



# Prakash Industries Limited

Near I.O.C.L. Depot, Najafgarh - Bijwasan Road,  
Bijwasan, New Delhi-110061. CIN : L27109HR1980PLC010724  
Tel. : 25305800, 28062115, Fax : 91-11-28062119  
E-mail : pilho@prakash.com, Website : www.prakash.com

PIL/SE/MIS/2017

8<sup>th</sup> August, 2017

Listing Department  
BSE Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400001

Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor, Plot No. C/1  
G Block, Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400051

Company Code : 506022

Company Symbol : PRAKASH

**Subject: Representation submitted to Securities and Exchange Board of India (SEBI)**

Dear Sir

Please find enclosed herewith representation submitted to Securities and Exchange Board of India (SEBI) and to Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd (NSE) in response of SEBI circular no SEBI/HO/ISD/OW/P/2017/18183 dated August 7, 2017 for your kind information and records. Kindly disseminate the same on your website.

This disclosure is in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

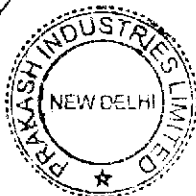
Yours faithfully

**For Prakash Industries Ltd**

*Ashwini Kumar*

Ashwini Kumar

Company Secretary





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Ref No. SEBI/2017-2018/10

Dated 8<sup>th</sup> August, 2017

**The Executive Director**  
**Securities and Exchange Board of India**  
SEBI Bhavan  
Plot No. C4-A  
G Block  
Bandra Kurla Complex  
Bandra (East)  
Mumbai-400 051

**Kind Attn: Shri. Narendraa Parakh, Executive Director**

Dear Sir,

Please refer to your letter no. SEBI/HO/ISD/OW/2017/18183 dated August 7, 2017 addressed to various stock exchanges, inter alia, calling upon them to take certain steps as enunciated in the said letter. It is submitted that our name has been mentioned at item no. 113 in the said list of 331 companies attached therewith

At the outset we would like to inform you that we are not a "shell company" as alleged. We are not a company which can by any stretch of imagination be termed as such and we are a healthy profit making company having an annual turnover of over INR 2400 crores and profit of INR 78 crores during last year (FY2016-17). We also have over 52,000 shareholders and our scrip is actively traded in NSE and BSE and currently the average daily volume is over 2 Million shares. We have complied with all regulations and at no time have the authorities issued any notices to us in this regard. Further we have no investor complaints which are pending and as such keeping us under "shell" company list is totally unwarranted and uncalled for.

That as such any direction issued by you in terms of your letter under reference is totally devoid of merit and uncalled for. Besides that there has never been any occasion when our company has been indulged in any kind of malpractices in stock market.

Besides this, the stock exchange in their overzealousness to comply with your directions had already placed our shares listed at various stock exchanges in Stage VI category without even complying with other directions as contained in the said letter.



Regd. Office : 15 Km Stone, Delhi Road, Hissar - 125 044



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It is submitted that in terms of para (C) contained in your letter exchanges ought to have initiated process of verifying credentials of our company which has not been done and our shares are placed in Stage VI. This has caused serious prejudice to the company as well as its shareholders. That such an exercise of powers by SEBI is totally uncalled for and unwarranted in so far as our company is concerned.

We may point out that we are a large company having turnover in excess of Rs. 2400 crores. Our latest quarterly results as published on 17<sup>th</sup> July, 2017 in the Economic Times is annexed herewith marked as Annexure "A". Our last Annual Report/s including Audited Balance Sheet/s are annexed herewith marked as Annexure "B". Further we have paid more than INR 675 crores as Excise Duty and Income Tax in the last three years. It is therefore clear that the directions is misconceived and the data collected by the MCA is totally incorrect.

That under the circumstances we call upon you to forthwith withdraw such direction qua our company and same be placed under normal trading as was being done.

Should you require any further clarification and/or documentary evidence in support of our contention, kindly do let us know. We would also request you to kindly issue the necessary directions, as such harsh action against the company, which is directly prejudicial not only to the company as well as its large number of public shareholders.

For **Prakash Industries Limited**

**(Rakesh Kumar)**  
President



Encl: as above

CC: 1) National Stock Exchange, Mumbai

2) BSE Limited, Mumbai

3) National Securities Depositories Limited, Mumbai

4) Central Depositories Services, Mumbai



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Dated 8<sup>th</sup> August, 2017

PIL/SEC/BSE/2017-2018

**The Managing Director and CEO**  
**Bombay Stock Exchange**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

**Kind Attn: Shri. Ashish Chauhan, MD & CEO, BSE**

Dear Sir,

Please refer to your circular ref. no. 120/2017 & SEBI letter no. SEBI/HO/ISD/OW/2017/18183, both dated August 7, 2017, calling upon to take certain steps as enunciated in the said letter. It is submitted that our name has been mentioned at item no. 113 in the said list of 331 companies attached therewith

At the outset we would like to inform you that we are not a "shell company" as alleged. Prakash Industries Limited is a public limited company listed on stock exchanges since 1981 and has been meticulously filing all the reports with the exchanges. We are not a company which can by any stretch of imagination be termed as such and we are a healthy profit making company having an annual turnover of over INR 2400 crores and profit of INR 78 crores during last year (FY2016-17). We also have over 52,000 shareholders and our scrip is actively traded in NSE and BSE and currently the average daily volume is over 2 Million shares. We have complied with all regulations and at no time have the authorities issued any notices to us in this regard. Further we have no investor complaints which are pending and as such keeping us under "shell" company list is totally unwarranted and uncalled for.

That as such any direction issued by you in terms of your letter under reference is totally devoid of merit and uncalled for. Besides that there has never been any occasion when our company has been indulged in any kind of malpractices in stock market.

Besides this, the stock exchange in their overzealousness to comply with the direction of SEBI had already placed our shares listed at stock exchanges in

Stage VI category without even complying with other directions as contained in the said letter.

It is submitted that in terms of para (C) contained in your letter exchanges ought to have initiated process of verifying credentials of our company which has not been done and our shares are placed in Stage VI. This has caused serious prejudice to the company as well as its shareholders. That such an exercise of powers is totally uncalled for and unwarranted in so far as our company is concerned.

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Should you require any further clarification and/or documentary evidence in support of our contention, kindly do let us know. We would also request you to kindly issue the necessary directions, as such harsh action against the company, which is directly prejudicial not only to the company as well as its large number of public shareholders.

**For Prakash Industries Limited**

  
**(Rakesh Kumar)**  
**President**



Encl: as above

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Dated 8<sup>th</sup> August, 2017

PIL/SEC/NSE/2017-2018

**The Managing Director and CEO**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E)  
Mumbai – 400 093

**Kind Attn: Shri. Vikram Limaye, MD & CEO, NSE**

Dear Sir,

Please refer to your circular ref. no. 120/2017 & SEBI letter no. SEBI/HO/ISD/OW/2017/18183, both dated August 7, 2017, calling upon to take certain steps as enunciated in the said letter. It is submitted that our name has been mentioned at item no. 113 in the said list of 331 companies attached therewith

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For **Prakash Industries Limited**

  
(**Rakesh Kumar**)  
**President**



Encl: as above

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# Prakash Industries Limited

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**Corp. Office :** SRIVAN, Bijwasan, New Delhi - 110061

**Website:** www.prakash.com | **E-mail:** investorshelpline@prakash.com

**CIN:** L27109HR1980PLC010724

**13%**

Turnover

**94%**

EBIDTA

**345%**

Profit  
after Tax

**PROFIT  
AFTER TAX  
4.45 TIMES**

## UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

(₹ in lakhs)

S. No.	Particulars	Quarter Ended 30.06.2017 (Unaudited)	Year Ended 31.03.2017 (Audited)	Quarter Ended 30.06.2016 (Unaudited)
1	Total Income from Operations	72,233	241,480	63,896
2	Net Profit for the period (before Tax and Extraordinary items)	6,173	8,840	1,404
3	Net Profit for the period (after Tax and Extraordinary items)	5,941	8,100	1,404
4	Total Comprehensive Income for the period (after Tax)	5,875	7,835	1,319
5	Paid up Equity Share Capital (Face Value ₹ 10 per Share)	14,896	13,905	13,507
6	Reserves as shown in the Audited Balance Sheet of the previous year	-	208,191	-
7	Earning Per Share (Face Value ₹ 10 per Share)			
	Basic (₹)	4.38	5.97	1.04
	Diluted (₹)	3.96	5.40	0.92

### Notes:

- The above results for the quarter ended 30<sup>th</sup> June, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 17<sup>th</sup> July, 2017 and Statutory Auditors of the Company have carried out a Limited Review.
- The above is an extract of the detailed format of quarterly financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the quarterly financial results is available on Stock Exchanges websites namely www.bseindia.com (BSE), www.nseindia.com (NSE) and Company's website www.prakash.com
- Previous periods figures have been regrouped / reclassified, wherever necessary.

