

# **TWENTY SECOND ANNUAL REPORT 2011-2012 OF PRAKASH CERAMICS LIMITED**

## **BOARD OF DIRECTOR**

ANAND PARDESI	- DIRECTOR
AMISHKUMAR DANTARA	- DIRECTOR
DHANPAL GANDHI	- DIRECTOR

## **AUDITOR**

M/S. Y. D. & CO.  
Chartered Accountants  
LUDHIANA

## **SHARE TRANSFER AGENT**

### **PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED**

Unite No. 9, Shiv Shakti Industrial Estate, Ground Floor,  
JR Boricha Marg, Opp. Kasturba Hospital,  
Lower Parel (E), Mumbai- 400011,  
Ph No: 22-2301 6761 / 8261  
Fax No: 22-2301 2517

## **REGISTERED OFFICE**

SURVEY NO. 64,  
VILLAGE KALSARA,  
KHURD, DISTRICT – DHAR,  
MADHYA PRADESH, INDIA

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**N O T I C E**

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**NOTICE** is hereby given that the **Twenty Second Annual General Meeting** of the Members of **PRAKASH CERAMICS LIMITED** will be held at the Registered Office of the Company at **Survey no. 64, Village Kalsara, Khurd, District – Dhar, Madhya Pradesh, India** on **Saturday, 29th day of September, 2012 at 11:00 A. M.** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2012** and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of **Mr. Anand Pardesi**, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT M/s. Y. D. & Co., Chartered Accountants, Ludhiana [FRN: 018846 N]** be and are hereby appointed as the Statutory Auditors of the Company for the financial year **2012-13**, to hold office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as to be decided by the Board of Directors in consultation with them, apart from out-of-pocket expenses that may be incurred by them for the purpose of audit."

**By Order of the Board  
For, PRAKASH CERAMICS LIMITED**

**PLACE: DHAR (M.P)**

**DATE: 01.09.2012**

**(ANAND PARDESI)  
CHAIRMAN**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.
2. Members/ proxies are requested to bring their copies of Annual Report along with duly filed and signed attendance sheets attached with it for attending the meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting, so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
5. Members are requested to notify the Company of any change in their address (in full) with the postal area pin code number, quoting their folio numbers.
6. The Register of Members and Share Transfer Register of the Company will remain closed from 22nd September, 2012 to 29th September, 2012 (both days inclusive).
7. M/s Purva Sharegistry (India) Private Limited having its registered office at No.- 9, Shiv Shakti Industrial Estate, Gr. Floor, J.R Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai-400011 are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.

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**DIRECTORS' REPORT**

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***Dear Shareholders,***

Your Directors here by present the Twenty Second Annual Report on business and operations of the Company together with the Audited statements of Accounts for the financial year ended on **31st March 2012**.

**REVIEW OF OPERATIONS:**

During the year under review due to sluggish market condition and financial crisis company faces huge set back. So company not in position to generate any revenue from the operation but due to some fixed cost company posted Net Loss of Rs. 191444/-.The management has taken measures as part of its continuous improvements to strengthen operations and viability.

**DIVIDEND:**

Your Directors have not declared any dividend during the year under review due to loss incurred.

**FIXED DEPOSIT:**

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

**DIRECTORS:**

Mr. Anand Pardesi Director of the Company is retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

**AUDITORS AND AUDITORS' REPORT:**

M/s. Y. D. & Co., Chartered Accountants, Ludhiana, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The observations made by the Auditors' in their Auditors' Report and the Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**SECRETARIAL COMPLIANCE CERTIFICATE:**

In accordance with the Section 383A of the Companies Act, 1956 and Companies (Appointment and Qualifications of Secretary) Amendment Rules, 2009, the Company has obtained a certificate from a secretary in whole-time practice confirming that the Company has complied with the provisions of the Companies Act, 1956 and a copy of such certificate is annexed to this report.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement forming part of this report is annexed herewith. The Audit Committee of the Company has regularly reviewed internal Control System of the company.

**CORPORATE GOVERNANCE REPORT:**

Your Company has complied with the requirements of Clause 49 of the Listing Agreement on Corporate Governance. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed separately to this Annual Report.

**PARTICULARS OF EMPLOYEES:**

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

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

The details of conservation of energy, technology absorption etc. as required to be given under Section 217(1) (e) of the Companies Act 1956, are not applicable to our Company, as our Company in not engage in manufacturing activities.

