allotted Captive iron ore mines in Orissa and Chhattisgarh, which are under various stages of clearances with government departments and are expected to be operational by end of the current financial year.

### Internal Control System and their Adequacy

The company has adequate internal control system commensurate with its size and nature of work which provides reasonable assurance of the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with laws and regulations. The system is aimed at pursuing the values of both procedural and substantial fairness, transparency and accountability and is intended to ensure, in particular, the efficiency of company operations and entrepreneurial conduct, its transparency and verifiability, the reliability of information and management and accounting data, and compliance with applicable laws and regulations as well as the safeguarding of company integrity and its assets, in order to prevent fraud against the Company and the financial markets



The Board of Directors, insofar as it is responsible for the internal control system, sets the guidelines, verifies its adequacy, effectiveness and proper functioning, so that the main company risks (operational, compliance-related, economic and financial) are properly identified and managed over time.

The Board of Directors appointed the Audit Committee, which includes both non-administrative and independent directors, to review and ensure that the quality of the financial statements and internal control system is appropriate and effective. The internal control systems have been reported to be commensurate with the size and nature of the business by the Statutory Auditors in their report.

#### **Human Resources / Industrial Relations**

The Company maintained harmonious and cordial Industrial relations during the year. Various initiatives were taken to improve the

effectiveness of the company's human resource systems and processes. The Company firmly believes that employee participation in the management establishes a sense of accomplishment and improves the quality of workmanship, innovation and creativity. Efforts to promote employees' participation in various activities, like suggestion scheme, welfare and safety continued throughout the year. Employee Participation was also ensured through information sharing by the management with employees on a regular basis, seeking their support, suggestions and co-operation. The company regularly conducts employee training programmes, workshops and training sessions to enhance the quality of its workforce. With these human resource initiatives, the company not only manages to retain proficient work force but also attracts the best talent from across the industry. The Company ensures good civic amenities, hygienic conditions and safety measures at its establishments, which contribute to better productivity from the employees.

# PRAKASH INDUSTRIES LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Prakash Industries Ltd. has a professional style of management with best business practices. The Company continues to maintain its industry leadership, by pursuing excellence in everything it does, including standards of business conduct. The Company's philosophy on Corporate Governance emanates from principles of ethical governance and is aimed at conduct of business in an efficient and transparent manner. Its core values are based on integrity, emphasis on product quality and transparency in its dealings with all stakeholders. The Company firmly believes that good governance generates goodwill among business partners, customers and investors, earns respect from society, brings about a consistent sustainable growth for the Company and generates competitive returns for the investors and is essential to achieve long term corporate goals and enhance stakeholder's value. Your Company is committed to the principles of good governance. Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below:

### 2. BOARD OF DIRECTORS

#### i) a) Composition

The Board is broad-based and consists of eminent individuals with considerable professional experience from industry, management, finance and other fields. As on 28th May 2014 the Board of PIL had 11 Directors, comprising of four Executive, including the Chairman, one Non Executive and six Non Executive Independent Directors as defined under the Listing Agreements with the Stock Exchanges. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The Board periodically evaluates the needs for change in its composition and size.

#### b) Board Functioning and Procedures

The Board meets at least once a quarter to review the quarterly performance and financial results. Board meetings are generally held at the Corporate Office of the Company in New Delhi and are governed by a structured agenda. The agenda, along with the explanatory notes are sent to all the Directors well in advance of the date of Board meeting to enable the Board to take informed decisions. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. The Chief Financial Officer provided financial insights, status of internal controls in the working of the Company to the Board for discussing corporate strategies. All relevant information required to be placed before the Board, as required under Clause 49 of the Listing Agreement are considered and taken on record / approved by the Board.

#### ii) Attendance of each Director at the Board meetings & last Annual General Meeting during the year 2013-14 and number of other Directorships and committee memberships/ chairmanships held in other Companies:

S.No.	Name of Directors and their DIN No.	Category	No. of Board Meetings Attended	Last AGM Attended	No. of Directorships held in other Companies		No. of Committee positions held in others Companies	
					Chairman	Director	Chairman	Member
1.	Sh.V.P.Agarwal Chairman DIN No.00048907	Executive & Promoter	4	No	-	1	-	-
2.	Sh. Vikram Agarwal Managing Director DIN No.00054125	Executive & Promoter	4	Yes	-	1	-	-
3.	Dr. S.L. Keswani DIN No.00190790	Non-executive & Independent	4	Yes	-	8	-	-
4.	Dr. Ram K. Vepa ** DIN No.00054160	Non-executive & Independent	2	No	-	-	-	-
5.	Sh.K.C. Mehra DIN No.00128733	Non-executive & Independent	4	No	-	2	2	-
6.	Sh.Manish Bahl ** DIN No.00054196	Non-executive & Independent	2	No	-	-	-	-
7.	Sh.Piyoosh Goyal ** DIN No.00113772	Non-executive & Independent	-	No	-	6	-	-
8.	Sh. Vipul Agarwal * DIN No.00010147	Executive	2	Yes	-	1	-	-
9.	Sh. P.L. Gupta DIN No.00048868	Executive	4	No	-	3	-	-
10.	Sh. M.L. Pareek DIN No.01795975	Executive	4	No	-	1	-	-
11.	Sh. Y.N. Chugh \$ DIN No.02225961	Non-executive & Independent	2	No	-	-	-	-
12.	Sh. M.R. Agarwal \$ DIN No.00180671	Non-executive & Independent	2	No	-	-	-	-

\$ Appointed as Director w.e.f. 14<sup>th</sup> November, 2013

\* Resigned w.e.f. 31st October, 2013 \*\* Resigned w.e.f. 14th November, 2013

## PRAKASH INDUSTRIES LIMITED

### iii) Pecuniary Relationship

Independent Directors viz. Dr. S. L. Keswani, Shri K. C. Mehra, Shri Y.N. Chugh and Shri M.R. Agarwal do not have any pecuniary relationships or transactions with the Company except for the sitting fees drawn for attending the meetings of the Board and Committee(s) thereof.

### iv) No. of Board Meetings

During the year 2013-2014 four Board Meetings were held on 22nd May, 2013, 8<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 8<sup>th</sup> February, 2014. The maximum gap between any two meetings was not more than four months.

Details of the Board meetings are as under:

S.No.	Date of Board Meeting	Board Strength	No. of Directors present
1	22.05.2013	10	9
2	08.08.2013	10	9
3	14.11.2013	8	8
4	08.02.2014	8	8

### v) Meetings of Independent Directors

The Company's Independent Directors would meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings will be conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Chairman of meeting will take appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

## 3. COMMITTEES OF THE BOARD OF DIRECTORS:

### a) AUDIT COMMITTEE

#### i) Terms, composition, names of members and chairman

The terms of reference of the Committee cover the matters specified for the Audit Committee under clause 49 of the Listing Agreement as well as those mentioned in section 177 of the Companies Act, 2013.

The Committee comprises of five members and majority of them are Independent Directors. Dr. S.L. Keswani (non-executive and independent Director) is the Chairman of the Audit Committee, Shri K. C. Mehra, Shri Y.N. Chugh, Shri M.R. Agarwal (all non-executive and independent Directors) and Shri Vikram Agarwal (Managing Director) are members of the Audit Committee.

#### ii) No. of Audit Committee Meetings

The Audit Committee met four times during the year 2013-14 on 22<sup>nd</sup> May, 2013, 8<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 8<sup>th</sup> February, 2014 and attendance was as under:-

S. No.	Name of Director	Status	Meetings Attended
1.	Dr. S.L.Keswani	Chairman	4
2.	Dr. Ram K.Vepa **	Member	2
3.	Sh. K.C.Mehra	Member	4
4.	Sh. Manish Bahl **	Member	2
5.	Sh. Vikram Agarwal	Member	4
6.	Sh. Y.N. Chugh *	Member	1
7.	Sh. M.R. Agarwal *	Member	1

\* Appointed w.e.f. 14<sup>th</sup> November, 2013  
 \*\* Resigned w.e.f. 14<sup>th</sup> November, 2013

Audit Committee meetings are also attended by representative of Internal Auditor and Whole-time Directors of the Company who are permanent invitees for the meeting. Company Secretary acts as Secretary of the Audit Committee.

### b) NOMINATION AND REMUNERATION COMMITTEE

#### i) Terms, composition, names of members and chairman

The Board of Directors had constituted a Remuneration Committee in the year 2002 which was renamed and reconstituted in the year 2014.

The Board has constituted a Share Transfer Committee which meets twice a month to approve the transfer and transmission of shares/debentures, issue of duplicate share certificates, consolidation and sub-division of shares, etc.

The terms of reference of Nomination & Remuneration Committee cover the matters specified for the said Committee under clause 49 of the Listing Agreement.

The Committee comprises of Dr. S.L. Keswani (non-executive and independent Director) as the Chairman of the Managerial Remuneration Committee and Shri K.C. Mehra and Shri Y. N. Chugh (both non-executive and independent Directors) as members of the Nomination & Remuneration Committee of the Board of Directors.

During the year two meetings of the Committee were held on 22<sup>nd</sup> May, 2013 and 8<sup>th</sup> February, 2014 in which the remuneration of Shri Vikram Agarwal, Managing Director and Shri V.P. Agarwal, Chairman was considered, approved and recommended to the Board

#### ii) Details of remuneration / sitting fee paid to Directors for the period from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014:

(₹ in Lacs)

S.No.	Name of Director	Salary	Perquisites	Sitting Fee
1.	Sh.V.P. Agarwal	252.00	30.24	N.A.
2.	Sh.Vikram Agarwal	120.00	14.49	N.A.
3.	Dr.S.L.Keswani	Nil	Nil	2.80
4.	Dr.Ram K.Vepa**	Nil	Nil	1.20
5.	Sh.K.C.Mehra	Nil	Nil	2.00
6.	Sh.Manish Bahl **	Nil	Nil	1.00
7.	Sh.Piyoosh Goyal**	Nil	Nil	Nil
8.	Sh.Y.N. Chugh \$	Nil	Nil	0.80
9.	Sh.M.R. Agarwal \$	Nil	Nil	0.60
10.	Sh.M.L. Pareek	28.80	15.33	N.A.
11.	Sh.Vipul Agarwal *	24.50	26.40	N.A.
12.	Sh.P.L. Gupta	21.00	11.72	N.A.