By order of the Board

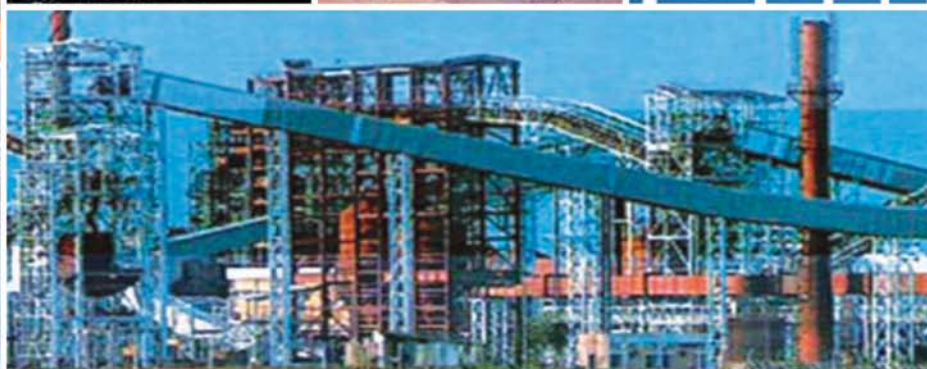
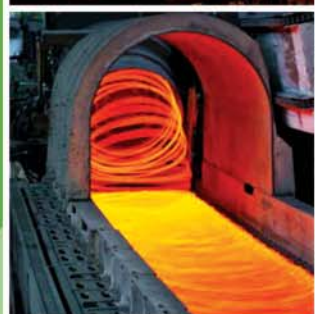
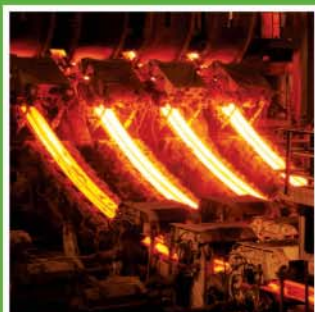
Place: New Delhi  
Date: 17<sup>th</sup> July, 2017

**Vikram Agarwal**  
Managing Director





Think **Ahead**  
to **Stay** Ahead



**Prakash Industries Limited**



# **PRAKASH INDUSTRIES LIMITED**

## **BOARD OF DIRECTORS**

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

## **COMPANY SECRETARY**

Shri Ashwini Kumar

## **STATUTORY AUDITORS**

Chaturvedi & Co.  
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)

Raipur (Chhattisgarh)

Kashipur (Uttarakhand)

Koira, Distt. Koenjhar (Odisha)

Muppandal (Tamil Nadu)

## **WEBSITE**

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

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the 36<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

**FINANCIAL RESULTS**

	(₹ in Crores)	
	<b>For the year ended 31<sup>st</sup> March, 2017</b>	<b>For the year ended 31<sup>st</sup> March, 2016*</b>
Gross Sales	<b>2414.80</b>	2281.20
Other Income	<b>3.32</b>	4.81
Total Income	<b>2418.12</b>	2286.01
EBIDTA	<b>264.50</b>	194.65
Depreciation	<b>103.03</b>	101.81
Financial Expenses	<b>73.07</b>	69.45
Profit before exceptional item and tax	<b>88.40</b>	23.39
Provision for Taxes	<b>7.40</b>	0.01
Profit after tax	<b>81.00</b>	23.38
Other Comprehensive Income	<b>(2.65)</b>	(3.41)
Total Comprehensive Income	<b>78.35</b>	19.97
Balance brought forward	<b>22.20</b>	9.51
	<b>100.55</b>	29.48
MAT Credit reversal	<b>17.09</b>	7.28
Carried over to next year	<b>83.46</b>	22.20

\* Figures are re-grouped as per IND-AS

**PERFORMANCE**

During the year under review, the Company has achieved Gross sales revenue of ₹ 2415 crores as against ₹. 2281 crores in the previous year. The EBIDTA for the year was ₹ 265 crores in comparison to ₹ 195 crores in the previous year reflecting a growth of more than 35%. After providing for interest, depreciation and tax, the profit after tax of the Company jumped 3.5 times to ₹ 81 crores as against ₹ 23 crores in the previous year.

**OPERATIONAL REVIEW**

Your Directors have pleasure in informing that the performance of the Company has attained turnaround during the year under review. The production volumes in the steel segment have been higher by 15% and backed by various cost control majors undertaken by the Company, the operating margins have improved to 12 % against 9% in the previous year. During the year, the Company enhanced its Steel Melting Shop capacity by installing new furnaces and modernizing & replacing some of the existing furnaces with energy efficient furnaces. The steel capacity of the Company is now close to 1 million MT per annum and the Company is now geared to meet the demand growth in the industry. The Company successfully completed expansion of its

sponge iron capacity by setting up one more Rotary Kiln which has since commenced production. The full performance impact of capacity expansion will be visible in the current financial year. The Company has also recommissioned its structural mill at Raipur for manufacture of heavy and medium structurals which will have a more diversified product mix.

Further, as a step towards securing the supplies of its key inputs, the Company has obtained coal linkages and executed Fuel Supply Agreement (FSA) with Coal India Ltd. for its steel and power operations for a period of 5 years and the supplies under the FSAs have already commenced.

The performance of the Rigid PVC Pipe division was also satisfactory during the year under review. The division achieved record production during the year. Encouraged by the growth trajectory witnessed in the PVC Pipe industry, the Company has undertaken capacity expansion in the division, which is in advanced stage of implementation.

**FUTURE PROSPECTS**

The Company continues to focus on its objective to enhance and balance the capacities in its steel and power businesses in order to optimize its integration level. In this direction, the fifth Sponge Iron Rotary Kiln has been successfully commissioned. With this, the Company has become self-reliant with respect to its requirement of Sponge Iron in its Steel Melting Shop Division. The new Rotary Kiln has also enhanced the power generation capacity by additional 15 MW through the Waste Heat Recovery route by harnessing the effluent gases of the Kiln. The Company is also taking steps to further modernize its existing steel furnaces by setting up new energy efficient furnaces. Further the Sirkaguttu Iron Ore Mine was allotted to the Company in the state of Odisha and the Company has already executed the mining lease with the State Government during the last quarter of the financial year under review and the mine is expected to be operational in the current year, which shall improve the performance quotient of the Company to a significant extent. Considering capacity expansion in the steel and power segments, the production volumes are expected to grow by over 30% in the current financial year which is likely to translate to higher sales and profitability.

In view of the colossal growth prospects in PVC Pipes business, the Board of your Company has decided to demerge the PVC Pipe business into a separate entity, which shall enable the business to grow independently with focused vision, strategies and operations, and also contribute significantly towards unlocking the potential value of the business for the shareholders in the coming times.

**DIVIDEND**

After careful assessment of the available profit during the financial year ended 31<sup>st</sup> March, 2017, your Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2017.



# **PRAKASH INDUSTRIES LIMITED**

## **ENVIRONMENT AND SOCIAL RESPONSIBILITY**

Your Company has always believed in an integrated approach for embedding environment in sustainable business goals & has continually focussed on an effective Environmental Management System. The Company has integrated the environmental concerns and decision making towards achieving its goals. It has taken effective steps to spread environmental awareness among its employees and has always encouraged them to work in an environmentally responsible manner to fulfill the environmental commitment of the Company towards its clients, customers & the public. Company has insisted on consistent improvement in the environmental performance by minimizing the social impact and damage to environment by periodically reviewing the environmental policy of the Company in light of its current and planned future activities. Some of the key areas towards fulfillment of its environmental responsibility are management of natural resources, energy management, carbon emission reduction, conservation of water resources & waste management. The Company is committed to provide a safe and healthy workplace to its employees by operating in compliance with all relevant environmental legislation and by adopting the environmental best practices. In addition to complying with all applicable environmental laws and regulation, the Company is committed to maintain 'Zero' discharge pattern by installation of Effluent Treatment Plant & Sewage Treatment Plant, installation of Continuous Emission Monitoring System to monitor pollution level, setting up well equipped Environmental Laboratory for Air & Water and practicing hazardous waste & solid waste management. Corporate Social Responsibility (CSR) is another integral part of the Company's business since inception. The Company's initiatives towards fulfilling its Corporate Social Responsibility includes promoting education facilities, developing primary health centers, providing medical aid, maintaining sports hub, places of worship, generating employment opportunities for the local people, recreation facilities and emphasis on plantation etc.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

## **CHANGE IN NATURE OF BUSINESS, IF ANY.**

There are no changes in the nature of business in the financial year 2016-17.

## **DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

No Company has become or ceased to be its subsidiary, joint venture or associate company during the financial year ended 31<sup>st</sup> March, 2017. The Company's policy for determining material subsidiaries is available at [www.prakash.com](http://www.prakash.com).

## **AMOUNT CARRIED TO ANY RESERVE (IF ANY)**

The Company had not carried any amount to any reserve from its Profit & Loss account for the current financial year.

## **CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE**

In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee & the meetings held are detailed in the Corporate Governance Report, forming part of this Report.

The details of CSR activities during the year are given in the Annexure I to this report.

## **BOARD EVALUATION**

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual directors pursuant to the provisions of the Act and relevant Rules and the Corporate Governance requirements are in compliance with Regulation 17 of Listing Regulations, 2015. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as Board Composition, process, dynamics, quality of deliberations, strategic discussions, effective reviews, committee participation, governance reviews etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as Committee composition, process, dynamics, deliberation, strategic discussions, effective reviews etc. The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as transparency, analytical capabilities, performance, leadership, ethics and ability to take balanced decisions regarding stakeholders etc.

## **NUMBER OF MEETINGS OF THE BOARD**

The details of the Board Meetings and other Committee Meetings held during the financial year 2016-17 are given in the separate section of Corporate Governance Report.

## **DIRECTORS**

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015").

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

The following three persons are the Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013.

- i) Shri M.L. Pareek, Chief Executive Officer
- ii) Shri P.L. Gupta, Chief Financial Officer
- iii) Shri Ashwini Kumar, Company Secretary

Pursuant to Section 134(3)(q) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Remuneration and other details of Key Managerial Personnel and other employees for the year ended 31<sup>st</sup> March, 2017 are annexed to this report.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri M.L.Pareek retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

**BOARD COMMITTEES**

All Committees of the Board of Directors are constituted in line with the provisions of the Companies Act, 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**FIXED DEPOSITS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Company's Directors make the following statement in terms of sub-section (5) of Section 134 of the Companies Act, 2013, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

- I. The financial statements have been prepared in conformity with the applicable Accounting Standards and requirements of the Companies Act, 2013, ("the Act") to the extent applicable to the Company; on historical cost convention; as a going concern and on accrual basis. There are no material departures in the adoption of the applicable Accounting Standards.
- II. The Board of Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the Company for that period.
- III. The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

IV. The Board of Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

V. The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**AUDITORS & AUDITORS REPORTS****i) Statutory Auditors**

The Company's Auditors, M/s Chaturvedi & Co., Chartered Accountants, (FRN : 302137E), were appointed as the Statutory Auditors of the Company for a period of five years at the 35<sup>th</sup> Annual General Meeting of the Company, upto the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Regulation 33 of the Listing Regulations, 2015 the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors in their Report to the members, have given three qualified opinions and the explanations of Board with respect to it in pursuant to section 134(3)(f) of Companies Act 2013 are as follows:

Explanations response to Point (a) of Independent Auditors Report

The net deferred tax liability computed in terms of Ind AS-12 "Income Tax" amounting to ₹ 236 Lakhs has been adjusted against Securities Premium Account. This has been in terms of Hon'ble Punjab & Haryana High Court order dated 23<sup>rd</sup> August, 2007.