The foreign exchange earning on account of the operation of the Company during the year was Rs. **Nil**.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments 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 that period;
- iii) 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 safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) Directors have prepared the accounts on a "going concern basis".

**ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, and Shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made our Company successful in the business.

**For and on Behalf of the Board  
For, PRAKASH CERAMICS LIMITED**

**PLACE: DHAR (M.P)**

**DATE: 01.09.2012**

**(AANAND PARDESI)  
CHAIRMAN**

**Annexure to Director's Report**

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**COMPLIANCE CERTIFICATE**

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**Corporate Identity No.: U51902MP1990PLC005853****Nominal Capital: Rs.3,50,00,000/-**

To,  
The Members,  
**PRAKASH CERAMICS LIMITED**  
Survey no. 64,  
Village Kalsara, Khurd,  
Dhar, Madhya Pradesh

I have examined the registers, records, books and papers of **M/S PRAKASH CERAMICS LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial ended **31st March, 2012**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The company has not filed any forms and returns as prescribed under the Act and the rules made thereunder with the Registrar of Companies during the aforesaid financial year.
3. The company, being public limited company, comments are not required.
4. The Board of Directors met 5 (Five) times on **29.04.2011, 30.07.2011, 30.08.2011, 05.11.2011 and 08.02.2012** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of members and share transfer books from 24.09.2011 to 30.09.2011 (both days inclusive) and necessary compliance of Section 154 of the Companies Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2011 was held on 30.09.2011 after giving due notice to the members of the company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into contracts specified under Section 297 of the Act during the financial year.
10. The company has made necessary entry in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the board of directors, members or central government.
12. The company has not issued duplicate share certificates during the financial year.

13. The company:
- (i) There was no allotment of shares during the year. The Company has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - (iii) was not required to post warrants to any member of the company as no dividend was declare during the financial year.
  - (iv) has no amount outstanding in unpaid dividend account, application money due for refund, matured deposit, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
  - (v) has complied with the requirements of section 217 of the Act.
14. The board of directors of the company is duly constituted. There was appointment of additional directors of the company. There was no Appointment of Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The Company has obtained all necessary approvals, wherever necessary, of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the provisions of the Act.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has not issued any preference shares or debentures so question of redemption of preference shares or debentures does not arise.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Directors, members, public, financial institution, banks and others during the financial year ended 31st March, 2012 are within the borrowing limits of the Company as laid down in Section of 293 (1) (d) of the Act.
25. The company has not made any loan and advances to other bodies corporate as prescribed under section 372A of the Companies Act, 1956.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to change of object of the company during the year under scrutiny.

28. The company has not altered the provisions of the memorandum with respect to change of name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association with respect to change of name of the company during the financial year.
31. As per information and explanations furnished to me that there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishments was imposed on the company during the financial year, for offences under the act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not deducted any contribution towards provident fund pursuant to section 418 of the companies act, 1956 during the financial year.

**PLACE: BHILWARA**

**DATE: 01.09.2012**

**[SHUBHAM AGARAWAL]**  
**Company Secretaries**  
**C. P. NO.: 10640**

**ANNEXURE: "A" : SECRETARIAL COMPLIANCE CERTIFICATE**

The Company has been maintaining the statutory records such as:

Sr No	under Section	Name of the Register
1.	150	Register of Members
2.	193	Minutes Book of Annual General Meeting
3.	193	Minutes Book of Board Meeting
4.	209	Books of Accounts
5.	303	Register of Directors, Managing Director, Manager & Secretary
6.	307	Register of Directors Shareholdings

**Annexure to Director's Report****MANAGEMENT DISCUSSION ANALYSIS REPORT****Outlook:**

The company is confident in spite of the possible recessionary conditions in the industry it will perform better in view of the strong fundamentals of the Indian companies and hope to improve its Turnover.

**Internal Controls Systems and their adequacy:**

The company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of law and regulations. The internal control system is supported by the internal audit process. The Internal Auditor reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of internal controls.

**Human Resources:**

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

**Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**Annexure to Director's Report****REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2012****1. THE CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance at the Company is by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

**2. BOARD OF DIRECTORS**

The Board of Directors is having non-executive and independent directors as on 31st March, 2012. The Board of Directors is consisting of three Directors. The Directors manages the day to day affairs of the Company. Non-executive and independent directors did not have any pecuniary relationship of transactions with the company during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

**Numbers of Board Meetings held and the dates on which such meetings were held:**

During the financial year 2011-12 the Board met 5 (Seven) times on **29.04.2011, 30.07.2011, 30.08.2011, 05.11.2011 and 08.02.2012**. The maximum gap between two meetings was not more than 4 months.