\$ Appointed w.e.f. 14<sup>th</sup> November, 2013  
 \* Resigned w.e.f. 31<sup>st</sup> October, 2013 \*\* Resigned w.e.f. 14<sup>th</sup> November, 2013

## PRAKASH INDUSTRIES LIMITED

### iii) Details of Service Contracts of Directors:

S. No.	Name of Director	Period of Contract	Date of appointment / Re-appointment	Notice Period
1.	Shri V.P. Agarwal	3 years	01.04.2014	N.A.
2.	Shri P.L. Gupta	3 years	07.11.2011	One month
3.	Shri Vikram Agarwal	3 years	01.04.2012	N.A.
4.	Shri M.L. Pareek	3 years	04.08.2012	One month

### iv) Details of shareholding of non-executive Directors in the Company as on 31<sup>st</sup> March, 2014 :

S.No.	Name of Director	No. of shares held
1.	Dr. S.L. Keswani	15000
2.	Shri K.C. Mehra	Nil
3.	Shri Y.N. Chugh	Nil
4.	Shri M.R. Agarwal	Nil

### c) SHAREHOLDERS COMMITTEE :

### i) SHARE TRANSFER COMMITTEE

The Committee consists of Shri V.P. Agarwal, Chairman of the Company as Chairman and Shri Vikram Agarwal, Managing Director as member of the Committee.

The Board has constituted a Share Transfer Committee which meets twice a month to approve the transfer and transmission of shares/debentures, issue of duplicate share certificates, consolidation and sub-division of shares, etc. The Company complies with the requirements of the listing agreements with stock exchanges with respect to transfer of shares. The requisite certificates are sent to the transferees within the prescribed time. The stipulations of depositories regarding demat / remat etc. are also complied with.

#### Compliance Officer:

As required by the Stock Exchanges, the Company has appointed Shri Manoj Aggarwal, Company Secretary of the Company as Compliance Officer to monitor the transfer process and liaison with the regulatory authorities.

### ii) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (formerly known as Shareholders'/ Investors' Grievance Committee) has been reconstituted on 28th May, 2014 in terms of Clause 49 of Listing Agreement and is entrusted with the responsibility of addressing the shareholders'/ investors' complaints with respect to transfer of shares, non-receipt of Annual Report and non-receipt of dividend etc.

The Committee consist of Dr. S.L. Keswani (non-executive and independent Director) as Chairman of the Committee, Shri V. P. Agarwal (Chairman) and Shri Vikram Agarwal (Managing Director) as members of the Committee.

The Committee met four times during the year 2013-14 on 20<sup>th</sup> April, 2013, 20<sup>th</sup>

July, 2013, 19<sup>th</sup> October, 2013 and 18<sup>th</sup> January, 2014 and attendance of members at the meeting was as follows:

S. No.	Name of Director	Status	Meetings Attended
1.	Dr. S.L. Keswani (Non-executive and independent)	Chairman	4
2.	Dr. Ram K. Vepa* (Non-executive and independent)	Member	2
3.	Shri V.P. Agarwal (Executive)	Member	4
4.	Shri Vikram Agarwal** (Executive)	Member	1

\* Resigned w.e.f. 14th November, 2013

\*\* Appointed w.e.f. 14<sup>th</sup> November, 2013

Compliance Officer : Shri Manoj Aggarwal  
Company Secretary

No. of shareholders/ investors complaints received upto 31<sup>st</sup> March, 2014 : 26

No. of complaints not solved to the satisfaction of Shareholders / investors : Nil

No. of pending complaints : Nil

In Compliance to Clause 47(f) of the Listing Agreement of Stock Exchanges, the Company has created for the help of investors an exclusive e-mail ID viz. [investorshelpline@prakash.com](mailto:investorshelpline@prakash.com).

### iii) FINANCE COMMITTEE

The Board has also constituted a Finance Committee on 14th November, 2013 to look after all credit facilities taken or to be taken by the Company for the business of the Company and any other transaction or any financial issues that the board may desire to have them reviewed by the finance Committee. The Committee comprises of Shri K.C. Mehra (non-executive and independent Director) as Chairman of the Committee, Dr. S.L. Keswani (non-executive and independent Director), Shri P.L. Gupta, (Whole-time Director and Chief Financial Officer) and Sh M.L. Pareek (Whole-time Director) as members of the Finance Committee of the Board of Directors.

Since there was no fresh credit facilities availed by the Company, no meeting was held during the financial year 2013-14.

### iv) ALLOTMENT COMMITTEE

The Board has also constituted an Allotment Committee for allotment of equity shares or any other instrument convertible into equity shares. The Committee comprises of Dr. S.L. Keswani (non-executive and independent Director) as the Chairman of the Allotment Committee and Shri K.C. Mehra, Shri Y.N. Chugh (all non-executive and independent Directors) and Shri Vikram Agarwal (Managing Director) as members of the Allotment Committee of the Board of Directors.

## PRAKASH INDUSTRIES LIMITED

Since there was no allotment of equity shares or any other instrument convertible into equity shares, no meeting was held during the financial year 2013-14.

#### 4. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Directors and Senior Management personnel including functional heads of the Company. The essence of the code is to conduct the business of the Company in honest and ethical manner in compliance with applicable laws. The Code of Conduct has been posted on the website of the Company. All the Board members and Senior Management personnel including functional heads of the Company have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director is given below:

*"In terms of Clause 49-I(D) of the Listing Agreement it is hereby declared that all the Directors and Senior Management personnel including functional heads have affirmed compliance of the Code of Conduct of the Company for the financial year 2013-14"*

Place : New Delhi

Vikram Agarwal

Date : 28<sup>th</sup> May, 2014

Managing Director

#### 5. GENERAL BODY MEETINGS

Last three Annual General Meetings of the Company were held at the Registered Office of the Company at 15 Km. Stone, Delhi Road, Hissar - 125044 (Haryana) as detailed below:

Year	Date & Time	Details of Special Resolution
2012-2013	28.09.2013 at 12.30 p.m.	Revise the remuneration of Managing Director
2011-2012	29.09.2012 at 12.30 p.m.	Re-appointment / appointment of Managing Director and two Whole-time Directors
2010-2011	29.09.2011 at 12.30 p.m.	Re-appointment of Chairman and Managing Director and two Whole-time Directors Enhancement of the limit of creation of charge / mortgage / hypothecation and pledge etc.

#### Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the Financial Year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

**Disclosure on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large**

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of

transactions with related parties set out in Note No.37 of Standalone Financial Statements, forming part of the Annual Report. The Company's major related party transactions are generally with its Joint Ventures, Key Managerial Personnel and Associates. All related party transactions are negotiated on arms length basis and are intended to further in the Company's interests.

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

There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

#### 6. DISCLOSURES

- The Company has disclosed the related parties transactions in Notes on Accounts in the Balance Sheet. The same are not in potential conflict with the interest of the Company at large.
- During the last three years Company has duly complied with all the matters relating to capital market.
- There is a proper policy to look into the grievances of the personnel of the Company and no person has been denied access to the Audit Committee.
- The Company has generally complied with all mandatory requirements of Clause 49 of the Listing Agreement to the extent these apply to the Company. The Company has also adopted non-mandatory requirements relating to Remuneration Committee and Whistle Blower Policy.

#### 7. MEANS OF COMMUNICATIONS

The Board of Directors approves and takes on record the quarterly / half yearly and annual results of the performance of the Company which are published in English and Hindi language newspapers. The results are sent to the Stock Exchanges on which the shares of the Company are listed in the prescribed format so as to enable the respective stock exchanges to put the same on their own Website. The results are also displayed on the Company's Website viz. [www.prakash.com](http://www.prakash.com). The Notice of AGM alongwith the Annual Report is sent to the shareholders well in advance of the AGM. The stock exchanges are notified of any important developments. Management Discussion & Analysis report which forms part of the Annual Report is attached to the Directors Report and sent to the shareholders.

#### NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

#### BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

## PRAKASH INDUSTRIES LIMITED

### SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### 8. GENERAL SHAREHOLDERS' INFORMATION

#### a) Company Registration Details

The Company is registered in the State of Haryana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L27109HR1980PLC010724.

#### b) Annual General Meeting:

Date & Time 24<sup>th</sup> September, 2014 at 12.30 p.m.  
Venue 15 Km. Stone, Delhi Road, Hissar-125044

#### c) Financial Calendar for 2014-15:

- i) First quarter results upto 14<sup>th</sup> August, 2014
- ii) Second quarter results upto 14<sup>th</sup> November, 2014
- iii) Third quarter results upto 14<sup>th</sup> February, 2015
- iv) Fourth quarter / Annual results upto 15<sup>th</sup> / 30<sup>th</sup> May, 2015

#### d) Book Closure : 26<sup>th</sup> August, 2014 to 30<sup>th</sup> August, 2014 (both days inclusive)

#### e) Payment of Dividend:

Payment of dividend will be made within 30 days from the date of its approval by members of the Company.