Explanations response to Point (b) of Independent Auditors Report

The Company had restructured Foreign Currency Convertible Bonds (FCCB) of US \$ 35.70 mn as per terms accepted by FCCB holders. The Company has partly paid interest on the same upto 30<sup>th</sup> September, 2015. The Company has initiated discussions with the bondholders for waiver of the interest and restructuring of these FCCB for further period of five years, which is in advanced stage. Accordingly, no provision of interest has been made in the books of accounts on these FCCB towards unpaid interest dues and matured FCCB of ₹ 15756 Lakhs are continued to be shown as "Non-Current Liabilities"

Explanations response to Point (c) of Independent Auditors Report

## **PRAKASH INDUSTRIES LIMITED**

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 Statement of Profit & Loss and including the same under "Other Non-Current Assets. In case the Company is not able to utilize this credit within the time limit prescribed under the Income Tax Act, the same is set off against the retained earnings as tax credit pertains to an earlier year.

Observations other than above made by the Statutory Auditors in their report for the Financial year ended 31<sup>st</sup> March, 2017 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act, 2013.

### **ii) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Pradip Kumar Muduli, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure II". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **iii) Cost Auditor**

The Board had appointed, subject to ratification of the remuneration payable to the cost auditor by the Shareholders in the 36<sup>th</sup> Annual General Meeting, M/s. Rakshit & Associates, Cost and Management Accountants, to conduct the audit of the cost accounting records for financial year 2017-18

### **CONVERSION OF FCCB IN TO EQUITY CAPITAL**

During the financial year 2016-17, your Company had allotted 4557817 Equity Shares fully paid-up of the face value of ₹10 per share at a premium of ₹ 50 per share after receiving of Conversion Notices from various FCCB's holders. Accordingly, the paid-up Equity Share Capital of the Company increased from ₹ 134.49 crores to ₹ 139.05 crores post the conversion of FCCB into Equity during the financial year 2016-17.

The Board has approved the issue of New FCCBs with a tenure of 5 years 1 day in lieu of all its outstanding obligations on the 5.25% April 2015 FCCBs subject to all necessary approvals and compliances.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the notes to the financial statements.

### **RELATED PARTY TRANSACTIONS**

The Company, during the financial year, entered into contracts or arrangements with related parties, which were in the ordinary course of business and on arm's length basis. These transactions are not falling under the provisions of Section 188(1) of the Act. Prior omnibus approval is obtained for RPT's which are of a repetitive nature and entered in the ordinary course of business and are at arm's Length. All RPT's are placed before the Audit Committee for review on a quarterly basis.

The Policy on materiality of related party transactions and dealing with related party transactions are available on the Company's website at the link at <http://www.prakash.com/policy-related-party-transactions>.

The details of the related party transactions as required under Section 134(3)(h) r/w Rule 8 (2) of the Companies (Accounts) Rules, 2014 and under Regulation 34(3) & 53(f), Para A of Schedule V of SEBI(LODR) Regulations, 2015 is attached as Annexure III.

### **VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

The Company has implemented the Whistle Blower Policy to ensure greater transparency in all aspects of the Company's functioning. The objective of the policy is to build and strengthen a culture of transparency and trust in the Company and to provide employees with a framework/procedure for responsible and secure reporting of improper activities (whistle blowing) and to protect employees wishing to raise a concern about improper activity/serious irregularities within the Company. The details of the Vigil Mechanism and Whistle Blower Policy are available on the website of the Company.

### **NOMINATION AND REMUNERATION POLICY**

For the purpose of selection of any Director, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Act, Listing Regulations, 2015 or other applicable laws.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, appointment and remuneration of Directors & Senior Management.

### **RISK MANAGEMENT**

The Risk Management Committee of the Board has defined roles and responsibilities, which includes reviewing and recommending of the risk management plan, and reviewing and recommending the risk management report for approval of the Board with the recommendation by the Audit Committee. The Company's internal financial controls and



## **PRAKASH INDUSTRIES LIMITED**

risk management systems are assessed by the Audit Committee.

The Risk Assessment is also discussed in the Management Discussion and Analysis attached to this report.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31<sup>st</sup> March, 2017 made under the provisions of Section 92(3) of the Act is attached as Annexure IV to this report.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Annual Report and is attached as Annexure V

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as Annexure V to this Report.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

It is the continuous endeavor of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. During the year ended 31<sup>st</sup> March, 2017, no complaints pertaining to sexual harassment was received by the Company.

### **CORPORATE GOVERNANCE**

Report on Corporate Governance and Certificate of Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, 2015 with the Stock Exchanges, are enclosed with report as Annexure VI.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34 (3) of the Listing Regulations, 2015 is provided in a separate section and annexed as Annexure VII.

### **INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

Your Company has an Internal Control System, which is commensurate with the size, scale, scope and complexity of its operations. To maintain its objectivity and independence, an independent firm of Chartered accountants has been appointed as the Internal Auditors, who report to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in your Company, its compliance with operating systems, accounting procedures and policies at all locations of your Company. Based on the report of the Internal Auditors placed before the Audit Committee, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The internal controls have been reported by the Auditors to be adequate and effective during the year.

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

As required under Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 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 VIII to this report.

### **ACKNOWLEDGMENTS**

Your Directors wish to thank all stakeholders, employees and business partners and Company's bankers for their continued support and valuable co-operation. The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

**By Order of the Board**

Place : New Delhi

Dated : 22<sup>nd</sup> May, 2017

**P. L. Gupta**

**Whole-time Director**

**DIN:00048868**

**Vikram Agarwal**

**Managing Director**

**DIN:00054125**

**Annual Report on Corporate Social Responsibility (CSR) Activities  
(Pursuant to Rule 9 of Companies (Accounts) (Corporate Social Responsibility Policy) Rules, 2014)**

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

Your Company has been actively involved in activities for the betterment of the community. The Company has identified health, education & livelihood, environment awareness, water management, promotion of rural sports, rural development projects and social causes as the areas where assistance is provided on a need-based and case-to-case basis. Your Company persisted with participation in such activities at the local, grass root level during the year.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013

1. The Composition of the CSR Committee
  - i) Dr. S.L. Keswani
  - ii) Shri K.C. Mehra
  - iii) Smt. Purnima Gupta
  - iv) Shri Vikram Agarwal
  - v) Shri Kanha Agarwal
2. Average net profit (after tax) of the Company for last three financial years ₹ 6769.33 lacs
3. Prescribed CSR Expenditure (two percent of the amount as in item 2 above) ₹ 135.39 lacs
4. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year. ₹ 135.39 lacs
  - (b) Amount unspent , if any; Nil
  - (c) Manner in which the amount spent during the financial year is detailed below: (₹.in lakhs)

(1) Sl No	(2) CSR Project or Activity identified	(3) Sector in which the Project is covered	(4) Projects or Programs (1) Local Area or others (2) specify the states and district where projects or programmes were undertaken	(5) Amount outlay(Budget) Project or programmewise	(6) Amount spent on Projects or programs	(7) Cumulative expenditure upto the reporting period	(8) Amount Spent direct or through implementing agency
1	Drinking Water Facility	Making available Safe Drinking Water Schedule VII (i)	Champa, Chhatisgarh Raipur, Chhatisgarh	2.38 1.85	2.38 1.85	2.38 1.85	Direct, 2.38 Direct, 1.85
2	Training Programme & Promotion of Education	Promoting Education Including Special Education and Employment Enhancing Vocational Skills Schedule VII (ii)	Champa, Chhatisgarh	86.84	86.84	86.84	Direct, 86.84
3	Health Care	Promoting Health Care Schedule VII (i)	Champa, Chhatisgarh Raipur, Chhatisgarh	1.04 0.58	1.04 0.58	1.04 0.58	Direct, 1.043 Direct, 0.58
4	Environment Awareness	Ensuring Environment Sustainability Schedule VII (iv)	Champa, Chhatisgarh Raipur, Chhatisgarh	23.03 1.88	23.03 1.88	23.03 1.88	Direct, 23.03 Direct, 1.88
5	Social Causes	Measures for reducing inequalities, Schedule VII (iii)	Champa, Chhatisgarh Bilaspur, Chhatisgarh Raipur, Chhatisgarh	34.39 2.18 5.6	34.39 2.18 5.6	34.39 2.18 5.6	Direct, 34.39 Direct, 2.18 Direct, 5.6
6	Poverty & malnutrition	Mid day meal scheme, Schedule VII(i)	Delhi NCR	106.83	106.83	106.83	Through implementing agency, 106.83
	<b>Total</b>			<b>266.6</b>	<b>266.6</b>	<b>266.6</b>	

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**Vikram Agarwal**  
Managing Director  
DIN:00054125

**Dr. S.L. Keswani**  
Chairman-CSR Committee  
DIN:00190790

**FORM No. MR-3  
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017****[Pursuant to section 204(1) of Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
Prakash Industries Limited  
15 Km. Stone, Delhi Road, Hissar,  
Haryana, India-125044

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prakash Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Prakash Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Prakash Industries Limited ("the Company") for the financial year ended on 31st March 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under and the applicable provisions of the Companies Act, 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company as it's not registered as Registrar to Issue and Share Transfer Agents during the audit period);
- e) Other laws applicable specifically to the company as per the representation made by the Management including
  - i) Air (Prevention and Control of Pollution) Act, 1981
  - ii) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
  - iii) Environment Protection Act, 1986
  - iv) Factories Act, 1948

For the compliances of Labour Laws & other General Laws my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations provided by the Company, its officers, and authorised representatives, including compliance reports taken on record by the Board of Director, to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

I have also examined compliance with the applicable clauses of the following:

- i. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings made effective from 1st July 2015.

I further report that, there were no actions/event in pursuance of:

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

## **PRAKASH INDUSTRIES LIMITED**

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review and as per the explanations and clarifications given to me and the representation made by the Management, the Company has complied with the provisions of the applicable laws, rules, regulations and guidelines, etc as mentioned above.

I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except notes on items of business which are in the nature of Unpublished Price Sensitive Information have been given at a shorter period of time than stated above, with the consent of a majority of the Directors, which includes one Independent Director and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decision were unanimous and no dissenting views were recorded.