**Attendance record of Directors attending the Board meetings and Annual General Meetings:**

Name of the Director	Designation/ Category	No. of Board Meetings		Last AGM attendance
		Held	Attended	
Mr. Anand Pardesi	Executive & Non Independent	5	5	Yes
Mr. Amishkumar Dantara	Non Executive & Independent	5	5	Yes
Mr. Dhanpal Gandhi	Non Executive & Independent	5	5	Yes

None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director.



### 3. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of three Directors being Mr. Anand Pardesi, Mr. Amishkumar Dantara, Mr. Dhanpal Gandhi

**Mr. Amishkumar Dantara (Independent Director) is Chairman of the Committee.**

The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956, and Listing Agreement.

#### Role/ Functions of the Committee:

- Reviewing with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of policies relating to risk management – operational and financial.
- Reviewing with the management, external auditors and the adequacy of the internal control system.

#### Powers of the Committee:

- To investigate any activity within its terms of reference.
- To secure attendance of and seek any information from any employee including representative of the prime shareholders (subject to their internal approvals).
- Compliance with accounting standards.
- To obtain outside legal or other professional advice, if necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Compliance with Stock Exchange and legal requirements concerning financial statements.

#### Attendance at the Audit Committee Meetings- 2012

During the year the Audit Committee met 4 times on **29.04.2011, 30.07.2011, 05.11.2011 and 08.02.2012** attendance of the members as under:

Name	Designation/ Category	No. of Meeting attended	
		Held	Attended
Mr. Anand Pardesi	Executive & Non Independent	4	4
Mr. Amishkumar Dantara	Non Executive & Independent	4	4
Mr. Dhanpal Gandhi	Non Executive & Independent	4	4

### 4. REMUNERATION COMMITTEE

As neither remuneration nor sitting fee paid to the director as no remuneration Committee has not been set up.

### 5. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE

The present members of Investors Grievance committee are Mr. Anand Pardesi, Mr. Amishkumar Dantara and Mr. Dhanpal Gandhi.

**Mr. Dhanpal Gandhi** is Chairman of the Committee. The committee was constituted to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, non-receipt of annual accounts, delay in balance sheet, split-up share certificate, issue duplicate certificate, transmission of shares, dematerialization of shares etc. relating to the shares issued by the Company. **Mr. Dhanpal Gandhi**, Director of the Company has been authorized by the Board to approve such transfers within the time stipulated under the Listing Agreement. Further the complaints of the above nature are promptly attended by the Compliance Officer.

**Mr. Dhanpal Gandhi** has been appointed as the Compliance Officer of the Company by the Board of Directors.

There is no pending, unsolved complaint of Shareholders of the Company and no pending Share Transfer.

**6. GENERAL BODY MEETINGS****Location and time for last 3 years Annual General Meetings:**

Financial Year	Location	Date	Time A.M./ P.M.
2010-11	Survey no. 64, Village Kalsara Khurd, District: Dhar, Madhya Pradesh, INDIA	30.09.2011	1:00 P.M.
2009-10	Survey no. 64, Village Kalsara Khurd, District: Dhar, Madhya Pradesh, INDIA	30.09.2010	11:00 A.M.
2008-09	Survey no. 64, Village Kalsara Khurd, District: Dhar, Madhya Pradesh, INDIA	30.09.2009	11:00 A.M.

No Extra Ordinary General Meeting held during the year. No special resolution was required to be carried out through postal ballot during the last year. No resolution is proposed by postal ballot at the ensuing Annual general meeting.

**7. DISCLOSURES**

- There are no materially significant related party transactions i.e. transactions of the Company of material natures, with its promoters, the directors or the managements, their subsidiaries or relatives etc., that may have potential conflict with interest of the Company at large.
- No penalties or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The Company has complied with various rules and regulations prescribed by the Stock Exchange and SEBI during the last three years. No penalties or strictures have been imposed by them on the Company.

**8. MEANS OF COMMUNICATION**

The Company has submitted its quarterly, half yearly and yearly financial results to the Stock Exchanges as well as website of the company immediately after its approval by the Board. The Company did not send the half yearly report to the Shareholders of the Company.