#### f) Stock Exchanges where listed:

##### i) Equity Shares

S.No.	Name of the Stock Exchange	Stock Code
1.	BSE Ltd.	506022
2.	National Stock Exchange of India Ltd.	PRAKASH

ISIN No. for equity shares : INE603A01013

##### ii) Foreign Currency Convertible Bonds (FCCB):

FCCB issued by the Company have been listed on the Singapore Exchange Securities Trading Limited ("SGX-ST")

ISIN No. for FCCB : XS0458122602 and XS0505342864

#### g) Market Price Data :

Market price of Company's Equity Share of ₹10 each during the year from April, 2013 to March, 2014 at BSE Ltd. and National Stock Exchanges (NSE) are given below:

(₹)

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April, 2013	41.60	34.20	41.60	35.00
May, 2013	40.70	34.15	40.70	34.50
June, 2013	35.60	27.50	36.00	27.70
July, 2013	35.85	28.60	35.85	28.70
August, 2013	32.20	24.15	31.40	27.05
September, 2013	35.00	29.80	34.90	29.75
October, 2013	40.00	30.15	40.00	30.30
November, 2013	39.70	33.95	39.70	33.75
December, 2013	46.60	36.90	46.90	36.90
January, 2014	43.85	32.25	43.75	32.35
February, 2014	39.60	32.55	39.60	32.20
March, 2014	49.05	36.45	49.25	36.10

#### h) Distribution of Shareholding (as on 31<sup>st</sup> March, 2014)

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Upto 5000	43754	85.13	7403911	5.51
5001 - 10000	3746	7.29	2977987	2.21
10001 - 20000	1776	3.46	2704954	2.01
20001 - 30000	604	1.17	1540400	1.15
30001 - 40000	304	0.59	1095095	0.81
40001 - 50000	252	0.49	1193634	0.89
50001 - 100000	430	0.84	3197210	2.38
100001 - above	531	1.03	114375323	85.04
<b>Total</b>	<b>51397</b>	<b>100.00</b>	<b>134488514</b>	<b>100.00</b>

#### i) Shareholding Pattern (as on 31<sup>st</sup> March, 2014)

Category	No. of Shares	% of Shares Holding
Promoters & Promoter Group	62522390	46.49
Mutual Fund / UTI	4351387	3.24
Financial Institutions / Banks	3785	0.00
Insurance Companies	739666	0.55
Foreign Institutional Investors	2235049	1.66
Bodies Corporate	35244524	26.21
NRI's/OBCs	784726	0.58
Public (Individuals)	28606987	21.27
<b>Total</b>	<b>134488514</b>	<b>100.00</b>

## PRAKASH INDUSTRIES LIMITED

### j) Registrar and Transfer Agents

The Company is doing transfer / split / consolidation / transmission of shares held by shareholders in physical form as well as demat / remat of shares "in-house" since it has got electronic connectivity with both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

### k) Share Transfer System

The Transfer of shares in physical form are registered and returned within the stipulated time, if documents are clear in all respects.

### l) Dematerialisation of Shares :

The Company has arrangements with both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and got electronic connectivity of shares for scripless trading. As on 31<sup>st</sup> March, 2014; 92.51% of Equity Shares of the Company were held in dematerialized form.

### m) Listing Fee :

The Company has paid the listing fees upto the year 2014-15 of BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed and traded.

### n) Outstanding Foreign Currency Convertible Bonds (FCCB)

Company had issued in two tranches viz. 500 and 600 Foreign Currency Convertible Bonds (FCCB) of US\$ 1,00,000 each on 12<sup>th</sup> October, 2009 and 29<sup>th</sup> April, 2010 respectively.

The position of outstanding FCCB as on 31<sup>st</sup> March 2014 is as under:

Issued on	Outstanding FCCB	Last date of conversion
12.10.2009	171	17.09.2014 *
29.04.2010	600	30.03.2015 **

\* If converted fully the equity capital is likely to increase by ₹ 4.69 crores

\*\* If converted fully the equity capital is likely to increase by ₹ 11.32 crores

### o) Plant Locations :

- i) Champa, Distt. Janjgir – Champa (Chhattisgarh)
- ii) Chotia (Chhattisgarh)
- iii) Raipur (Chhattisgarh)
- iv) Kashipur (Uttarakhand)
- v) Koira, Distt. Koenjhar (Odisha)
- vi) Muppandal (Tamil Nadu)

### p) Address for Correspondence and for Share Transfer and related matters:

#### Prakash Industries Ltd.

SRIVAN, Bijwasan,  
New Delhi – 110061.

Ph. : (011) - 25305800 & 28062115

Fax. : (011) - 28062119

Website : [www.prakash.com](http://www.prakash.com)

E-mail : [investorshelpline@prakash.com](mailto:investorshelpline@prakash.com)

### q) Whistle Blower Policy

The Whistle Blower Policy (WBP) adopted by the Company in line with Clause 7 of Annexure 1D to Clause 49 of the Listing Agreement, which is a non – mandatory requirement, encourages all employees, officers and Directors to report any suspected violations promptly and intends to investigate report of violations. The Whistle Blower Policy specifies the procedure and reporting authority for reporting unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements.

WBP also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

## **PRAKASH INDUSTRIES LIMITED**

### **Compliance Certificate from the Statutory Auditors on Corporate Governance**

To  
The Members of  
Prakash Industries Limited

We have examined the compliance of conditions of corporate governance by Prakash Industries Limited, for the year ended 31<sup>st</sup> March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 complied with the conditions of Corporate Governance as stipulated in the said clause of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained for the Shareholders/Investors Grievances Committee except in case which are constrained by disputes and legal impediments.

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

for Chaturvedi & Partners  
Chartered Accountants  
(Registration No. 307068E)

Place : New Delhi  
Dated : 28th May, 2014

(L.N. Jain)  
Partner  
M.No. 72579



# PRAKASH INDUSTRIES LIMITED

## ANNEXURES TO THE DIRECTORS' REPORT

### ANNEXURE - 'A'

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.

A. Employed throughout the financial year under review and were in receipt of remuneration for the year in aggregate not less than ₹ 60 Lacs per annum :

Sr. No.	Name	Age (Years)	Qualifications	Experience (Years)	Designation/ Nature of Duties	Remuneration (₹) Lacs	Date of Commencement of Employment	Particulars of last Employment
1.	Sh.V.P.Agarwal	58	B.Com.	35	Chairman	282	01.01.1981	Surya Roshini Limited

### ANNEXURE - 'B'

PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.

#### CONSERVATION OF ENERGY

Our Company is the first integrated steel plant in the country to be certified ISO 50001:2011 by the BSI. As a step towards furthering its focussed approach and commitment to achieve optimum energy conservation, the company has developed a dedicated Energy Management Cell, which conducts the energy audits, identifies potential areas for energy conservation and implements them after preparing the Energy Management Plan (EnMP).

The Energy team members participate in the training programmes conducted by CII and other reputed authorities. Employee awareness programmes are conducted at all levels across the company to promote the policy of energy conservation amongst them. The company celebrated Energy Conservation day on 14th December, 2013 to ensure participation at all levels to promote energy conservation by conducting competitions on energy slogans, energy posters and encouraging staff to come up with energy conservation suggestions.

#### INFORMATION AS PER PRESCRIBED FORM 'A' :

##### (A) Power and Fuel Consumption

	Billets Division		TMT Mill Division		Wire Rod Mill Division	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
<b>1. Electricity Purchased*</b>						
Units in Lacs	70	53	168	169	575	576
Total Amount (₹ Lacs)	564	478	846	810	2,784	2,671
Rate/Unit (₹)	8.01	9.02	5.04	4.79	4.84	4.84
* excluding transfer of power from captive plant						
<b>2. Furnace Oil</b>						
Quantity (K.Ltrs.)	291	269	-	-	-	-
Total Amount (₹ Lacs)	125	111	-	-	-	-
Average Rate (₹)	42,986	41,337	-	-	-	-

##### (B) Consumption per unit of production

Product		Steel Billets Division		TMT Mill Division		Wire Rod Mill Division	
		2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Electricity (KWH)	Units	886	915	111	119	108	106
Furnace Oil	Ltrs.	0.44	0.45	-	-	-	-
Coal	Kgs.	-	-	111	146	110	130

# PRAKASH INDUSTRIES LIMITED

## TECHNOLOGY ABSORPTION

### A) Research & Development (R&D)

- (a) **Specific areas in which R&D carried out by the Company:** Research and Development activities are undertaken by the company primarily in the areas of manufacturing processes and product cost, which enable it to achieve improved performance through optimum utilisation of materials, manpower and utilities.

The Company has initiated research and development activities in various areas including the following:-

1. Reduction of LOI in flue gases from kiln/WHRB by optimizing coal combustion in the Kiln and optimization of process parameters.
2. Achieve higher productivity, cost effectiveness, quality improvement and waste reduction through WCM continual improvement projects.
3. Change coal blend in SAF division and increase specific consumption of Pearl Coke to achieve improvement in process and higher production resulting in reduction in specific power consumption.
4. Improved operational practices to reduce specific power consumption.
5. Introduction and successful implementation of Buffer System (direct casting from furnace to cake moulds instead of ladles) to minimise production loss in ladles and improve the recovery of metal in SAF.
6. Reduction of Auxiliary power consumption in SAF & Steel Melting Shop divisions with optimized power consumption of ID fans, water pumps and air compressors.
7. Successful implementation of VFD drives to achieve energy efficiency in respective divisions.
8. Castable application of boiler tubes to improve the performance and enhance the tube life.
9. Reduced consumption of power in Steel Melting Shop division with change in charge mix and reduction of heat time.
10. Higher feed rate and improved operational practices in Sponge Iron division to achieve higher production of good quality and reduced off grade.
11. Use of Manganese Ore Fines and Pearl coke for making sinter to improve the working of SAF division

- b) **Benefit derived as a result of above R & D :**

Company has achieved various tangible benefits including cost reduction, higher productivity, improved quality and efficiency and optimal utilization of resources and utilities through the various R&D activities implemented by it.