I further report that as per the explanations given to me and the representation made by the Management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.**

**'Annexure A'**

To,

The Members,

Prakash Industries Limited

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

- (1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including compliance of applicable Direct and Indirect tax laws since the same have been subject to review by Statutory Auditor and other designated professionals.
- (4) Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PRADIP KUMAR MUDULI**  
**Company Secretaries**  
**(PRADIP KUMAR MUDULI)**  
Proprietor

Place: New Delhi

Date: 22.05.2017

FCS No. 6170

C P No. 5730

**For PRADIP KUMAR MUDULI**  
**Company Secretaries**  
**(PRADIP KUMAR MUDULI)**  
Proprietor

Place: New Delhi

Date: 22.05.2017

FCS No. 6170

C P No. 5730

**DETAILS OF RELATED PARTY TRANSACTIONS**

- A. (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

All related party transactions entered during the year were in ordinary course of business and on arm's length basis and the same have been disclosed under Note No. 45 of the Notes to Financial Statements.

No material related party transactions arising from contracts/ arrangements with related parties referred to in the Section 188(1) of the Companies Act, 2013 were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

- B. Disclosures pursuant to Regulation 34(3) & 53(f) and Para A of Schedule V of SEBI (LODR) Regulations, 2015

Sl. No.	In the Account of	Disclosures of amount at the year end and the maximum amount of loans/advances/Investments outstanding during the year.	Not Applicable
1.	Holding Company	- Loans and advances in the nature of loans to subsidiaries by name and amount	
		- Loans and advances in the nature of loans to associates by name and amount	
		- Loans and advances in the nature of loans to Firms/Companies in which directors Not Applicable are interested by name and amount	
2.	Subsidiary	- Loans and advances in the nature of loans to subsidiaries by name and amount	
		- Loans and advances in the nature of loans to associates by name and amount	
		- Loans and advances in the nature of loans to Firms/Companies in which directors	
3.	Holding Company	Investment by the loanee in the shares of parent Company and subsidiary Company has made a loan or advance in the nature of loan.	

**By Order of the Board**

**P. L. Gupta**  
Whole-time Director  
DIN:00048868

**Vikram Agarwal**  
Managing Director  
DIN:00054125

Place : New Delhi  
Dated : 22<sup>th</sup> May, 2017

**PRAKASH INDUSTRIES LIMITED****ANNEXURE-IV****Form No.MGT-9****Extract of Annual Return**

as on the financial year ended on 31st March, 2017

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

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	L27109HR1980PLC010724
ii)	Registration Date	31-07-1980
iii)	Name of the Company	Prakash Industries Limited
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered Office and contact details	15 Km. Stone Delhi Road, Hissar-125044 (Haryana) Tel : +91 11 25305800 Fax : +91 11 28062119
vi)	Whether listed Company	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Prakash Industries Limited, SRIVAN, Bijwasan, New Delhi-110061

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company are given below :

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Ferro Alloys	24104	10
2	MS TMT / MS Coil and Allied	24105	53
3	HB Wire Rod	24108	22
4	PVC Pipe & Sockets	22209	12

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN /GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	Madanpur (North) Coal Company Pvt. Ltd. Flat No.302, Govardhan Tower, Chaytanya Nagar, Dhimrapur Road, Raigarh, Chhattisgarh - 496001	U10101CT2007PTC020161	Joint Venture	20.67	2(6)
2	Fatehpur Coal Mining Company Pvt. Ltd. Navbharat Udyog Bawan, Ring Road No.1, Telibandha, Raipur, Chhattisgarh - 492006	U10100CT2008PTC020663	Joint Venture	38.46	2(6)



# PRAKASH INDUSTRIES LIMITED

## IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Shareholding

	Category-wise Shareholders	No. of Shares held at beginning of the year as on 01.04.2016				No. of Shares held at the end of the year as on 31.03.2017				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
<b>(A) PROMOTERS</b>										
(1) Indian										
(a) Individuals/ Hindu Undivided Family		7305169	0	7305169	5.43	7305169	0	7305169	5.25	0.18
(b) Central Govt. / State Govt(s).		0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate		49062621	6154600	55217221	41.06	49062621	6154600	55217221	39.72	-1.25
(d) Financial Institutions / Banks		0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)		0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1)		56367790	6154600	62522390	46.49	56367790	6154600	62522390	44.97	-1.52
(2) Foreign										
(a) Individuals (Non Resident Individuals / Foreign Individuals)		0	0	0	0.00	0	0	0	0.00	0.00
(b) Bodies Corporate		0	0	0	0.00	0	0	0	0.00	0.00
(c) Institutions / Banks		0	0	0	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investor		0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)		0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)		0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		56367790	6154600	62522390	46.49	56367790	6154600	62522390	44.97	-1.52
<b>(B) PUBLIC SHAREHOLDING</b>										
(1) Institutions										
(a) Mutual Funds / UTI		13004	40800	53804	0.04	105341	40300	145641	0.10	0.06
(b) Financial Institutions / Banks		1130	2655	3785	0.00	1130	2655	3785	0.00	0.00
(c) Central Government / State Governments		0	0	0	0.00	0		0	0.00	0.00
(d) Venture Capital Funds		0	0	0	0.00	0		0	0.00	0.00
(e) Insurance Companies		100	200	300	0.00	100	200	300	0.00	0.00
(f) Foreign Institutional Investors		3936502	1850	3938352	2.93	7352972	1850	7354822	2.93	-0.92
(g) Foreign Venture Capital Investors		0	0	0	0.00	0		0	0.00	0.00
(h) Qualified Foreign Investor		0	0	0	0.00	0		0	0.00	0.00
(i) Any Other (specify)		0	0	0	0.00	0		0	0.00	0.00
Sub-Total (B)(1)		3950736	45505	3996241	2.97	7459543	45005	7504548	5.40	2.43
(2) Non-institutions										
(a) Bodies Corporate		27265185	1036147	28301332	21.04	33567288	1035147	34602435	24.89	3.84
(b) Individuals										
i. Individual shareholders holding nominal share capital upto ₹ 2 lakh		22363538	2547066	24910604	18.52	20343396	2461077	22804473	16.40	-2.12
ii. Individual shareholders holding nominal share capital in excess of ₹2 lakh		13585598	0	13585598	10.10	10479652	0	10479652	7.54	-2.56
(c) Qualified Foreign Investor		0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Other (specify) NRIs / OCBs		1169886	2463	1172349	0.87	1130370	2463	1132833	0.81	-0.06
Sub-Total (B)(2)		64384207	3585676	67969883	50.54	65520706	3498687	69019393	49.64	-0.90
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>		68334943	3631181	71966124	53.51	72980249	3543692	76523941	55.03	1.52
<b>TOTAL (A) + (B)</b>		124702733	9785781	134488514	100.00	129348039	9698292	139046331	100.00	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued		0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>		124702733	9785781	134488514	100.00	129348039	9698292	139046331	100.00	0.00

# PRAKASH INDUSTRIES LIMITED

## ii) Shareholding of Promoters

	Category-wise Shareholders	No. of Shares held at beginning of the year as on 01.04.2016			No. of Shares held at the end of the year as on 31.03.2017			% of change during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Share of the Company	% of Shares Pledged/ encumbered to total shares	
1	Shri V.P. Agarwal	526884	0.39	0.00	526884	0.39	0.00	0.00
2	Shri V.P. Agarwal (HUF)	229389	0.17	0.00	229389	0.16	0.00	0.00
3	Smt. Mohini Agarwal	6123856	4.55	0.00	6123856	4.40	0.00	0.00
4	Shri Vikram Agarwal	406500	0.30	0.00	406500	0.29	0.00	0.10
5	Shri Kanha Agarwal	18540	0.01	0.00	18540	0.01	0.00	0.00
6	Aircon Systems (India) Pvt. Ltd.	96000	0.07	0.00	96000	0.07	0.00	0.00
7	Ambrosia Commerce Pvt. Ltd.	1020500	0.76	40.67	1936500	1.39	44.41	0.63
8	Chaibasa Steel Pvt. Ltd.	250000	0.19	0.00	250000	0.18	0.00	-0.01
9	Dhruv Commerce Pvt. Ltd.	4761500	3.54	100.00	2224000	1.60	100.00	-1.94
10	Essential Electronics Pvt. Ltd.	400400	0.30	0.00	899400	0.65	0.00	0.35
11	Evershine Mercantile Pvt. Ltd.	1359700	1.01	0.00	1921700	1.38	0.00	0.37
12	Excel Fincap Pvt. Ltd.	102135	0.08	97.91	102135	0.07	0.00	0.00
13	Focus Securities & Credits Pvt. Ltd.	2085000	1.55	22.18	1460000	1.05	2.40	-0.50
14	Four Wings Marketing Pvt. Ltd.	401700	0.30	0.00	31700	0.02	0.00	-0.28
15	GMK Builders Pvt. Ltd.	7664800	5.70	32.63	9427300	6.78	90.44	1.08
16	Goel Containers Pvt. Ltd.	1585682	1.18	99.96	1378682	0.99	0.00	-0.19
17	Hissar Tubes Pvt. Ltd.	1760012	1.31	4.55	1350012	0.97	5.93	0.34
18	Hi-tech Mercantile (India) Pvt. Ltd.	2585695	1.92	99.97	3370695	2.42	98.76	0.50
19	New Era Commerce & Securities Pvt. Ltd.	215985	0.16	76.39	215985	0.16	0.00	-0.01
20	Ocean Ispat Pvt. Ltd.	300000	0.22	0.00	300000	0.22	0.00	-0.01
21	Pareek Overseas Pvt. Ltd.	1200110	0.89	74.99	2475110	1.78	87.71	0.89
22	Prakash Capital Services Ltd.	798467	0.59	0.00	1508467	1.08	0.00	0.49
23	Prakash Industrial Finance Ltd.	1338950	1.00	84.99	904950	0.65	1.55	-0.34
24	Premier Fincap Pvt. Ltd.	1523480	1.13	99.97	1243480	0.89	2.09	-0.24
25	Primenet Global Ltd.	2498987	1.86	67.03	3328987	2.39	99.88	0.54
26	Prime Mercantile Pvt. Ltd.	3267470	2.43	0.00	3701470	2.66	67.54	0.23
27	Prospero Securities Pvt. Ltd.	241800	0.18	99.67	611800	0.44	14.06	0.26
28	Rourkela Steel Pvt. Ltd.	746133	0.55	0.00	1427133	1.03	0.00	0.47
29	Samyak Securities Pvt. Ltd.	1500000	1.12	0.00	0	0	0.00	-1.12
30	Shikha Mercantile Pvt. Ltd.	70600	0.05	0.00	70600	0.05	0.00	0.00
31	Shree Labh Lakshmi Capital Services Pvt. Ltd.	2219471	1.65	79.70	2311471	1.66	76.53	0.01
32	Spring Mercantile Pvt. Ltd.	1390900	1.03	85.05	1390900	1.00	0.00	-0.03
33	Style Leasing & Finance Pvt. Ltd.	3480400	2.59	42.41	1114400	0.80	0.00	-1.79
34	Sunvin Trading & Investment Pvt. Ltd.	1120000	0.83	60.27	1045000	0.75	0.00	-0.08
35	Suvarna Marketing Pvt. Ltd.	95000	0.07	0.00	95000	0.07	0.00	0.00
36	Suvarna Mercantile Pvt. Ltd.	90910	0.07	99.00	0	0	0.00	-0.07
37	Techdrive Software Ltd.	175550	0.13	0.00	1155550	0.83	0.00	0.70
38	Tools India Pvt. Ltd.	300900	0.22	0.00	850900	0.61	0.00	0.39
39	Unity Mercantile Pvt. Ltd.	251575	0.19	0.00	251575	0.18	0.00	-0.01
40	Vanshi Farms Pvt. Ltd.	600043	0.45	0.00	867953	0.62	0.00	0.18
41	Vision Mercantile Pvt. Ltd.	666700	0.50	0.00	891700	0.64	0.00	0.15
42	Welter Securities Ltd.	7050666	5.24	99.99	5006666	3.60	90.88	-1.64
	<b>Total</b>	62522390	46.49	48.58	62522390	44.97	47.18	-1.52