**9. GENERAL SHAREHOLDERS INFORMATION:**

Financial Year	1st April, 2011 to 31st March, 2012	
Date and time of Annual General Meeting	29th September, 2012 and 11:00 A.M.	
Venue of Annual General Meeting	Survey no. 64, Village Kalsara, Khurd, District – Dhar, Madhya Pradesh, INDIA	
Dates of Book Closure	22nd September, 2012 to 29th September, 2012	
Listing on Stock Exchange	BSE Limited, Mumbai	
Stock Code and Scrip ID	515111 (BSE) and PRACERA	
Demat ISIN No.	N. A.	
<b>Financial Year Calendar (tentative and subject to change) (01.04.2012 to 31.03.2013)</b>		
Financial reporting for the First quarter ending on 30th June, 2012	Last week of July, 2012	
Financial reporting for the Half year ending on 30th September, 2012	Last week of October, 2012	
Financial reporting for the Third quarter ending on 31st December, 2012	Last week of January, 2013	
Financial reporting for the Year ending on 31st March, 2013	Last week of April, 2013	
Annual General Meeting for the year ending on 31st March, 2013	Last week of September 2013	

**10. CATEGORIES OF SHAREOWNERS AS ON 31-03-2012:**

Category	No. of Shares Held	Voting Strength (%)
Promoters	410400	12.00
Resident Individuals	2150838	62.89
Financial Institutions/ Banks	00	00
Bodies Corporate	858762	25.11
Others	00	00
<b>Total</b>	<b>3420000</b>	<b>100</b>

**11. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2012:**

Shares Distribution	Holders	% of Total	Total Shares	% of Total
Up to 5000	630	88.48	1136300	33.23
5001 - 10000	42	5.90	270700	7.92
10001- 20000	22	3.09	252300	7.38
20001- 30000	6	0.84	109400	3.2
30001- 40000	2	0.28	56000	1.64
40001- 50000	2	0.28	64100	1.87
50001- 100000	3	0.42	151900	4.44
100001 and above	5	0.70	1379300	40.32
<b>Total</b>	<b>712</b>	<b>100.00</b>	<b>3420000</b>	<b>100.00</b>

**12. STOCK MARKET DATA**

During the financial year, the trading in equity shares of the Company is suspended; the stock price data is not available.

**13. REGISTRAR AND SHARE TRANSFER AGENT**

M/s. Purva Sharegistry (India) Pvt. Ltd. having its Registered Office at 9, Shivshakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Mumbai – 400011 is the Registrar & Share Transfer Agent for processing the transfer of securities issued by the Company.

**14. SHARE TRANSFER SYSTEM**

Transfer of Shares in Physical form are registered and dispatched within 3 weeks from the date of their receipts, subject to the documents being valid and complete in all respects. Transfer of shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee called as “Investor / Shareholders Grievance Committee”, which meets at frequent intervals. Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respect.

**15. ADDRESS FOR CORRESPONDENCE:**

Survey no. 64, Village Kalsara, Khurd,  
District – Dhar,  
Madhya Pradesh, India.

**Investors Correspondence/ Complaints to be address to:**

**Mr. Dhanpal Gandhi - Director and Compliance Officer**

**E-mail: [prakashceramics@yahoo.in](mailto:prakashceramics@yahoo.in)**

**16. DECLARATION:****DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY**

In the above regards, I declare as follows:

1. The company does have a code of conduct approved by its board of directors, which would be posted on its website shortly.
2. All the members of the board of directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the code of conduct as applicable to the financial year ended on March 31st 2012.

**For and on Behalf of the Board  
For, PRAKASH CERAMICS LIMITED**

**PLACE: DHAR (M.P)**

**DATE: 01.09.2012**

**(ANAND PARDESI)  
CHAIRMAN**

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CEO/CFO CERTIFICATE

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The Board of Director  
**PRAKASH CERAMICS LIMITED**  
Dhar.

I, Anand Pardesi, Chairman of **PRAKASH CERAMICS LIMITED**, to the best of my knowledge and belief certify that:

1. I have reviewed the Balance Sheet, Profit & Loss Account and its schedules & notes on accounts as well as the Cash Flow Statement and Directors' Report for the year ended 31st March, 2012 and that to the best of my knowledge and belief.
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. I also certify that to the best of my knowledge and the information provided to me, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps. I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
  - significant changes in internal control, if any, over financial reporting during the year;
  - significant changes, if any, in accounting policies during the year and that the financial statements; and
  - instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system.
5. I further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended on 31st March, 2012.