- c) **Future Plan of Action :**

The Company has implemented quality (ISO-9001), environment (ISO-14001) , health and safety (OHSAS-1800) and energy management system ( ISO-50001 ) and WCM concepts for aligning the Company's process with the International standards through documentation, review, internal and external audit and improved energy efficiency.

The Company is also planning to implement various improvement oriented Initiatives i.e. TPM / Quality Circle / Lean Six Sigma for further improvement in the cost effectiveness and Increase in Productivity.

- d) **Expenditure on R & D :**

Expenditure on R & D has been charged in primary heads of accounts.

### B) Technology Absorption, Adaption & Innovation :

- a) **Efforts in brief made towards Technology Absorption, Adaption and Innovation:** Company had initially setup Sponge Iron Kilns based on SL/RN technology of Lurgi, Germany. Over the time, SL/RN process for making Sponge Iron was reviewed and matched with deficiencies in present operating system. Company is undertaking expansion in Steel & Power capacities, for which efforts are being made to adopt the best possible state of art technology available.

- b) **Benefits derived as a result of the above efforts:** Higher production achieved in Sponge Iron Kilns.

- | c) Particulars of Technology Imported during last 5 years : | Technology Imported | Year of Import | Has Technology been fully absorbed. |
|---|---------------------|----------------|-------------------------------------|
| Nil   | Nil                 | Nil            | Nil                                 |

## FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) **Activities relating to Exports and Export Plans:** The Company is making efforts to develop markets for exports.

- b) **Total foreign exchange used and earned:**

	This Year (₹ in lacs)	Previous Year (₹ in lacs)
i) Foreign exchange used	3,171	2,296
ii) Foreign exchange earned	-	2,466

**AUDITORS' REPORT**

To,

The Members of  
PRAKASH INDUSTRIES LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of Prakash Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements The Company's Management is responsible for the preparation of these 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 principle generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Company Affairs). This responsibility includes the design, implementation and maintenance of internal control 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.

3. Auditors' Responsibility Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

4. Emphasis of matter

We draw attention to the following matters:-

- (a) As stated in Note No. 28, in terms of a court order, the deferred tax liability for the year has been adjusted against Securities Premium account. Had the deferred tax liabilities for the year been accounted for pursuant to Accounting Standard-22 'Accounting for Taxes on Income', profit after tax for the year would have been lower by Rs. 554 lacs.
- (b) As stated in Note No. 1(m), the provision of tax made by the company is subject to assessment by the tax authorities and set off of MAT credit entitlement is subject to availability of taxable income to the company in future within the prescribed time limit as per the Income Tax Act, 1961.

Our opinion is not qualified in respect of these matters.

5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) Subject to our comment in para 4(a) above, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Company Affairs).
  - (e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

for Chaturvedi & Partners  
Chartered Accountants  
(Registration No. 307068E)

New Delhi  
28<sup>th</sup> May, 2014

(L.N. Jain)  
Partner  
M.No. 72579

# PRAKASH INDUSTRIES LIMITED

## Annexure to Independent Auditors' Report

### REFERRED TO IN PARAGRAPH 6(1) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF PRAKASH INDUSTRIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. (a) The Company has maintained proper records showing all particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed by the management on such verification.
- (c) Fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and going concern status of the Company is not affected.
2. (a) The inventory, except stock in transit or lying with the third parties has been physically verified by the management during the year. For stocks lying with the third parties at the year end, written confirmations have been obtained. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. The Company has neither granted nor taken any loan, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not come across any continuing failure to correct major weaknesses in the internal control system.
5. Based upon the audit procedures applied by us and according to the information and explanations given to us, there are no transactions which are required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business
8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have been informed that such accounts and records have been maintained by the Company.
9. (a) As per records of the Company and according to the information and explanations given to us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Entry Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess or any other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues at the year end outstanding for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given by the management and relied upon by us, there are following statutory dues which have not been deposited by the Company on account of some dispute and same are pending before appropriate authorities:-

Nature of the dues	Amount (₹ in lacs)	Forum where the dispute is pending
Excise Duty	123.88	CESTAT, New Delhi
	6.29	Appellate Authority- Dy. Commissioner
	0.11	Appellate Authority- Asst. Commissioner
	5.09	Appellate Authority- Jt. Commissioner
Income Tax	358.45	Commissioner of Income Tax (Appeals)
Energy Cess	747.00	Supreme Court of India

10. The Company has no accumulated losses as at 31st March, 2014. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ society are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions

## **PRAKASH INDUSTRIES LIMITED**

and contracts and timely entries have been made in respect of Company's dealings in its investments. The investments held by the Company as at 31st March, 2014 are in its own name.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans from any bank or financial institution during the year.
17. According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we are of the opinion that the Company has not raised any funds on short-term basis, which have been used for long-term investments
18. The Company has not made any preferential allotment of shares during the year to the parties and companies covered in the Register maintained under Section 301 of the Company Act,1956.

19. The Company has not issued any debentures during the year under review.
20. The Company has not raised any money by way of public issue during the year under review.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under review.

for Chaturvedi & Partners  
Chartered Accountants  
(Registration No. 307068E)

New Delhi  
28<sup>th</sup> May, 2014

(L.N. Jain)  
Partner  
M.No. 72579

# PRAKASH INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	13,449	13,449
Reserves & Surplus	3	2,09,829	1,95,914
		<u>2,23,278</u>	<u>2,09,363</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	70,230	78,853
Deferred Tax Liabilities (Net)		8,706	8,152
Long-Term Provisions	5	1,393	1,407
		<u>80,329</u>	<u>88,412</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	2,304	3,242
Trade Payables		5,006	4,780
Other Current Liabilities	7	29,961	17,764
Short-Term Provisions	8	4,354	2,567
		<u>41,625</u>	<u>28,353</u>
<b>Total</b>		<u>3,45,232</u>	<u>3,26,128</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		1,74,164	1,71,033
Intangible Assets		560	830
Capital Work-in-Progress		83,492	73,962
Intangible Assets Under Development		5,819	5,013
		<u>2,64,035</u>	<u>2,50,838</u>
Non-Current Investments	10	218	218
Long-Term Loans and Advances	11	37,926	36,636
		<u>3,02,179</u>	<u>2,87,692</u>
<b>Current Assets</b>			
Current Investments	12	3,317	1,340
Inventories	13	23,282	20,559
Trade Receivables	14	8,686	8,879
Cash and Cash Equivalents	15	2,051	2,525
Short-Term Loans and Advances	16	5,633	5,046
Other Current Assets	17	84	87
		<u>43,053</u>	<u>38,436</u>
<b>Total</b>		<u>3,45,232</u>	<u>3,26,128</u>

Notes on Financial Statements

1 to 47

As per our report of even date attached  
For Chaturvedi & Partners  
Chartered Accountants

For and on behalf of the Board

(L.N. Jain)  
Partner

NEW DELHI  
28<sup>th</sup> May, 2014

Manoj Aggarwal  
Company Secretary

P.L. Gupta  
Whole - time Director

Vikram Agarwal  
Managing Director

**PRAKASH INDUSTRIES LIMITED****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note No.	This Year ₹ in lacs	Previous Year ₹ in lacs
<b>INCOME</b>			
Sale of products		2,89,336	2,79,458
Less: Excise duty		29,674	28,367
Revenue from operations		2,59,662	2,51,091
Other Income	18	352	246
<b>Total Revenue</b>		<b>2,60,014</b>	<b>2,51,337</b>
<b>EXPENSES</b>			
Cost of Material Consumed		1,78,583	1,74,768
Changes in Inventories of Finished Goods			
Work-in-Progress and Stock in Trade	19	(1,718)	(1,059)
Employee Benefits Expenses	20	12,229	11,066
Finance Costs	21	5,783	5,533
Depreciation and Amortization Expenses	22	11,776	10,637
Other Expenses	23	33,002	33,694
<b>Total Expenses</b>		<b>2,39,655</b>	<b>2,34,639</b>
<b>Profit before Tax</b>		<b>20,359</b>	<b>16,698</b>
Tax Expenses			
Current Tax		4,267	3,341
Less : MAT Credit Entitlement		1,025	3,132
Net Current Tax		3,242	209
Excess Tax Provision for earlier years written back		199	-
<b>Profit after Tax</b>		<b>17,316</b>	<b>16,489</b>
<b>Earning Per Share</b>			
Basic / Diluted (₹)		13	12

Notes on Financial Statements 1 to 47

As per our report of even date attached  
For Chaturvedi & Partners  
Chartered Accountants

(L.N. Jain)  
Partner

For and on behalf of the Board

NEW DELHI  
28<sup>th</sup> May, 2014

Manoj Aggarwal  
Company Secretary

P.L. Gupta  
Whole - time Director

Vikram Agarwal  
Managing Director

## PRAKASH INDUSTRIES LIMITED

### CASH FLOW STATEMENT

		(₹ in lacs)
	This Year	Previous Year
<b>A. Cash Flow From Operating Activities :</b>		
Net Profit as per Profit & Loss Account	17,316	16,489
Adjustments for		
Provision for tax	3,242	209
Excess Tax Provision for earlier years written back	(199)	-
Provision for gratuity and leave encashment	140	439
Provision for doubtful debts and advances	6	6
Depreciation and expenses amortised	11,776	10,637
Interest & Other Income	(321)	(233)
Profit on sale of fixed assets	(31)	(13)
Financial expenses	<u>5,783</u>	<u>5,533</u>
Operating Profit before working Capital changes	<u>37,712</u>	<u>33,067</u>
Adjustments for		
Trade & Other receivables	(1,143)	(951)
Inventories	(2,723)	(2,713)
Trade payables & provisions	<u>(52)</u>	<u>(700)</u>
Cash generated from operations	<u>33,794</u>	<u>28,703</u>
Taxes Paid	2,435	3,827
Financial expenses paid	5,822	5,531
<b>Net Cash from operating activities</b>	<u><u>25,537</u></u>	<u><u>19,345</u></u>
<b>B. Cash Flow From Investing Activities:</b>		
Sale of fixed assets	69	39
Purchase of fixed assets	(21,466)	(15,956)
Mine development expenditure	(806)	(364)
Interest & other Income received	324	234
Investment in Group companies & Joint venture	869	(725)
Purchase/sale of investment	<u>(1,977)</u>	<u>3,489</u>
<b>Net cash used in investing activities</b>	<u><u>(22,987)</u></u>	<u><u>(13,283)</u></u>