# PRAKASH INDUSTRIES LIMITED

## iii) Change in Promoters' Shareholding

Sr.No.	No. of Shares held at beginning of the year as on 01.04.2016		No. of Shares held at the end of the year as on 31.03.2017	
	No. of Shares	% of total Share of the Company	No. of Shares	% of total Share of the Company
At the beginning of the year	62522390	46.49	62522390	44.97
Date wise increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	*		*	
<b>TOTAL</b>	<b>62522390</b>	<b>46.49</b>	<b>62522390</b>	<b>44.97</b>

Note : There is no change in the total shareholding of promoters between 01.04.2016 and 31.03.2017

\* Inter-se Transfer among Promoters

S. No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason for Change	Cumulative Share holding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning 01.04.2016	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Ambrosia Commerce Pvt Ltd	1020500	0.76	1-Apr-2016 16-Apr-2016 26-Apr-2016 2-May-2016 14-Jul-2016 14-Sep-2016 31-Mar-2017	 400000 210000 -1330000 1330000 306000	Transfer (Inter-Se Transfers)	1420500 1630500 300500 1630500 1936500 1936500	 1.06 1.21 0.22 1.20 1.43 1.39
2	Dhruv Commerce Pvt Ltd	4761500	3.54	1-Apr-2016 25-Jul-2016 25-Jul-2016 25-Jul-2016 7-Sep-2016 14-Sep-2016 18-Feb-2017 31-Mar-2017	 1830000 - 330000 -1500000 -122500 -1000000 -1415000	Transfer (Inter-Se Transfers)	6591500 6261500 4761500 4639000 3639000 2224000 2224000	 4.86 4.62 3.51 3.42 2.68 1.63 1.60
3	Essential Electronics Pvt Ltd	400400	0.30	1-Apr-2016 16-Dec-2016 31-Mar-2017	 499000	Transfer (Inter-Se Transfers)	899400 899400	 0.66 0.65
4	Evershine Mercantile Pvt Ltd	1359700	1.01	1-Apr-2016 23-Apr-2016 02-May-2016 12-Aug-2016 16-Dec-2016 31-Mar-2017	 115000 -1070000 1070000 447000	Transfer (Inter-Se Transfers)	1474700 404700 1474700 1921700 1921700	 1.10 0.30 1.09 1.42 1.38
5	Focus Securities & Credits Pvt Ltd	2085000	1.55	1-Apr-2016 26-Apr-2016 14-Jul-2016 31-Mar-2017	 - 504000 -121000	Transfer (Inter-Se Transfers)	1581000 1460000 1460000	 1.18 1.08 1.05

# PRAKASH INDUSTRIES LIMITED

S. No.	Name of Shareholder	Shareholding		Date	Increase/Decrease in Share holding	Reason for Change	Cumulative Share holding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning 01.04.2016	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Four Wings Marketing Pvt Ltd	401700	0.30	1-Apr-2016 28-Apr-2016 07-Sep-2016 14-Sep-2016 2-Nov-2016 25-Nov-2016 31-Mar-2017	 - 400000 121000 250000 29000 - 370000	Transfer (Inter-Se Transfers)	1700 122700 372700 401700 31700 31700	0.00 0.09 0.27 0.30 0.02 0.02
7	Gmk Builders Pvt Ltd	7664800	5.70	1-Apr-2016 16-Apr-2016 29-Apr-2016 25-Jul-2016 7-Sep-2016 04-Oct-2016 10-Oct-2016 18-Feb-2017 22-Feb-2017 31-Mar-2017	 500000 -5000 - 1830000 5000 600000 2500000 1387500 - 1395000	Transfer (Inter-Se Transfers)	8164800 8159800 6329800 6334800 6934800 9434800 10822300 9427300 9427300	6.07 6.07 4.67 4.67 5.11 6.96 7.91 6.89 6.78
8	Goel Containers Pvt Ltd	1585682	1.18	1-Apr-2016 23-Apr-2016 31-Mar-2017	 - 207000	Transfer (Inter-Se Transfers)	1378682 1378682	1.03 0.99
9	Hissar Tubes Pvt Ltd	1760012	1.31	1-Apr-2016 27-Apr-2016 7-Sep-2016 31-Mar-2017	 - 200000 - 210000	Transfer (Inter-Se Transfers)	1560012 1350012 1350012	1.16 1.00 0.97
10	Hi-Tech Mercantile (India) Pvt Ltd	2585695	1.92	1-Apr-2016 26-Apr-2016 28-Apr-2016 14-Jul-2016 7-Sep-2016 14-Sep-2016 2-Nov-2016 25-Nov-2016 31-Mar-2017	 294000 700000 121000 - 121000 - 250000 - 329000 370000	Transfer (Inter-Se Transfers)	2879695 3579695 3700695 3579695 3329695 3000695 3370695 3370695	2.14 2.66 2.73 2.64 2.46 2.21 2.49 2.42
11	Pareek Overseas Pvt Ltd	1200110	0.89	1-Apr-2016 4-Oct-2016 14-Jan-2017 22-Feb-2017 28-Feb-2017 31-Mar-2017	 - 250000 1525000 250000 - 250000	Transfer (Inter-Se Transfers)	950110 2475110 2725110 2475110 2475110	0.70 1.83 1.99 1.80 1.78
12	Prakash Capital Services Ltd	798467	0.59	1-Apr-2016 16-Apr-2016 27-Apr-2016 27-Apr-2016 8-Jul-2016 7-Sep-2016 4-Nov-2016 14-Jan-2017 31-Mar-2017	 300000 200000 - 50000 50000 210000 - 1508000 1508000	Transfer (Inter-Se Transfers)	1098467 1298467 1248467 1298467 1508467 467 1508467 1508467	0.82 0.97 0.93 0.96 1.11 0.00 1.11 1.08

# PRAKASH INDUSTRIES LIMITED

S. No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason for Change	Cumulative Share holding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning 01.04.2016	% of total shares of the Company				No. of Shares	% of total shares of the Company
13	Prakash Industrial Finance Ltd	1338950	1.00	1-Apr-2016 2-May-2016 12-Aug-2016 04-Oct-2016 22-Feb-2017 31-Mar-2017	1070000 – 1504000 – 600000 600000	Transfer (Inter-Se Transfers)	2408950 904950 304950 904950 904950	1.79 0.67 0.22 0.66 0.65
14	Premier Fincap Pvt Ltd	1523480	1.13	1-Apr-2016 9-Jul-2016 31-Mar-2017	– 280000	Transfer (Inter-Se Transfers)	1243480 1243480	0.92 0.89
15	Primenet Global Ltd	2498987	1.86	1-Apr-2016 09-Jul-2016 7-Sep-2016 14-Sep-2016 4-Oct-2016 19-Nov-2016 16-Dec-2016 12-Jan-2017 18-Feb-2017 22-Feb-2017 31-Mar-2017	280000 122500 350000 250000 1875000 – 975000 450000 27500 – 1550000	Transfer (Inter-Se Transfers)	2778987 2901487 3251487 3501487 5376487 4401487 4851487 4878987 3328987 3328987	2.06 2.14 2.40 2.58 3.96 3.25 3.58 3.57 2.43 2.39
16	Prime Mercantile Pvt Ltd	3267470	2.43	1-Apr-2016 27-Apr-2016 28-Apr-2016 8-Jul-2016 12-Aug-2016 7-Sep-2016 31-Mar-2017	50000 – 1000 – 50000 434000 1000	Transfer (Inter-Se Transfers)	3317470 3316470 3266470 3700470 3701470 3701470	2.47 2.47 2.42 2.73 2.73 2.66
17	Prospero Securities Pvt Ltd	241800	0.18	1-Apr-2016 14-Sep-2016 31-Mar-2017	370000	Transfer (Inter-Se Transfers)	611800 611800	0.45 0.44
18	Rourkela Steel Pvt Ltd	746133	0.55	1-Apr-2016 26-Apr-2016 28-Apr-2016 12-Aug-2016 02-Nov-2016 31-Mar-2017	115000 – 300000 566000 300000	Transfer (Inter-Se Transfers)	861133 561133 1127133 1427133 1427133	0.64 0.42 0.83 1.05 1.03
19	Samyak Securities Pvt Ltd	1500000	1.12	1-Apr-2016 10-Oct-2016 31-Mar-2017	– 1500000	Transfer (Inter-Se Transfers)	0 0	0.00 0.00
20	Shree Labh Lakshmi Capital Services Pvt Ltd	2219471	1.65	1-Apr-2016 23-Apr-2016 31-Mar-2017	92000	Transfer (Inter-Se Transfers)	2311471 2311471	1.72 1.66
21	Style Leasing & Finance Pvt Ltd	3480400	2.59	1-Apr-2016 16-Apr-2016 2-May-2016 14-Jul-2016	– 1750000 1330000 – 1330000	Transfer (Inter-Se Transfers)	1730400 3060400 1730400	1.29 2.28 1.28