**PLACE: DHAR (M.P)**

**DATE: 01.09.2012**

**(ANAND PARDESI)**  
**CHAIRMAN AND DIRECTOR**

**To the members of PRAKASH CERAMICS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **PRAKASH CERAMICS LIMITED** for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of condition 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 conditions of 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For, Y. D. & Co**  
**CHARTERED ACCOUNTANTS**  
**FRN: 018846N**

**PLACE: LUDHIANA**

**DATE: 01.09.2012**

**CA RAKESH PURI**  
**PARTNER**  
**M. No.: 092728**

**AUDITORS' REPORT TO THE MEMBERS OF PRAKASH CERAMICS LIMITED**

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We have audited the annexed Balance Sheet of **PRAKASH CERAMICS LIMITED** as on 31st March 2012 and also the Profit & Loss Account for the period ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with accounting standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

- (1) As required by the Companies (Auditor Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227(4A) of the Companies Act 1956, we give in the Annexure a statement on the matters specified in the said order to the extent applicable.
- (2) 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.
- (3) 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 such books.
- (4) The Balance sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts.
- (5) In our opinion, the Balance Sheet, Profit & Loss Account, and Cash Flow statement dealt with by this report comply with the Accounting Standard referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
- (6) On the basis of written representation received from the Directors and taken on records by the Board of Directors, we report that none of the Directors is disqualified as at 31st March 2012 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- (7) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes thereon, particularly the note no 4 regarding inter corporate investment and Loans thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012 and;
  - (b) In case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.
  - (c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For, Y. D. & Co**  
**CHARTERED ACCOUNTANTS**  
**FRN: 018846N**

**PLACE: LUDHIANA**

**DATE: 01.09.2012**

**CA RAKESH PURI**  
**PARTNER**  
**M. No.: 092728**

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**ANNEXURE TO THE AUDITORS' REPORT**

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Annexure referred to in Paragraph 3 of the Auditors Report of Even date to the Member of **PRAKASH CERAMICS LIMITED**

1. The fixed assets register was not made available to us for verification, However as explained to us the fixed assets have been physically verified by the management at reasonable intervals and no materials discrepancies have been noticed on such verification.
2. (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.  
(b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.  
(c) The Company is maintaining proper records of inventory.
3. (a) As per information and explanation given to us, the company has not granted loans to parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii) (a), (b), (c) & (d) are not applicable to the company.  
  
(b) As per information and explanation given to us, the company has not taken loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii) (e), (iii) (f) and (iii) (g) are not applicable to the company.
4. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and for the sale of goods. During the course of audit, we have not observed the continuing failure to correct major weakness in internal controls.
5. In opinion and according to the information and explanation given to us, there are no transactions of purchase and sales or services of goods and materials and made in pursuance of contracts or arrangements entered in the Registers maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 50000/- or more in respect of each party.
6. The company has not accepted any deposits from public within the meaning of provisions of section 58 A & Section 58 AA of the Companies Act, 1956.
7. In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
8. As informed to us the company is not required to maintain cost accounts and records as prescribed by Central Government under section 290 (1)(d) of the Companies Act 1956.
9. According to the records of the company, statutory dues including Investor Education and Protection fund, Income Tax and other statutory dues have been generally deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31st March, 2002 for a period of more than six months from the date of becoming payable.
10. The accumulated losses of the Company are not more than fifty percent of the net worth and the company has incurred cash loss in current financial year, The Company has also incurred cash loss in the previous financial year.
11. In our opinion and according to the information and explanations given to us, Company has not defaulted in Repayment of any dues to financial institutions or banks
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit/society. Therefore, clause 4(xiii) of the Companies (Audit Report) Order, 2003 is not applicable to the company.
14. In our opinion the Company has maintained records of transactions and contracts in respect of investment in shares, mutual funds and other investments and generally timely entries have been made therein. All the shares, mutual funds and other investments held by the companies are in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
15. In our opinion The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year.
17. On the basis of an overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, in our opinion, funds raised on short term basis have not been used during the year for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
19. The Company has not issued any debentures till date.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted audit practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For, Y. D. & Co**  
**CHARTERED ACCOUNTANTS**  
**FRN: 018846N**