**PRAKASH INDUSTRIES LIMITED****C. Cash Flow From Financing Activities :**

Payment of Dividend and Dividend Tax	(1,548)	(1,524)
Proceeds/(Repayment) from Loans (Net)	(1,476)	(6,985)
<b>Net Cash from financing activities</b>	<b>(3,024)</b>	<b>(8,509)</b>
<b>Net Changes in Cash &amp; bank equivalents (A+B+C)</b>	<b>(474)</b>	<b>(2,447))</b>
<b>Opening balance of Cash &amp; bank equivalents</b>	<b>2,525</b>	<b>4,972</b>
<b>Closing balance of Cash &amp; bank equivalents</b>	<b>2,051</b>	<b>2,525</b>

## Notes :

- a) The Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard-3 'Cash Flow Statements'
- b) Cash and bank equivalents include earmarked deposits, which are not available currently for use by the Company (refer note no.15).
- c) Provision for tax is net of amount of MAT Credit entitlement.
- d) Purchase of fixed assets include movement of capital work in progress and interest capitalized.
- e) Previous year's figures have been regrouped/rearranged wherever considered necessary, to confirm to this year's presentation.

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As per our report of even date attached  
For Chaturvedi & Partners  
Chartered Accountants

(L.N. Jain)  
Partner

NEW DELHI  
28<sup>th</sup> May, 2014

Manoj Aggarwal  
Company Secretary

P.L. Gupta  
Whole - time Director

Vikram Agarwal  
Managing Director

For and on behalf of the Board

# PRAKASH INDUSTRIES LIMITED

## NOTES ON FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the historical cost convention and generally accepted accounting principles. A summary of the important accounting policies, which have been followed consistently is set out below :

**(a) Basis of Accounting**

- i) Accrual method of accounting is followed with regard to income and expenses.
- ii) Sales are inclusive of excise duty and exclusive of sales tax/value added tax, returns and trade discounts.
- iii) Raw material consumption is net of sale and the profit / loss on sale is charged to the consumption account.
- iv) Insurance claims, duty drawback on exports and other claims and refunds have been accounted for where there is reasonable certainty with regard to the ultimate collection.

**(b) Use of estimates**

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The differences between actuals and estimates are recognized in the periods in which the results are known/materialize.

**(c) Fixed Assets**

- i) Tangible Fixed Assets are stated at Cost which is net of Cenvat/Tax Credit, inclusive of freight, duties, taxes and other incidental expenses relating to acquisition and installation except certain revalued assets which are stated at revalued amount less accumulated depreciation.
- ii) Expenditure incurred during the period of construction are carried forward as Capital-Work in Progress and on completion, the costs are allocated to the respective Fixed Assets.
- iii) Preoperative expenditure comprising of revenue expenses incurred in connection with project implementation during the period upto commencement of commercial production are treated as part of project costs and are capitalized. Such expenses are capitalized only if the project to which they relate involve substantial expansion of capacity or upgradation.
- iv) In order to reflect the book value of the fixed assets of the Company to conform to the present replacement cost, Plant & Machinery of certain divisions as on 31st March, 2005 have been revalued by an approved valuer using the standard indices and accordingly amount has been transferred to Revaluation Reserve.

**(d) Depreciation**

- i) Depreciation on tangible fixed assets is provided for at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on Straight Line method.
- ii) Depreciation on Plant & Machinery of certain divisions which were revalued as on 31st March, 2005 has been provided on straight line method at rates based on the useful life as certified by valuer.
- iii) Depreciation on the incremental amount added to the cost of fixed assets on Revaluation is being adjusted against the Revaluation reserve on the basis of estimated remaining useful life of the assets.

**(e) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably. Mine development cost is amortized on a straight line basis over a period of 10 years.

**(f) Inventory**

Raw Materials and Stores & spares are valued at lower of cost, computed on FIFO basis, and net realisable value. Finished goods & work in process are valued at lower of cost or net realisable value and scrap & waste at estimated realisable value. Cost of raw materials and Stores & spares includes transport and handling costs and are net of cenvat/vat credits wherever applicable. The cost of finished goods includes materials, labour and related factory overheads including depreciation. Excise duty is included in finished goods valuation, where applicable. The material in transit are valued at cost.

**(g) Foreign Currency Transactions**

Foreign Currency Transactions are recorded in the accounts at the rates existing at the time of transaction and any exchange difference arising at the time of realisation is dealt within the Profit & Loss Account. Outstanding Foreign Currency monetary items are translated at the year end rates. The amount of Exchange rate difference debited to Capital work in progress during the year is ₹ 4,403 lacs ( ₹ 2,492 lacs).

**(h) Investments**

Current Investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversal of such reduction are charged or credited to the Profit and Loss Account. Long term Investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of such investments.

**(i) Employee Benefits**

In respect of Defined Contributions Scheme, Contribution to Provident Fund & Family Pension and Employee State Insurance Scheme are charged to the Profit & Loss account as incurred.

In respect of Defined Benefit Schemes, the post retirement benefits such as gratuity, leave encashment and other retirement benefits are accounted for, based on valuations, as at the Balance Sheet date, made by an independent Actuary. Actuarial gains/losses are charged to Profit & Loss Account and are not deferred.

**(j) Borrowing Costs**

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use are capitalised on that asset. Other borrowing costs are charged to revenue account. The amount of borrowing cost charged to Capital work in progress during the year is ₹ 4,290 lacs (₹ 7,518 lacs)

**(k) Segment Reporting Policies**

Revenue and expenses are identified to segments on the basis of their relationship to the operative activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocable Expenditure/Income".

**(l) Earnings Per Share (EPS)**

Basic earning per share is computed by dividing net profit or loss for the period attributable to equity share holders by weighted average number of equity shares outstanding during the period. The Diluted earning per share is calculated on the same basis as Basic Earning per share, after adjusting for the effects of potential dilutive equity shares.

**(m) Taxes on Income**

i) Tax expense for the year comprise of current and deferred tax. Current Tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws. The Company has opted for tax exemption under section 80-I in respect of profits of Power and PVC divisions as per the provisions of the Income Tax Act, 1961. The amount of exempted profit considered by the Company while making provision for its tax liability is subject to assessment by the concerned tax authorities. Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between the taxable profit and the profit as per the accounts. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognised unless in the opinion of the management there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The effect on deferred tax assets and liabilities of a change in tax rate is recognised in the year of change. Deferred tax assets/liabilities are reviewed at each balance sheet date. Pursuant to the approval of the shareholders and Hon'ble Punjab & Haryana High Court's order dated 23rd August 2007, Deferred tax liabilities are being adjusted in Securities Premium Account. The taxable income of the Company being lower than the book as per the provisions of the Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT) on its income.

ii) Considering the future profitability and taxable position in the subsequent years, the Company has recognized Minimum Alternate Tax (MAT) credit as an asset by crediting the Profit & Loss Account and including the same under Loans & Advances in accordance with the Guidance note on "Accounting for credit available in respect of Minimum Alternate Tax under Income Tax Act 1961" issued by the Institute of Chartered Accountants of India.

**(n) Impairment Of Assets**

When there is an indication that an asset is impaired, the recoverable amount is estimated and the impairment is recognised to the extent carrying amount exceeds its recoverable amount.

**(o) Provisions and Contingencies**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

**(p) Prior Period and Extraordinary Items**

Prior period and extraordinary items and change in accounting policies, having a material impact on the financial affairs of the company are disclosed, wherever required.

## PRAKASH INDUSTRIES LIMITED

2. SHARE CAPITAL	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
<b>Authorised :</b>		
170000000 (170000000) Equity Shares of ₹ 10 each	17,000	17,000
	<u>17,000</u>	<u>17,000</u>
<b>Issued , Subscribed &amp; Paid-up :</b>		
<b>Equity</b>		
134488514 (134488514) Equity Shares of ₹ 10 each		
fully paid up	13,449	13,449
	<u>13,449</u>	<u>13,449</u>

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
At the beginning of the year	134488514	13,449	134488514	13,449
Issued during the year	-	-	-	-
Outstanding at the end of the year	134488514	13,449	134488514	13,449

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all the preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Amarjoti Vanijya Private Limited	10375750	7.71	10375750	7.71
GMK Builders Private Limited	8164800	6.07	8164800	6.07

(d) Foreign Currency Convertible Bonds (FCCB) holders have an option to get their bonds converted into equity shares of the Company (refer note 4 (d)).