# PRAKASH INDUSTRIES LIMITED

S. No.	Name of Shareholder	Shareholding		Date	Increase/Decrease in Share holding	Reason for Change	Cumulative Share holding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning 01.04.2016	% of total shares of the Company				No. of Shares	% of total shares of the Company
				12-Aug-2016 4-Nov-2016 14-Jan-2017 31-Mar-2017	– 616000 1508000 – 1508000		1114400 2622400 1114400 1114400	0.82 1.93 0.82 0.80
22	Sunvin Trading & Investment Pvt Ltd	1120000	0.83	1-Apr-2016 23-Apr-2016 28-Apr-2016 29-Apr-2016 7-Sep-2016 14-Sep-2016 10-Oct-2016 22-Feb-2017 31-Mar-2017	 125000 1000 5000 – 6000 5000 – 1000000 795000	Transfer (Inter-Se Transfers)	1245000 1246000 1251000 1245000 1250000 250000 1045000 1045000	 0.93 0.93 0.93 0.92 0.92 0.18 0.76 0.75
23	Suvarna Mercantile Pvt Ltd	90910	0.07	1-Apr-2016 24-Mar-2017 31-Mar-2017	 – 90910	Transfer (Inter-Se Transfers)	0 0	0.00 0.00
24	Techdrive Software Ltd	175550	0.13	1-Apr-2016 25-Jul-2016 14-Sep-2016 19-Nov-2016 16-Dec-2016 31-Mar-2017	 330000 650000 – 975000 975000	Transfer (Inter-Se Transfers)	505550 1155550 180550 1155550 1155550	 0.37 0.85 0.13 0.85 0.83
25	Tools India Pvt Ltd	300900	0.22	1-Apr-2016 16-Apr-2016 12-Aug-2016 19-Nov-2016 22-Feb-2017 31-Mar-2017	 550000 50000 – 900000 850000	Transfer (Inter-Se Transfers)	850900 900900 900 850900 850900	0.63 0.66 0.00 0.62 0.61
26	Vanshi Farms Pvt Ltd	600043	0.45	1-Apr-2016 23-Apr-2016 24-Mar-2017 31-Mar-2017	 177000 90910	Transfer (Inter-Se Transfers)	777043 867953 867953	0.58 0.62 0.62
27	Vision Mercantile Pvt Ltd	666700	0.50	1-Apr-2016 25-Jul-2016 14-Jan-2017 28-Feb-2017 31-Mar-2017	 1500000 – 1525000 250000	Transfer (Inter-Se Transfers)	2166700 641700 891700 891700	1.60 0.47 0.65 0.64
28	Welter Securities Ltd	7050666	5.24	1-Apr-2016 23-Apr-2016 26-Apr-2016 14-Sep-2016 16-Dec-2016 12-Jan-2017 22-Feb-2017 31-Mar-2017	 – 302000 – 1115000 – 681000 – 946000 – 450000 450000	Transfer (Inter-Se Transfers)	6748666 6633666 5952666 5006666 4556666 5006666 5006666	5.02 4.93 4.39 3.69 3.36 3.66 3.60

# PRAKASH INDUSTRIES LIMITED

## iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and holders of GDRs and ADRs)

S. No.	Name of Shareholder	No. of Shares at the beginning 01.04.2006		Date	Increase/ Decrease in Share holding	Reason for Change	No. of Shares at the end of the year 31.03.2017	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Sunidhi Capital Pvt. Ltd.	2950000	2.19	1-Apr-2016 31-Mar-2017	4550000	Transfer during the year	7500000	5.39
2	First Techsolution Pvt. Ltd.	0	0.00	1-Apr-2016 31-Mar-2017	4700000	Transfer during the year	4700000	3.38
3	Amarjoti Vanijya Pvt. Ltd.	3909250	2.91	1-Apr-2016 31-Mar-2017	– 2150000	Transfer during the year	1759250	1.27
4	Jhunjhunwala Rakesh Radheshyam	4000000	2.97	1-Apr-2016 31-Mar-2017	– 2500000	Transfer during the year	1500000	1.08
5	Acacia Partners, LP	1206300	0.90	1-Apr-2016 31-Mar-2017	0	Nil movement during the year	1206300	0.87
6	Mindset Securities Pvt. Ltd.	0	0.00	1-Apr-2016 31-Mar-2017	1155006	Transfer during the year	1155006	0.83
7	Acadian Emerging Markets Small Cap Equity Fund	381419	0.28	1-Apr-2016 31-Mar-2017	717371	Transfer during the year	1098790	0.79
8	Elara Capital PLC	298349	0.22	1-Apr-2016 31-Mar-2017	708611	Transfer during the year	1006960	0.72
9	Indianivesh Capitals Ltd..	1000	0	1-Apr-2016 31-Mar-2017	1003941	Transfer during the year	1004941	0.72
10	Soyuz Trading Company Ltd.	797168	0.59	1-Apr-2016 31-Mar-2017	0	Nil movement during the year	797168	0.57

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## v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of Shareholder	No. of Shares at the beginning 01.04.2016		Date	Increase/ Decrease in Share holding	Reason for Change	No. of Shares at the end of the year 31.03.2017	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shri V.P. Agarwal Chairman	526884	0.39	1-Apr-2016 31-Mar-2017	0	Nil movement during the year	526884	0.38
2	Shri V.P. Agarwal (HUF)	229389	0.17	1-Apr-2016 31-Mar-2017	0	Nil movement during the year	229389	0.16
3	Shri Vikram Agarwal Managing Director	406500	0.30	1-Apr-2016 31-Mar-2017	0	Nil movement during the year	406500	0.29
4	Shri Kanha Agarwal Joint Managing Director	18540	0.01	1-Apr-2016 31-Mar-2017	0	Nil movement during the year	18540	0.01
5	Shri M.L. Pareek Whole-Time Director	802	0.00	1-Apr-2016 31-Mar-2017	0	Nil movement during the year	802	0.00
6	Dr. S.L. Keswani Non-Executive Director	24000	0.02	1-Apr-2016 31-Mar-2017	0	Nil movement during the year	24000	0.02
7	Shri P.L. Gupta Whole-time Director	0	0.00	1-Apr-2016 31-Mar-2017	0	Nil holding	0	0.00
8	Shri K.C. Mehra Non-Executive Director	0	0.00	1-Apr-2016 31-Mar-2017	0	Nil holding	0	0.00
9	Shri Y.N. Chugh Non-Executive Director	0	0.00	1-Apr-2015 31-Mar-2016	0	Nil holding	0	0.00
10	Shri M.R. Agarwal Non-Executive Director	0	0.00	1-Apr-2016 31-Mar-2017	0	Nil holding	0	0.00
11	Smt. Purnima Gupta Non-Executive Director	0	0.00	1-Apr-2016 31-Mar-2017	0	Nil holding	0	0.00
12	Shri Ashwini Kumar Company Secretary	0	0.00	1-Apr-2016 31-Mar-2017	0	Nil holding	0	0.00

# PRAKASH INDUSTRIES LIMITED

## V INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans (Excluding Deposits)	Unsecured Loans	Deposits Total Indebtedness	
<b>Indebtedness at the beginning of the financial year (01.04.2016)</b>				
i) Principal Amount	43557	45572	—	89129
ii) Interest due but not paid	4284	—	—	4284
iii) Interest accrued but not due	12	—	—	12
<b>TOTAL (i+ii+iii)</b>	<b>47853</b>	<b>45572</b>	<b>—</b>	<b>93425</b>
<b>Change in Indebtedness during the financial year</b>				
Addition/Adjustment	8335	15086	—	23421
Reduction/Adjustment	(3623)	(12283)	—	(15906)
Exchange Difference	—	(950)	—	(950)
<b>Net Change</b>	<b>4712</b>	<b>1853</b>	<b>—</b>	<b>6565</b>
<b>Indebtedness at the end of the financial year (31.03.2017)</b>				
i) Principal Amount	48269	47425	—	95694
ii) Interest due but not paid	20	—	—	20
iii) Interest accrued but not due	3	—	—	3
<b>TOTAL (i+ii+iii)</b>	<b>48292</b>	<b>49268</b>	<b>—</b>	<b>95717</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Chairman, Managing Director, Joint Managing Director, Whole-time Directors and / or Manager:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Chairman / MD / Joint MD / WTD / Manager					Total Amount
		Shri V.P. Agarwal	Shri Vikram Agarwal	Shri Kanha Agarwal	Shri M.L. Pareek	Shri P.L. Gupta	
1	Gross Salary						
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	408.00	168.00	26.40	55.44	38.50	696.34
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40	0.40	0.40	0.06	1.66
	c) Profit in lieu of salary u/s 17(3) of the Income-tax Act, 1961	—	—	—	—	—	—
2	Stock Option	—	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—	—
4	Commission	—	—	—	—	—	—
5	Others	—	—	—	—	—	—
	<b>TOTAL (A)</b>	<b>408.40</b>	<b>168.40</b>	<b>26.80</b>	<b>55.84</b>	<b>38.56</b>	<b>698.00</b>

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## B) Remuneration to other Directors :

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. S.L. Keswani	Sh. K.C. Mehra	Sh. Y.N. Chugh	Sh. M.R. Agarwal	Smt. Purnima Gupta	
1	<b>Independent Directors</b>						
	Fees for attending Board / Committee Meetings	3.70	2.85	2.40	1.95	2.20	13.10
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Stock Option	-	-	-	-	-	-
	Sweat Equity	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	<b>TOTAL (1)</b>	3.70	2.85	2.40	1.95	2.20	13.10
2	<b>Other Non-Executive Directors</b>						
	Fees for attending Board / Committee Meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Stock Option	-	-	-	-	-	-
	Sweat Equity	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	<b>TOTAL (2)</b>	0	0	0	0	0	-
	<b>TOTAL MANAGERIAL REMUNERATION #</b>	3.70	2.85	2.40	1.95	2.20	13.10