**PLACE: LUDHIANA**

**DATE: 01.09.2012**

**CA RAKESH PURI**  
**PARTNER**  
**M. No.: 092728**



BALANCE SHEET AS AT 31ST MARCH, 2012			
(Amount in Rupees)			
Particulars	Notes	31.03.2012	31.03.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	2	33974000	33974000
(b) Reserves and Surplus	3	(2901590)	(2710146)
<b><u>(2) Share Application money pending Allotment</u></b>		00	00
<b><u>(3) Non-Current Liabilities</u></b>		00	00
<b><u>(4) Current Liabilities</u></b>			
(a) Trade Payables	4	12912579	12731835
(b) Other Current Liabilities	5	1240087	1240087
<b>Total Equity &amp; Liabilities</b>		<b>45225076</b>	<b>45235776</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
<b><u>(a) Fixed Assets</u></b>	6		
(i) Gross Block		26138880	26138880
(ii) Depreciation		00	00
(iii) Net Block		26138880	26138880
(b) Long term loans and advances	7	10053347	10053347
(c) Other non-current assets	8	8854785	8854785
<b><u>(2) Current Assets</u></b>			
(a) Cash and cash equivalents	9	15400	26100
(b) Short-term loans and advances	10	162664	162664
<b>Total Assets</b>		<b>45225076</b>	<b>45235776</b>
<b>NOTES TO ACCOUNTS</b> <span style="float: right;">1 to 20</span> <i>Schedules referred to above and notes attached there to form an integral part of Balance Sheet</i> <i>This is the Balance Sheet referred to in our Report of even date.</i>			
For Y. D. & Co. <b>CHARTERED ACCOUNTANTS</b> Firm Reg. No. 018846 N		<b>FOR AND ON BEHALF OF THE BOARD</b>	
(CA RAKESH PURI) PARTNER/M. No. 092728 Place: Ludhiana Date: 01.09.2012		ANAND PARDESI (DIRECTOR) Place: Dhar Date: 01.09.2012	AMISHKUMAR DANTARA (DIRECTOR)

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2012 (Amount in Rupees)				
Sr. No	Particulars	Notes	2011-12	2010-11
I	Revenue from operations		00	00
II	Other Income		00	00
III	<b>III. Total Revenue (I +II)</b>		<b>00</b>	<b>00</b>
IV	<b>Expenses:</b>			
	Employee Benefit Expense	11	3500	3500
	Other Administrative Expenses	12	187944	5500
	<b>Total Expenses (IV)</b>		<b>191444</b>	<b>9000</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>(191444)</b>	<b>(9000)</b>
VI	Exceptional Items		00	00
VII	Profit before extraordinary items and tax	(V - VI)	<b>(191444)</b>	<b>(9000)</b>
VIII	Extraordinary Items		00	00
IX	Profit before tax (VII - VIII)		<b>(191444)</b>	<b>(9000)</b>
X	Tax expense		00	00
XI	Profit(Loss) from the perid from continuing operations	(IX-X)	<b>(191444)</b>	<b>(9000)</b>
XII	Profit/(Loss) from discontinuing operations		00	00
XIII	Tax expense of discounting operations		00	00
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	<b>00</b>	<b>00</b>
XV	Profit/(Loss) for the period (XI + XIV)		<b>(191444)</b>	<b>(9000)</b>
XVI	Earning per equity share:			
	(1) Basic		00	00
	(2) Diluted		00	00

## NOTES TO ACCOUNTS

1 to 20

*Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement  
This is the Profit & Loss Statement referred to in our Report of even date.*

For Y. D. &amp; Co.

FOR AND ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS

Firm Reg. No. 018846 N

(CA RAKESH PURI)

ANAND PARDESI  
(DIRECTOR)AMISHKUMAR DANTARA  
(DIRECTOR)

PARTNER/M. No. 092728

Place: Ludhiana

Date: 01.09.2012

Place: Dhar

Date: 01.09.2012



**Note 1: SIGNIFICANT ACCOUNTING POLICIES**

- METHOD OF ACCOUNTING:** Accounts of the company are maintained on the basis of Mercantile System of accounting, Accounting method not referred otherwise are in consistent with the generally accepted accounting practices.
- FIXED ASSETS:** Fixed Assets are stated at cost less depreciation, Fixed assets purchased during the year are capitalized at cost inclusive of expense up to their completion or acquisition.
- INVESTMENT:** Investment are valued at cost.
- FOREIGN CURRENCY TRANSACTIONS:** There is no foreign currency transaction
- RETIREMENT BENEFITS:** Provident fund and employees state insurance scheme contribution is not applicable to the company.
- RETIREMENT BENEFITS:**  
**Current Tax:** Provision for Income-Tax is determined in accordance with the provisions of Income-tax Act 1961.  
**Deferred Tax Provision:** Deferred tax is recognized, on timing difference, being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**Note : 2 Share Capital**