# PRAKASH INDUSTRIES LIMITED

3. RESERVES AND SURPLUS	As at 31st March, 2014		As at 31st March, 2013	
	₹ in lacs		₹ in lacs	
Capital Reserve		279		279
Capital Redemption Reserve		800		800
Securities Premium Account				
At Opening	24,615		24,705	
Deferred Tax (Refer Note no.28)	(554)	24,061	(90)	24,615
Revaluation Reserve				
At Opening	12,591		13,865	
Transfer to Depreciation Account	1,273	11,318	1,274	12,591
General Reserve				
At Opening	1,56,000		1,41,000	
Transfer from Profit & Loss Account	15,000	1,71,000	15,000	1,56,000
Surplus in Profit & Loss Account				
At Opening	1,629		1,714	
Add: Profit for the year	17,316		16,489	
	18,945		18,203	
Less: Appropriations				
Proposed dividend on Equity Shares	1,345		1,345	
(Dividend per share ₹ 1 (previous year ₹ 1))				
Tax on Proposed Equity Dividend	229		229	
Transfer to General Reserve	15,000		15,000	
		2,371		1,629
		2,09,829		1,95,914

4. LONG TERM BORROWINGS	As at 31st March, 2014		As at 31st March, 2013	
	₹ in lacs		₹ in lacs	
Secured				
Term Loans				
From Banks	4,393		8,749	
From Others	29,777	34,170	28,170	36,919
Unsecured				
Foreign Currency Convertible Bonds(FCCB)		36,060		41,934
		70,230		78,853

(a) Term of repayment of Secured Term Loans are as follows :	1-3 Years	4 - 5 years	6 - 10 years
Term Loan from banks	4,390	3	-
Term Loan from others	12,329	8,315	9,133

- (b) Term loans are secured by mortgage of all immovable properties of the Company, both present and future and are also secured by way of hypothecation of the movable properties of the Company including movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future (save and except book debts), subject to prior charge of the Company's banker on specified movables for working capital requirements, ranking pari passu in all respects with existing charges and personal guarantees of the Chairman and the Managing Director.
- (c) Term Loans from banks and others include ₹ 182 lacs (₹ 327 lacs) and ₹ 72 lacs (₹ 57 lacs) respectively secured against the vehicles financed by the concerned lenders.
- (d) The Company had issued FCCB of USD 110 Million in earlier years, out of which FCCB of USD 32.9 Million got converted into Equity Shares of the Company. Out of Balance USD 77.1 Million, FCCB of ₹ 10,277 lacs (USD 17.1 Million) are due for redemption on 13th October, 2014 and carry interest @5.625% and FCCB of ₹ 36,060 lacs (USD 60 Million) are due for redemption on 30th April, 2015 and carry interest @5.25%. However, the respective bond holders have an option to get their bonds converted into equity shares of the Company on or before the maturity date. Outstanding FCCB are repayable in Foreign Currency and their repayments have not been hedged by any derivative instrument or otherwise by the Company.

## PRAKASH INDUSTRIES LIMITED

5. LONG TERM PROVISIONS	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
<b>Provisions for Employees benefits</b>		
Provisions for Gratuity & Leave Encashment	1,393	1,407
	<u>1,393</u>	<u>1,407</u>

6. SHORT TERM BORROWINGS	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
<b>Secured</b>		
Working capital loan from bank	2,304	3,242
	<u>2,304</u>	<u>3,242</u>

Working Capital loan from bank, repayable on demand is secured by hypothecation of raw materials, consumables stores and spare parts, stock in process, finished goods, book debts and by personal guarantees of the Chairman and the Managing Director of the Company. Further they are also secured by way of pari passu first charge on all the immovable properties of the Company.

7. OTHER CURRENT LIABILITIES	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
Current maturities of long term debts	22,789	10,301
Interest accrued but not due on borrowings	46	85
Unclaimed Dividend	79	53
Trade/Security deposits	1,199	873
Other Payables	5,848	6,452
(Including statutory dues, expenses payable etc.)		
	<u>29,961</u>	<u>17,764</u>

8. SHORT TERM PROVISIONS	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
Provision for employees Benefits		
Provisions for Gratuity & Leave Encashment	665	511
Other Provisions		
For Proposed Dividend on Equity Shares	1,345	1,345
For Tax on Proposed Dividend	229	229
For Taxation (Net of Advance Tax)	2,115	482
	<u>4,354</u>	<u>2,567</u>

**NOTE 9 - FIXED ASSETS**

(₹ in Lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 31.03.2013	Additions	Sales/ Adjustment	As at 31.03.2014	Total upto 31.03.2013	For the year	Adjustment	Total upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>TANGIBLE ASSETS</b>										
Land (Lease hold)	603	-	-	603	-	-	-	-	603	603
Land (Free hold)	5490	120	1	5609	-	-	-	-	5609	5490
Buildings	32966	3377	-	36343	6738	977		7715	28628	26228
Plant & Machinery	228014	12309	1395	238928	90711	11588	1,369	100930	137998	137303
Furnitures & Fixtures	581	15	15	581	294	25	14	305	276	287
Vehicles	1378	95	21	1452	410	156	11	555	897	968
Office Equipments	429	27	4	452	282	29	4	307	145	147
Mouild & Dies	51	5	-	56	44	4	-	48	8	7
<b>Total</b>	<b>269512</b>	<b>15948</b>	<b>1436</b>	<b>284024</b>	<b>98479</b>	<b>12779</b>	<b>1398</b>	<b>109860</b>	<b>174164</b>	<b>171033</b>
Capital Work-in-Progress	73962	24949	15419	83492	-	-	-	-	83492	73962
<b>Total</b>	<b>343474</b>	<b>40897</b>	<b>16855</b>	<b>367516</b>	<b>98479</b>	<b>12779</b>	<b>1398</b>	<b>109860</b>	<b>257656</b>	<b>244995</b>
Previous Year	326502	38811	21839	343474	86845	11641	7	98479	244995	239657
<b>INTANGIBLE ASSETS</b>										
Mine Development Cost	2696	-	-	2696	1866	270	-	2136	560	830
Previous Year	2696	-	-	2696	1596	270	-	1866	830	1100
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>										
Mine Development Cost	5013	806	-	5819	-	-	-	-	5819	5013
Previous Year	4649	364	-	5013	-	-	-	-	5013	4649

# PRAKASH INDUSTRIES LIMITED

10. NON-CURRENT INVESTMENTS	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
<b>Long Term, Trade, At cost, Unquoted</b>		
<b>Equity Instruments</b>		
<b>Investment in Joint Ventures</b>		
Madanpur (North) Coal Company Private Limited 21,32,236(21,32,236) Equity Shares of ₹ 10 each fully paid up	213	213
Fatehpur Coal Mining Company Private Limited 46,150(46,150) Equity Shares of ₹ 10 each fully paid up	5	5
	<u>218</u>	<u>218</u>
Aggregate Book Value of Unquoted Investments	218	218
11. LONG TERM LOANS AND ADVANCES	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
(Unsecured, considered good unless otherwise stated)		
Capital Advances	8,314	7,923
Security Deposits	1,863	1,120
Advances to related parties(refer note no.29 & 37)	3,000	3,869
MAT Credit Entitlement (refer note no.1(m) (ii))	24,749	23,724
	<u>37,926</u>	<u>36,636</u>
12. CURRENT INVESTMENTS	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
<b>Short Term, Non Trade, At cost</b>		
<b>Quoted</b>		
<b>Investments in Units of Mutual Funds</b>		
Birla Sun Life cash plus Growth 2,92,695(Nil) Units of face value of ₹ 100 each	600	-
Kotak Floater Long Term Growth 19,64,463 (Nil) Units of face value of ₹ 1,000 each	400	-
Reliance Liquid Fund Cash Plan Direct Growth 45,449 (Nil) Units of face value of ₹ 1,000 each	1,418	-
Reliance Liquid Fund Treasury Plan Growth 29,661 (Nil) Units of face value of ₹ 1,000 each	899	-
ING Active Debt multimanager scheme growth Nil(59,09,146) Units of face value of ₹ 10 each	-	950
UTI Treasury Advantage Fund Institutional Growth Nil (1,342) Units of face value of ₹ 1,000 each	-	20
ICICI Prudential Income Opportunities Fund Regular Growth Nil (6,63,073) Units of face value of ₹ 10 each	-	100
DWS Gilt Fund Regular Growth Nil(17,25,505) Units of face value of ₹ 10 each	-	222
Kotak Floater Short Term Weekly Dividend Nil(4,733) Units of face value of ₹ 10 each	-	48
	<u>3,317</u>	<u>1,340</u>
Aggregate Book Value of Quoted Investments	3,317	1,340
Aggregate Book Value of Unquoted Investments	-	-
Aggregate Market Value of Quoted Investments	3,351	1,358



## PRAKASH INDUSTRIES LIMITED

13. INVENTORIES	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
(As taken, valued and certified by the Management)		
Stores, Spares & Fuels	3,590	3,261
Raw Materials	11,961	12,032
Raw Materials in Transit	732	179
Finished Products	6,029	4,575
Work in Progress	421	426
Scrap & Waste	549	86
	<u>23,282</u>	<u>20,559</u>
14. TRADE RECEIVABLES	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
(Unsecured, considered good unless otherwise stated)		
Outstanding exceeding six months	1,553	1,505
Less : Provisions for doubtful debts	(38)	(33)
Others	7,171	7,407
	<u>8,686</u>	<u>8,879</u>
15. CASH AND CASH EQUIVALENTS	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
Balances with Banks in		
Current Accounts	1,002	1,073
Deposit Accounts	<u>970</u>	<u>1,413</u>
Cash in hand	79	39
	<u>2,051</u>	<u>2,525</u>
Balances with Banks include		
Balance in unpaid dividend account	79	53
Deposit accounts with maturity of more than 12 months from the Balance Sheet date	44	393
Deposits pledged/held as margin money	970	1,413
16. SHORT TERM LOANS AND ADVANCES	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
(Unsecured, considered good unless otherwise stated)		
Trade Advances	3,683	3,345
Balance with statutory/government authorities	1,256	1,048
Claims recoverable	344	348
Other Advances	363	317
	<u>5,646</u>	<u>5,058</u>
Provision for doubtful advances	(13)	(12)
	<u>5,633</u>	<u>5,046</u>
17. OTHER CURRENT ASSETS	As at 31st March, 2014 ₹ in lacs	As at 31st March, 2013 ₹ in lacs
(Unsecured considered good unless otherwise stated)		
Interest accrued on deposits	84	87
	<u>84</u>	<u>87</u>