# Total remuneration to Chairman, Managing Director, Joint Managing Director, Whole-time Directors and other Directors (being the total of A and B)

## C) Reuneration to Key Managerial Personnel:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CEO Sh. M.L. Pareek	CFO Sh. P.L. Gupta	Company Secretary Sh. Ashwini Kumar	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	55.44	38.50	8.42	102.36
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.06	0.13	0.59
	c) Profit in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others - Medical	-	-	-	-
	<b>TOTAL (A)</b>	55.84	38.56	8.55	102.95

## VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / punishment / compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
Penalty Pushnishment Compounding <b>OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			NIL		



# PRAKASH INDUSTRIES LIMITED

## ANNEXURE-V

**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

No.	Requirement	Information																														
(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	<table><tr><td>Director</td><td>Ratio</td></tr><tr><td>Shri V.P. Agarwal, Chairman</td><td>159:1</td></tr><tr><td>Shri Vikram Agarwal, Managing Director</td><td>66:1</td></tr><tr><td>Shri Kanha Agarwal, Joint Managing Director</td><td>10:1</td></tr><tr><td>Shri M.L. Pareek, Whole-time Director &amp; CEO</td><td>22:1</td></tr><tr><td>Shri P.L. Gupta, Whole-time Director &amp; CFO</td><td>15:1</td></tr><tr><td>Dr. S.L. Keswani, Director *</td><td></td></tr><tr><td>Shri K.C. Mehra, Director *</td><td></td></tr><tr><td>Shri Y.N. Chugh, Director *</td><td></td></tr><tr><td>Shri M.R. Agarwal, Director *</td><td></td></tr><tr><td>Smt. Purnima Gupta, Director *</td><td></td></tr></table>	Director	Ratio	Shri V.P. Agarwal, Chairman	159:1	Shri Vikram Agarwal, Managing Director	66:1	Shri Kanha Agarwal, Joint Managing Director	10:1	Shri M.L. Pareek, Whole-time Director & CEO	22:1	Shri P.L. Gupta, Whole-time Director & CFO	15:1	Dr. S.L. Keswani, Director *		Shri K.C. Mehra, Director *		Shri Y.N. Chugh, Director *		Shri M.R. Agarwal, Director *		Smt. Purnima Gupta, Director *									
Director	Ratio																															
Shri V.P. Agarwal, Chairman	159:1																															
Shri Vikram Agarwal, Managing Director	66:1																															
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Shri M.L. Pareek, Whole-time Director & CEO	22:1																															
Shri P.L. Gupta, Whole-time Director & CFO	15:1																															
Dr. S.L. Keswani, Director *																																
Shri K.C. Mehra, Director *																																
Shri Y.N. Chugh, Director *																																
Shri M.R. Agarwal, Director *																																
Smt. Purnima Gupta, Director *																																
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year	<table><tr><td>Director</td><td>Ratio</td></tr><tr><td>Shri V.P. Agarwal, Chairman</td><td>6.24%</td></tr><tr><td>Shri Vikram Agarwal, Managing Director</td><td>7.60%</td></tr><tr><td>Shri Kanha Agarwal, Joint Managing Director</td><td>-</td></tr><tr><td>Shri M.L. Pareek, Whole-time Director &amp; CEO</td><td>0.29%</td></tr><tr><td>Shri P.L. Gupta, Whole-time Director &amp; CFO</td><td>-</td></tr><tr><td>Dr. S.L. Keswani, Director *</td><td></td></tr><tr><td>Shri K.C. Mehra, Director *</td><td></td></tr><tr><td>Shri Y.N. Chugh, Director *</td><td></td></tr><tr><td>Shri M.R. Agarwal, Director *</td><td></td></tr><tr><td>Smt. Purnima Gupta, Director *</td><td></td></tr><tr><td colspan="2"><b>Key Managerial Personnel</b></td></tr><tr><td>Shri M.L. Pareek, Whole-time Director &amp; CEO</td><td>0.29%</td></tr><tr><td>Shri P.L. Gupta, Whole-time Director &amp; CFO</td><td>-</td></tr><tr><td>Shri Ashwini Kumar, Company Secretary</td><td>6.56%</td></tr></table>	Director	Ratio	Shri V.P. Agarwal, Chairman	6.24%	Shri Vikram Agarwal, Managing Director	7.60%	Shri Kanha Agarwal, Joint Managing Director	-	Shri M.L. Pareek, Whole-time Director & CEO	0.29%	Shri P.L. Gupta, Whole-time Director & CFO	-	Dr. S.L. Keswani, Director *		Shri K.C. Mehra, Director *		Shri Y.N. Chugh, Director *		Shri M.R. Agarwal, Director *		Smt. Purnima Gupta, Director *		<b>Key Managerial Personnel</b>		Shri M.L. Pareek, Whole-time Director & CEO	0.29%	Shri P.L. Gupta, Whole-time Director & CFO	-	Shri Ashwini Kumar, Company Secretary	6.56%
Director	Ratio																															
Shri V.P. Agarwal, Chairman	6.24%																															
Shri Vikram Agarwal, Managing Director	7.60%																															
Shri Kanha Agarwal, Joint Managing Director	-																															
Shri M.L. Pareek, Whole-time Director & CEO	0.29%																															
Shri P.L. Gupta, Whole-time Director & CFO	-																															
Dr. S.L. Keswani, Director *																																
Shri K.C. Mehra, Director *																																
Shri Y.N. Chugh, Director *																																
Shri M.R. Agarwal, Director *																																
Smt. Purnima Gupta, Director *																																
<b>Key Managerial Personnel</b>																																
Shri M.L. Pareek, Whole-time Director & CEO	0.29%																															
Shri P.L. Gupta, Whole-time Director & CFO	-																															
Shri Ashwini Kumar, Company Secretary	6.56%																															
(iii)	The percentage increase in the median remuneration of employees in the financial year	7.38%																														
(iv)	The number of permanent employees on the rolls of Company	2592 as on 31 <sup>st</sup> March, 2017																														
(v)	The explanation on the relationship between average increase in remuneration and Company performance	The Company compensation policy is related to pay to performers and to be market competitive. The average increase in remuneration in FY’ 17 was 8 %. This has been arrived at considering only those employees who were eligible for increment.																														
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total ₹1.03 Crores towards KMP remuneration is 0.39% of EBIDTA for FY ‘17																														

## PRAKASH INDUSTRIES LIMITED

No.	Requirement	Information
(vii)	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year	<p>a) The market capitalisation as on 31<sup>st</sup> March, 2017 was ₹ 1071.35 crores (₹474.74 crores as at 31<sup>st</sup> March, 2016)</p> <p>b) Earning Per Share was ₹ 5.40 as at 31<sup>st</sup> March, 2017 (₹ 1.53 as at 31<sup>st</sup> March, 2016)</p> <p>c) The Company had come out with initial public offer (IPO) in Year 1992.</p>
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Median remuneration of employees increased by 8% in FY 17 over previous year. The salary increase is based on compensation philosophy of the organisation which takes into account internal as well as external factors.
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	<p>Key Managerial Personnel</p> <p>Remuneration of CEO as a 0.21 % of EBIDTA for FY 17</p> <p>Remuneration of CFO as a 0.15 % of EBIDTA for FY 17</p> <p>Remuneration of Company Secretary as a 0.09 % of EBIDTA for FY 17</p>
(x)	The key parameters for any variable component of remuneration availed by the Directors	The Company has no variable component of remuneration availed by the Directors
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	Not Applicable
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	Affirmed

\* No remuneration, only sitting fee paid

### DISCLOSURE AS REQUIRED UNDER SUB RULE 2 OF RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

#### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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	Remuneration (₹) Lacs	Date of Commencement	Particulars of last
1.	Sh.V.P.Agarwal	61	B.Com.	38	Duties Chairman	408	of Employment 01.01.1981	Employment Surya Roshini Limited
2.	Sh.Vikram.Agarwal	39	B.Com.	15	Managing Director	168	28.05.2005	Primenet Global Limited

#### NOTES :

1. Remuneration includes Perquisites and Company's Contribution to Provident Fund
2. The nature of employment is contractual
3. Shri V. P. Agarwal, Chairman is related to Shri Vikram Agarwal, Managing Director and Shri Kanha Agarwal, Joint Managing Director of the Company

**REPORT ON CORPORATE GOVERNANCE**
**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company's philosophy on Corporate Governance is laid on a foundation of Integrity, Excellence and Ethical values which have been in practice since its inception. Prakash Industries Limited's ("the Company") corporate philosophy on Corporate Governance has been to ensure fairness to the Stakeholders through transparency, full disclosures, empowerment of employees and collective decision making.

Your Company continues to lay great emphasis on the highest standards of Corporate Governance which are an integral part of all Company activities to ensure efficient conduct of the affairs of the Company, without compromising its core values. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairness and independence in its decision making.

**2. BOARD OF DIRECTORS**
**a) Composition**

As on 31<sup>st</sup> March 2017, the Board of Prakash Industries Ltd. comprised 10 Directors represented by 5 Whole Time (Executive) Directors including Chairman, Managing Director & Joint Managing Director and 5 Independent Director (Non-Executive)

**b) Board Functioning and Procedures**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

**c) Attendance of each Director at the Board meetings & last Annual General Meeting during the year 2016-17 and number of other Directorships and committee memberships/ chairmanships held in other Companies:**

S. No.	Name of Directors and their DIN	Category	No. of Board Meetings Attended	Last AGM Attended	No. of Directorships held in other Companies		No. of Committee positions held in other Companies	
					Chairman	Director	Chairman	Member
1.	Shri V.P. Agarwal Chairman DIN:00048907	Executive & Promoter	4	No	–	17	–	–
2.	Shri Vikram Agarwal Managing Director DIN:00054125	Executive & Promoter	4	No	–	18	–	–
3.	Shri Kanha Agarwal Joint Managing Director DIN:06885529	Executive & Promoter	3	No	–	15	–	–
4.	Dr. S.L. Keswani DIN:00190790	Non-executive & Independent	4	Yes	–	8	–	–
5.	Shri K.C. Mehra DIN:00128733	Non-executive & Independent	4	No	–	2	2	–
6.	Shri Y.N. Chugh DIN:02225961	Non-executive & Independent	4	No	–	–	–	–
7.	Shri M.R. Agarwal DIN:00180671	Non-executive & Independent	4	No	–	–	–	–
8.	Smt. Purnima Gupta DIN:06885738	Non-executive & Independent	4	No	–	–	–	–
9.	Shri M.L. Pareek DIN:01795975	Executive	4	Yes	–	1	–	–
10.	Shri P.L. Gupta DIN:00048868	Executive	4	No	–	3	–	–

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## d) Disclosure of relationship between director inter-se

Shri V. P. Agarwal, Chairman is related to Shri Vikram Agarwal, Managing Director and Shri Kanha Agarwal, Joint Managing Director as their father. Apart from that there are no relationships existing among other Directors of the Company.