Sr. No	Particulars	Rs.	Rs.
		Current Year	Previous Year
1	<b>AUTHORIZED CAPITAL</b> 3500000 Equity Shares of Rs. 10/- each	35,000,000	35,000,000
		<b>35,000,000</b>	<b>35,000,000</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> <b>To the Subscribers of the Memorandum</b> Paid up Share capital by allotment 3420000 Equity shares of Rs. 10/- (Pre. Yr. 3420000 Equity Shares of Rs. 10/- Each) Less : Application and Allotment money receivable	34,200,000 226,000	34,200,000 226,000
	<b>Total in `</b>	<b>33,974,000</b>	<b>33,974,000</b>

**Note : 3 Reserve & Surplus**

1	Surplus (Profit & Loss Account)	(2,901,590)	(2,710,146)
	Balance brought forward from previous year	(2,710,146)	(2,701,146)
	Less: Short Prov of I.Tax of Prev Year	00	00
	Less: Tax on Regular Assessment Paid	00	00
	Add: Profit for the period	(191,444)	(9,000)
	<b>Total in `</b>	<b>(2,901,590)</b>	<b>(2,710,146)</b>

**Note : 4 Trades Payable**

1	-Sundry Creditors for Materiel/Supplies:	7,186,206	7,186,206
2	-Sundry Creditors for Services:	5,726,373	5,545,629
	<b>Total in `</b>	<b>12,912,579</b>	<b>12,731,835</b>

**Note : 5 Other Current Liabilities**

1	Others	1,240,087	1,240,087
	<b>Total in `</b>	<b>1,240,087</b>	<b>1,240,087</b>

**Note : 7 Long Term Loans and Advances**

1	<b>Other Loans &amp; Advances</b>	10,053,347	10,053,347
	<b>Total in `</b>	<b>10,053,347</b>	<b>10,053,347</b>

**Note : 8 Other Non Current Assets**

Sr. No	Particulars	Rs	Rs
		Current Year	Previous Year
1	Preoperative Exp	8,854,785	8,854,785
	<b>Total in `</b>	<b>8,854,785</b>	<b>8,854,785</b>

**Note : 9 Cash & Cash Equivalent**

1	<b>Cash-in-Hand</b> Cash Balance	15,400	26,100
	<b>Total [ A + B + C ]</b>	<b>15,400</b>	<b>26,100</b>

**Note :10 Short Terms Loans and Advances**

1	Others	162,664	162,664
	<b>Total in `</b>	<b>162,664</b>	<b>162,664</b>

**Note : 11 Employment Benefit Expenses**

1	Salaries, Bonus, PF & ESIC	3,500	3,500
	<b>Total in `</b>	<b>3,500</b>	<b>3,500</b>

**Note : 12 Other Expenses**

1	Audit Fees	3,000	3,000
2	Computer Maintenance Exp.	1,200	400
3	Listing Fees	180,744	00
4	Printing & Stationery	760	600
5	Misc. Exp.	440	800
6	Office & General Expenses	600	400
7	Telepohne & Posting Exp.	1,200	300
	<b>Total in `</b>	<b>187,944</b>	<b>5,500</b>

**Note: 13** Estimated amount of contract remaining to be executed on Capital Accounts not provided for is Rs. NIL (Previous year Rs. NIL)

**Note: 14** The outstanding balances of Deposits, Loans and Advances Creditors, etc. are subject to confirmation, reconciliation and adjustments, if any.

**Note: 15** Pre – Operative Expenses shall be allocated to Fixed Assets when the Company will commence commercial production.

**Note: 16** In the opinion of the Board the Loans and advances and deposits are approximately of the value stated, if realized in the ordinary course of business.

Note : 6 Fixed Asset												
Sr. No	Particulars	Rate	Gross Block				Depreciaton				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.12.2012	WDV as on 31.03.2011
III	<b>Capital Work-in-progress</b>											
1	Building Under Construction		7,576,126	-	-	7,576,126	-	-	-	-	7,576,126	7,576,126
2	Electric Installation		659,556			659,556					659,556	659,556
3	Plant & Machinery		16,999,339			16,999,339					16,999,339	16,999,339
4	Site Development		903,859			903,859					903,859	903,859
	<b>Total [A + B + C + D] (Current Year)</b>		<b>26,138,880</b>	<b>-</b>	<b>-</b>	<b>26,138,880</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,138,880</b>	<b>26,138,880</b>
	<b>(Previous Year)</b>		<b>26,138,880</b>	<b>-</b>	<b>-</b>	<b>26,138,880</b>					<b>26,138,880</b>	<b>26,138,880</b>

**Note: 17** The Accounts which have been adjusted by debit and credit entries & respective parties account are subject of confirmation.