**PRAKASH INDUSTRIES LIMITED**

18. OTHER INCOME	This Year ₹ in lacs	Previous Year ₹ in lacs
Interest Income	267	213
Miscellaneous income	54	20
Profit on sale of fixed assets (Net)	31	13
	<u>352</u>	<u>246</u>

19. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	This Year ₹ in lacs	Previous Year ₹ in lacs
<b>Stock in Trade (At Close)</b>		
Finished Products	6,029	4,575
Work in Progress	421	426
Scrap and Waste	<u>549</u>	<u>86</u>
	6,999	5,087
<b>Stock in Trade (At Opening)</b>		
Finished Products	4,575	3,490
Work in Progress	426	312
Scrap and Waste	<u>86</u>	<u>181</u>
	5,087	3,983
	(1,912)	(1,104)
Excise Duty on stock movement	194	45
	<u>(1,718)</u>	<u>(1,059)</u>

20. EMPLOYEE BENEFITS EXPENSE	This Year ₹ in lacs	Previous Year ₹ in lacs
Salaries, Wages and Benefits	11,137	10,009
Contribution to Provident & Other Funds	699	646
Staff Welfare Expenses	393	411
	<u>12,229</u>	<u>11,066</u>

21. FINANCE COSTS	This Year ₹ in lacs	Previous Year ₹ in lacs
Interest Expenses	5,694	5,471
Bank Charges	89	62
	<u>5,783</u>	<u>5,533</u>

## PRAKASH INDUSTRIES LIMITED

22. DEPRECIATION AND AMORTIZATION EXPENSES	This Year ₹ in lacs	Previous Year ₹ in lacs
Depreciation on Tangible Assets	12,779	11,641
Amortization of Intangible Assets	<u>270</u>	<u>270</u>
	13,049	11,911
Less : Transfer from Revaluation Reserve	<u>1,273</u>	<u>1,274</u>
	<u>11,776</u>	<u>10,637</u>

23. OTHER EXPENSES	This Year ₹ in lacs	Previous Year ₹ in lacs
Power & Fuel	8,468	8,249
Mining Expenses	7,873	7,181
Processing Charges	47	43
Stores & Spares	4,442	4,274
Repairs to :		
Machinery	4,198	4,995
Buildings	333	535
Other	<u>14</u>	<u>22</u>
	4,545	5,552
Insurance	107	106
Rate & Taxes	2,001	1,860
Travelling & Conveyance	494	537
Vehicle Maintance	186	179
Auditors' Remuneration		
Audit Fees	39	34
Tax Audit Fees	<u>9</u>	<u>8</u>
	48	42
Legal & Professional Charges	896	865
Miscellaneous Expenses	1,261	1,494
Provision for Doubtful Debts & Advances	6	6
Rent	52	52
Directors' Sitting Fees	8	9
Advertisement	35	58
Packing & Forwarding Charges	1,722	1,644
Power transmission expenses	51	476
Sales Promotion	23	35
Discount & Rebate	147	132
Commission	<u>590</u>	<u>900</u>
	<u>33,002</u>	<u>33,694</u>

### 24. Contingent Liabilities not provided for in respect of:

	This year (₹ in lacs)	Previous year (₹ in lacs)
- Guarantees/Letter of credits issued by banks on behalf of the company	2,400	2,455
- Disputed demands of Excise Duty / Income Tax / Electricity dues/Lease rentals etc.	4,628	3,144
(Amount paid there against ₹280 lacs (₹280 lacs))		

25.	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	40,654	36,191
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## PRAKASH INDUSTRIES LIMITED

26. In the opinion of the management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for depreciation and all known liabilities is adequate, neither excess nor short than reasonably necessary.
27. The Company is in the process of identifying the Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been made. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the said Act, is not expected to be material.
28. In terms of the order dated 23rd August 2007 of the Hon'ble Punjab & Haryana High Court, the net deferred tax liability computed in terms of the Accounting Standard 22 'Accounting for Taxes on Income' amounting to ₹ 554 lacs (₹ 90 lacs) has been adjusted against Securities Premium Account. Consequently, the profit after tax is higher by the said amount.
29. Advance with related parties include
- A sum of ₹ 9 (₹ Nil lacs) paid to Madanpur (North) Coal Co. Pvt. Ltd., a joint venture Company. Maximum amount outstanding during the year ₹ 9 lacs (₹ 81 lacs).
  - A sum of ₹ 164 lacs (₹156 lacs) paid to Fatehpur Coal Mining Co. Pvt. Ltd., a joint venture Company. Maximum amount outstanding during the year ₹ 164 lacs (₹156 lacs).
  - A sum of ₹ 2,827 lacs (₹ 3,713 lacs) due from other companies. Maximum amount outstanding during the year ₹ 3,773 lacs (₹ 4,097 lacs).
30. The company has made investment in the share capital of following joint venture companies formed for the purpose of developing coal blocks allotted to the Company in consortium with others:

Particulars		As at 31st March, 2014 (₹ in lacs)				2013-2014 (₹ in lacs)	
Name of Joint Venture (In India)	% Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitments	Income	Expenditure
Madanpur (North) Coal Company Private Limited	20.67(20.67)	1075(1036)	1075(1036)	3312(3312)	Nil(Nil)	Nil(Nil)	Nil(Nil)
Fatehpur Coal Mining Company Private Limited	38.46(38.46)	*(397)	*(397)	*(3195)	*(Nil)	*(Nil)	*(2)

Above figures are as certified by the management. Figures in bracket are for previous year.

\*Figures for the current year are not available since annual accounts are yet to be finalized.

31. The company has taken certain plant and machinery under operating lease during the period prior to 1<sup>st</sup> April, 2001. The company is having legal disputes with the concerned lessors and there are counter claims which are pending under arbitration/court, as such the future liability on this account, if any, is not ascertainable.
32. Gross Block of Land and Plant & Machinery includes ₹ 2,014 lacs and ₹ 19,824 lacs respectively added on revaluation of assets as at 31st March 2005. The depreciation as shown in the statement of Profit & Loss Account is net of amount of ₹ 1,273 lacs adjusted against the Revaluation reserve.
33. Land of Rs.98 lacs is yet to be transferred in the name of the Company.

## PRAKASH INDUSTRIES LIMITED

34. Details of Employees Benefits as required by the Accounting Standard 15 "Employee Benefits" are given below:-

**a) Defined Contribution Plans:**

During the year, the company has recognised the following amounts in the Profit & Loss Account (included in Contribution to Provident & Other Funds):-

	Current Year	Previous Year
		₹ in lacs
Contribution to Provident Fund	579	481
Contribution to Employees' State Insurance	120	133

**b) Defined Benefit Plan:**

**Reconciliation of opening and closing balances of Defined Benefit obligation**

	Current Year	Previous Year
		₹ in lacs
	Gratuity	Gratuity
	Leave	Leave
	Encashment	Encashment
	(Unfunded)	(Unfunded)
Defined Benefits obligation at the beginning of the year	1,354	1,043
Current Service Cost	144	134
Interest Cost	122	86
Actuarial (gain)/loss	49	174
Benefit paid	(129)	(83)
Defined Benefit obligation at the year end	1,540	1,354

**Reconciliation of fair value of assets and obligations**

Present value of obligation at year end	1,540	518	1,354	564
Amount recognized in Balance Sheet	1,540	518	1,354	564

**Expenses recognized during the year**

Current Service Cost	144	54	134	59
Interest Cost	122	50	86	36
Actuarial gain/(loss)	49	79	174	106
Total Cost recognized in the Profit & Loss A/c	315	183	394	200

**Actuarial assumption**

Mortality Table	IALM	IALM	LIC	LIC
	2006-08	2006-08	1994-96	1994-96
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate(per annum)	9.00%	9.00%	8.25%	8.25%
Rate of escalation in salary(per annum)	5%	5%	5%	5%

The estimate of rate of escalation is salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

35. Excise duty relating to sales has been disclosed as a deduction from sales. Excise duty related to difference between closing stock and opening stock has been disclosed in Note 19.

## PRAKASH INDUSTRIES LIMITED

36. The breakup of Deferred Tax Assets/(Liabilities) is as under :-

		(₹ in lacs)
Particulars	As at 31.03.2014	As at 31.03.2013
Depreciation on Fixed Assets	(9,677)	(9,031)
Disallowances under Section 43B of Income Tax Act, 1961	254	242
Provisions	717	637
	(8,706)	(8,152)

37. Related party disclosure as required by Accounting Standard -18 issued by the Institute of Chartered Accountants of India are as under :-

(A) List of related parties and their relationship

a) Enterprise on which key management personnel and/or their relatives exercise significant influence with whom transactions have taken place during the year.

1. Primenet Global Limited
2. Surya Roshni Limited
3. Prakash Natural Resources Limited
4. Vanshi Farms Private Limited

b) Key Management Personnel :

1. Shri V.P. Agarwal, Chairman
2. Shri Vikram Agarwal, Managing Director
3. Shri M.L. Pareek, Whole-time Director
4. Shri P.L. Gupta, Whole-time Director

c) Joint Venture Entities :

1. Madanpur (North) Coal Company Private Limited
2. Fatehpur Coal Mining Company Private Limited

(B) Transactions with related parties

		(₹ in lacs)
<u>Key Management Personnel</u>	This Year	Previous Year
Remuneration	619*	462*
<u>Enterprises</u>		
Amount paid for Services	9	13
Purchase of goods	4	14
Purchase of Vehicles	6	-
Advances paid	315	1,258
<u>Balances outstanding at year end</u>		
Long term advances	2,827	3,713
<u>Joint Venture Entities</u>		
Share Capital Contribution	4	4
Advances paid	18	179
<u>Balances outstanding at year end</u>		
Long term advances	173	156

Related party relationship in terms of Accounting Standard 18 as given above is as informed by the management and relied upon by the Auditors.

\*Including remuneration paid to Shri Vipul Agarwal, Whole time Director, who has since resigned.

## PRAKASH INDUSTRIES LIMITED

38. Earning per share (EPS)	This Year		Previous Year	
Net Profit (₹ in lacs)	17,316		16,489	
Weighted average no. of Equity Shares (In lacs)	1,345		1,345	
Basic/Diluted Earning per Share (₹)	13		12	
Nominal Value of each Share (₹)	10		10	
Note : Outstanding FCCB being anti dilutive have not been considered for the purpose of computing diluted earning per share.				
39. Particulars of raw materials consumed	This Year		(₹ in lacs) Previous Year	
Chargeable Metal	58,133		45,290	
Coal	16,066		18,323	
PVC Resin	12,259		10,982	
Ores & Minerals	79,863		91,550	
Others	12,262		8,623	
	<u>1,78,583</u>		<u>1,74,768</u>	
40. Value of consumption of imported and indigenous raw materials, stores and spares and percentage to total consumption:	This Year		Previous Year	
	₹ in lacs	Percentage	₹ in lacs	Percentage
Raw Material Consumed				
Imported	2,153	1.22%	4,331	2.48%
Indigenous	<u>1,76,430</u>	<u>98.79%</u>	<u>1,70,437</u>	<u>97.52%</u>
	<u>1,78,583</u>	<u>100.00%</u>	<u>1,74,768</u>	<u>100.00%</u>
Stores & Spares				
Imported	45	0.01%	37	1.16%
Indigenous	<u>4,397</u>	<u>98.99%</u>	<u>4,237</u>	<u>99.13%</u>
	<u>4,442</u>	<u>100.00%</u>	<u>4,274</u>	<u>100.00%</u>
41. CIF value of imports (₹ in lacs)				
Stores & Spares	64		62	
Raw Material	585		-	
42. Earnings in foreign exchange (₹ in lacs)				
FOB Value of Exports	-		2,466	
43. Expenditure in foreign currency (₹ in lacs)				
Interest on Bonds	2,514		2,211	
Professional Charges	6		18	
Travelling	2		5	
44.	Certain balances of Debtors, Advances and Creditors are subject to confirmations. In the opinion of the management, no major adjustment will be required to be made in the accounts on receipt of these confirmations and subsequent to their reconciliations.			
45.	In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at 31st March,2014.			

## PRAKASH INDUSTRIES LIMITED

46. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**47. Segment wise Revenue, Results and Capital Employed**

Particulars	(₹ in lacs)	
	This Year	Previous Year
Segment Revenue		
a) Power	39,258	34,698
b) Steel	2,39,474	2,31,961
c) PVC Pipe & Others	18,263	16,422
Total	2,96,995	2,83,081
Less : Inter Segment Revenue (Power)	37,333	31,990
Net Sales/Income from Operations	2,59,662	2,51,091
Segment Results		
Profit before tax and interest		
a) Power	11,773	17,281
b) Steel	12,669	3,341
c) PVC Pipe & Others	1,700	1,609
Total	26,142	22,231
Less : Financial Expenses	5,783	5,533
Total Profit before tax	20,359	16,698
Capital Employed (Segment Assets-Segment Liabilities - Revaluation Reserve)		
a) Power	1,38,697	1,25,767
b) Steel	1,72,767	1,67,716
c) PVC Pipe & Others	3,525	3,837
Total	3,15,989	2,97,320

As per our report of even date attached  
For Chaturvedi & Partners  
Chartered Accountants

(L.N. Jain)  
Partner

NEW DELHI  
28<sup>th</sup> May, 2014

Manoj Aggarwal  
Company Secretary

P.L. Gupta  
Whole - time Director

Vikram Agarwal  
Managing Director

For and on behalf of the Board



## NATIONAL ELECTRONIC CLEARING SERVICES (NECS)/ ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM

To, Company Secretary Prakash Industries Ltd. SRIVAN Najafgarh - Bijwasan Road, Bijwasan, New Delhi - 110061	To, The Depository Participant Concerned <i>(In case of shares held in Demat, Form be sent direct to DP and not to the Company)</i>
--	---

Dear Sirs,

Please fill in the information in CAPITAL LETTERS in ENGLISH only.

**For Office Only**

Ref. No.

### Shares held in Physical Form

Folio No.

### Shares held in Demat Form

DP ID No. (NSDL)\*

Client ID No. :

DP ID & Client ID No.(CDSL)\*

\*Applicable for Investors holding shares in Demat Form

Name of Sole/First holder	
Bank Name	
Branch Name	
Branch Code	<div style="border: 1px solid black; display: inline-block; width: 150px; height: 1.2em; vertical-align: middle;"></div> <small>(9 Digits Code number appearing on the MICR Band of the cheque supplied by the Bank). Please attached a xerox copy of cancelled cheque for ensuring accuracy of the bank's name, branch name and code number etc.</small>

Account type (Please Tick (✓) wherever applicable)	→	Savings <span style="border: 1px solid black; display: inline-block; width: 40px; height: 1.2em; vertical-align: middle;"></span>	→	Current <span style="border: 1px solid black; display: inline-block; width: 40px; height: 1.2em; vertical-align: middle;"></span>	→	Cash Credit <span style="border: 1px solid black; display: inline-block; width: 40px; height: 1.2em; vertical-align: middle;"></span>
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Account No. (as appearing in the cheque book)	→	<div style="border: 1px solid black; display: inline-block; width: 350px; height: 1.2em; vertical-align: middle;"></div>
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I, hereby declare that the particulars given above are correct and complete. I shall not hold the Company, responsible if any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, I agree to avail the NECS/ECS facility as implemented by Prakash Industries Ltd.

I further undertake to inform Prakash Industries Ltd. OR concerned Depository Participant of any change in the particulars given above to facilitate updation of records.

Place : \_\_\_\_\_

Date : \_\_\_\_\_

(Signature of Sole/First holder)

Phone/Mob. : \_\_\_\_\_

Email : \_\_\_\_\_

### NOTES :

1. FOR SHARES HELD IN PHYSICAL FORM, NECS/ECS MANDATE IS REQUIRED TO BE SENT TO THE COMPANY AT ABOVE ADDRESS.
2. FOR SHARES HELD IN DEMATERIALIZED FORM, NECS/ECS MANDATE IS REQUIRED TO BE FILED WITH THE CONCERNED DEPOSITORY PARTICIPANT AND NOT TO THE COMPANY.



# Prakash Industries Limited

CIN : L27109HR1980PLC010724

Registered Office : 15 Km. Stone, Delhi Road, Hissar – 125044 (Haryana)

## ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
Joint share holders may obtain additional Slip at the Venue of the Meeting.

Folio or DP ID & Client ID* No.	
Name of Shareholder(s)	

I hereby record my presence at the **33<sup>rd</sup> Annual General Meeting** of the Company held on Wednesday, 24<sup>th</sup> September, 2014 at 12.30 PM at 15 Km. Stone, Delhi Road, Hissar -125044 (Haryana)

\*Applicable for the investors holding shares in electronic form.

Signature of Shareholder/Proxy

## ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number	User ID	Password

**Note :** Please read the instructions printed under the Note No.12 to the Notice of **33<sup>rd</sup> Annual General Meeting**. The e-voting period starts on Friday, 19<sup>th</sup> September, 2014 (9.00 am) and ends on Monday, 22<sup>nd</sup> September, 2014 (5.00 pm). At the end of the e-voting period, the portal where the votes are cast shall forthwith be blocked by NSDL.



# Prakash Industries Limited

CIN : L27109HR1980PLC010724

Registered Office : 15 Km. Stone, Delhi Road, Hissar – 125044 (Haryana)

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Members(s) :	E-mail ID :
Registered Address :	Folio or DP ID & Client ID* No.

I/We, being the member(s) of Prakash Industries Limited holding \_\_\_\_\_ equity shares, hereby appoint :

- 1) \_\_\_\_\_ of \_\_\_\_\_ having E-mail ID \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having E-mail ID \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having E-mail ID \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **33<sup>rd</sup> Annual General Meeting** of the Company held on Wednesday, 24<sup>th</sup> September, 2014 at 12.30 PM at 15 Km. Stone, Delhi Road, Hissar -125044 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions No.	Description of Resolution	For	Against
1.	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
2.	Declaration of Dividend on Equity Shares		
3.	Re-appointment of Shri P.L. Gupta who retires by rotation		
4.	Appointment of Auditors and fixing their remuneration		
5.	Appointment of Shri Y.N. Chugh as an Independent Director		
6.	Appointment of Shri M.R. Agarwal as an Independent Director		
7.	Appointment of Shri Pankaj Chaturvedi as an Independent Director		
8.	Appointment of Smt. Purnima Gupta as an Independent Director		
9.	Appointment of Shri Kanha Agarwal as Director		
10.	Re-appointment of Dr. S.L. Keswani as an Independent Director		
11.	Re-appointment of Shri K.C. Mehra as an Independent Director		
12.	Approval of the remuneration of the Cost Auditors		
13.	Re-appointment of Shri V.P. Agarwal as Chairman		
14.	Approval for conversion of loan into equity		
15.	Increase the borrowing powers of the Board		
16.	Authority to create hypothecation, mortgage and charge etc.		
17.	Adoption of new Articles of Association of the Company		

Signed this ..... day of ..... 2014

Signature of shareholder

Stamp

₹1

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes: (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered/Corporate Office of the Company not less than 48 hours before the commencement of the meeting.

(2) This is only optional. Please tick (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

## **Prakash Industries Limited**

Corporate Office

Srivan, Bijwasan, New Delhi-110061, Tel : +91-011-25305800, 28062115

Fax : +91-011-28062119 Email : [pilho@prakash.com](mailto:pilho@prakash.com)

[www.prakash.com](http://www.prakash.com)