**Note: 18** Additional information pursuant of the Companies Act, 1956.

Quantitative Details		As at 31.03.2012	As at 31.03.2011
A	Annual Licensed Capacity (as per registration with SIA) for Bricks	72 Million Nos.	72 Million Nos.
B	Installed Capacity	The plant & machineries are under implementation	
C	Actual Production	NIL	NIL
D	Opening Stock, Purchases, Consumption, Sales & Closing Stock of Raw Materials	NIL	NIL
E	Opening Stock, Product on Sales & Closing Stock of finished goods		
F	Employees employed throughout the year who are in receipt of remuneration in aggregate of the limit laid down in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended regarding employees		
G	Remuneration to Directors during the year	3000	3000
H	CIF Value of Imports	NIL	NIL
I	Expenditure in Foreign Currency	NIL	NIL
J	Remittances in Foreign Currency on account of Dividend	NIL	NIL
K	Earning in Foreign Currency	NIL	NIL

**Note: 19** there was a survey on the assessee company premises on 9th September, 1996 and as explained to us certain records & documents in original were taken in possession by the Income Tax Departments and of which photocopies have not been given by the department. No panchnama of the records / documents taken in possession was prepared.

**Note: 20** previous year's figures have been regrouped / rearranged wherever considered necessary.

In terms of our report of even date

For Y. D. & Co.  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 018846 N

(CA RAKESH PURI)  
PARTNER/M. No. 092728  
Place: Ludhiana  
Date: 01.09.2012

FOR AND ON BEHALF OF THE BOARD

ANAND PARDESI  
(DIRECTOR)      AMISHKUMAR DANTARA  
(DIRECTOR)

Place: Ahmedabad  
Date: 01.09.2012

**PRAKASH CERAMICS LIMITED**

**Regd. Office:** Survey no. 64, Village Kalsara, Khurd, District – Dhar, Madhya Pradesh, India

**Twenty Second Annual General Meeting to be held on 29.09.2012 at 11.00 A.M. at Survey no. 64, Village Kalsara, Khurd, District – Dhar, Madhya Pradesh, India.**

**ATTENDANCE SLIP**

Registered Folio No.:..... (or)

Demat Account No.:..... D.P. ID No.:.....

Name of the Shareholder:.....

I/we hereby certify that I am/we are Member/s/ Proxy of the Member/s of the Company holding ..... Shares.

.....  
**Signature of Member/s/ Proxy**

- A member or his duly appointed Proxy willing to attend the meeting must fill-up this Admission Slip and hand over at the entrance.
- Name of the Proxy in Block Letters..... (in case a Proxy attends the meeting)
- Those who hold shares in demat form to quote their Demat A/c. No. and Depository Participant (D.P.) ID No.

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**PRAKASH CERAMICS LIMITED**

**Regd. Office:** Survey no. 64, Village Kalsara, Khurd, District – Dhar, Madhya Pradesh, India

**Twenty Second Annual General Meeting to be held on 29.09.2012 at 11.00 A.M. at Survey no. 64, Village Kalsara, Khurd, District – Dhar, Madhya Pradesh, India.**

**PROXY FORM**

I/We .....

/of .....

Member / Members of **PRAKASH CERAMICS LIMITED** hereby appoint.....

of .....of failing him/ her.....

of .....as my/ our Proxy to attend and vote for me/us on my/ our behalf at the 22nd Annual General Meeting of the Company to be held on 29.09.2012 at 11:00 A. M. at **Regd. Office:** Survey no. 64, Village Kalsara, Khurd, District – Dhar, Madhya Pradesh, India and at any adjournment thereof.

**Signed on this .....day of .....2012.**

Ref. Folio No.....

Demat Account No..... D.P. ID No.....

No. of Shares held.....

Affix  
Revenue  
Stamp

Signature .....

- The Proxy form should be signed by the member across the stamp.
- A member intending to appoint a Proxy should complete the Proxy Form and deposit it at the Company's Regd. Office, at least 48 before the time.
- Those who hold shares in demat form to quote their Demat A/c. No. and Depository Participant (D.P.) ID No.



# BOOK-POST



If undelivered, please return to:

**PRAKASH CERAMICS LIMITED**

**Regd. Office: Survey no. 64, Village Kalsara, Khurd, District – Dhar, Madhya Pradesh, India.**