## e) No. of Board Meetings

In the financial year 2016-17, the Board met four times. The meetings were held on 24<sup>th</sup> May, 2016, 29<sup>th</sup> August, 2016, 14<sup>th</sup> December, 2016 and 14<sup>th</sup> February, 2017. The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation.

Details of the Board meetings are as under:

S.No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	24.05.2016	10	10
2.	29.08.2016	10	10
3.	14.12.2016	10	10
4.	14.02.2017	10	09

## f) Meetings of Independent Directors

The Company's Independent Directors met on 14<sup>th</sup> February, 2017 in financial year 2016-17 without the presence of Executive Directors or management personnel to discuss matters pertaining to the Company's affairs and put forth their views. The Chairman of meeting had taken appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

## g) Details of shareholding of non-executive Directors in the Company as on 31<sup>st</sup> March, 2017

S.No.	Name of Director	No. of shares held
1.	Dr. S.L. Keswani	24000
2.	Shri K.C. Mehra	Nil
3.	Shri Y.N. Chugh	Nil
4.	Shri M.R. Agarwal	Nil
5.	Smt. Purnima Gupta	Nil

## h) The policy for conducting familiarization programmes for Independent Directors has been disclosed and can be accessed on the Company's website www.prakash.com.

## 3. 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 Regulation 18 of SEBI (LODR) Regulations, 2015 and as per Section 177 of the Companies Act, 2013.

The Committee comprises of seven 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, Smt. Purnima Gupta (All Non-Executive and Independent Directors), Shri Vikram Agarwal (Managing Director) and Shri Kanha Agarwal (Joint Managing Director) are members of the Audit Committee.

### ii) No. of Audit Committee Meetings

The Audit Committee met four times during the financial year 2016-17 on 24<sup>th</sup> May, 2016, 29<sup>th</sup> August,

2016, 14<sup>th</sup> December, 2016 and 14<sup>th</sup> February, 2017 and attendance was as under:

S.No.	Name of Director	Status	Meetings Attended
1.	Dr. S.L. Keswani	Chairman	4
2.	Shri K.C. Mehra	Member	4
3.	Shri Y.N. Chugh	Member	4
4.	Shri M.R. Agarwal	Member	4
5.	Smt. Purnima Gupta	Member	4
6.	Shri Vikram Agarwal	Member	4
7*.	Shri Kanha Agarwal	Member	-

\*Co Opted as member w.e.f 14<sup>th</sup> February 2017

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

## 4. 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 terms of reference of Nomination and Remuneration Committee cover the matters specified for the said Committee under Regulation 19 & Part D of Schedule II of SEBI (LODR) Regulations, 2015 and as per Section 178 of the Companies Act, 2013.

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

During the year, two meetings of the Committee were held on 29<sup>th</sup> August, 2016 and 14<sup>th</sup> February, 2017 and all members of the Committee had attended the meeting.

Performance evaluation criteria for independent Directors: Performance evaluation of Independent Directors shall be done on annual basis. The rating shall be provided by the all the Directors except the Independent Director being evaluated. The evaluation criteria shall be reviewed by the Nomination and Remuneration Committee and the Board from time to time and shall be subject to the provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder and amendments thereto from time to time.

## 5. DETAILS OF REMUNERATION / SITTING FEE PAID TO DIRECTORS FOR THE PERIOD FROM 1<sup>ST</sup> APRIL, 2016 TO 31<sup>ST</sup> MARCH, 2017:

### a) Pecuniary Relationship

Independent Directors viz. Dr. S. L. Keswani, Shri K. C. Mehra, Shri Y.N. Chugh, Shri M.R. Agarwal and Smt. Purnima Gupta do not have any pecuniary relationships

## PRAKASH INDUSTRIES LIMITED

or transactions with the Company except for the sitting fees drawn for attending the meetings of the Board and Committee(s) thereof.

(₹ in lakhs)

S.No.	Name of Director	Salary	Perquisites	Sitting Fee
1.	Shri V.P. Agarwal	408.00	Nil	N.A.
2.	Shri Vikram Agarwal	168.00	25.28	N.A.
3.	Shri Kanha Agarwal	26.40	20.16	N.A.
4.	Dr.S.L.Keswani	Nil	Nil	3.70
5.	Shri K.C.Mehra	Nil	Nil	2.85
6.	Shri Y.N. Chugh	Nil	Nil	2.40
7.	Shri M.R. Agarwal	Nil	Nil	1.95
8.	Smt.Purnima Gupta	Nil	Nil	2.20
9.	Shri M.L. Pareek	43.20	17.78	N.A.
10.	Shri P.L. Gupta	30.00	12.32	N.A.

- b) The remuneration criteria of making payments to non-executive Directors has been disclosed and it can be accessed on the Company's website [www.prakash.com](http://www.prakash.com).

**c) 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	01.04.2017	N.A.
2.	Shri Vikram Agarwal	3 years	01.04.2015	N.A.
3.	Shri Kanha Agarwal	3 years	06.02.2016	N.A.
4.	Shri M.L. Pareek	3 years	01.04.2015	One month
5.	Shri P.L. Gupta	3 years	01.04.2015	One month

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (formerly known as Shareholders'/Investors' Grievance Committee) consists of Dr. S.L. Keswani (Non-Executive and Independent Director), Chairman of the Committee, Shri V.P. Agarwal (Chairman), and Shri Vikram Agarwal (Managing Director) as members of the Committee.

The Committee 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 met four times during the year 2016-17 on 16<sup>th</sup> April, 2016, 16<sup>th</sup> July, 2016, 15<sup>th</sup> October, 2016 and 14<sup>th</sup> January, 2017 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.	Shri V.P. Agarwal (Executive)	Member	4
3.	Shri Vikram Agarwal (Executive)	Member	4

Compliance Officer

: Shri Ashwini Kumar  
Company Secretary

No. of shareholders/ investors complaints

received upto 31<sup>st</sup> March, 2017 : 9

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

No. of pending complaints : Nil

The Company has created an exclusive e-mail ID viz. [investorshelpline@prakash.com](mailto:investorshelpline@prakash.com) for the help of investors

### 7. OTHER COMMITTEES

#### a) 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 frequently/as and when required to approve the transfer and transmission of shares, issue of duplicate share certificates, consolidation and sub-division of shares, etc. The Company complies with the requirements of the SEBI (LODR) 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 Ashwini Kumar, Company Secretary of the Company as Compliance Officer to monitor the transfer process and liaison with the regulatory authorities.

#### b) FINANCE COMMITTEE

The Board has also constituted a Finance Committee on 14<sup>th</sup> 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 issue that the Board may desire to be 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 Shri M.L. Pareek (Whole-time Director and Chief Executive Officer) as members of the Finance Committee of the Board of Directors.

One meeting on 24<sup>th</sup> April, 2016 was held during the financial year 2016-17.

#### c) 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

### d) FCCB CONVERSION COMMITTEE

The Board has also constituted a FCCB Conversion Committee for allotment of equity shares on conversion of FCCB. The Committee comprises of Shri Vikram Agarwal (Managing Director) as the Chairman of the FCCB Conversion Committee and Shri M.L. Pareek and Shri P.L. Gupta (Whole-time Directors) as members of the FCCB Conversion Committee of the Board of Directors.

The FCCB Conversion Committee met five times during the financial year 2016-17 on 3rd May, 2016, 13<sup>th</sup> July, 2016, 25<sup>th</sup> January, 2017, 23<sup>rd</sup> February, 2017 and 15<sup>th</sup> March, 2017 and attendance was as under:

S. No.	Name of Director	Status	Meetings Attended
1.	Shri Vikram Agarwal	Chairman	5
2.	Shri M.L. Pareek	Member	5
3.	Shri P.L. Gupta	Member	5

### e) CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

The Board has constituted the Corporate Social Responsibility and Governance Committee (CSR & G Committee) comprising Dr. S. L. Keswani, as Chairman and Shri K. C. Mehra, Smt. Purnima Gupta, Shri Vikram Agarwal and Shri Kanha Agarwal as 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.

The Committee met once during the financial year 2016-17 on 14<sup>th</sup> February, 2017 and attendance of members at the meeting was as follows:

S. No.	Name of Director	Status	Meetings Attended
1.	Dr. S.L.Keswani	Chairman	1
2.	Shri K.C.Mehra	Member	1
3.	Smt. Purnima Gupta	Member	1
4.	Shri Vikram Agarwal	Member	1
5.	Shri Kanha Agarwal	Member	1

### f) RISK MANAGEMENT COMMITTEE

In terms of the provisions of SEBI (LODR) Regulations, 2015, Company has constituted a Risk Management Committee comprising of Shri Vikram Agarwal, Managing Director as Chairman and Shri M.L. Pareek and Shri P.L. Gupta, Whole-time Directors as members of the Committee.

The Committee met once during the financial year 2016-17 on 14<sup>th</sup> February, 2017 and attendance of members at the meeting was as follows:

S. No.	Name of Director	Status	Meetings Attended
1.	Shri Vikram Agarwal	Chairman	1
2.	Shri M.L. Pareek	Member	1
3.	Shri P.L. Gupta	Member	1

The Committee is empowered pursuant to its terms of reference:

1. To develop and implement the Risk Management Policy of the Company
2. To lay down risk assessment and minimization procedures
3. To frame, implement, review and monitor Risk Management Plan of the Company
4. To perform such other functions as may be referred to it by the Board

The Committee in its meeting held on 14th February, 2017 had developed and implemented a Risk Management Manual containing the Risk Management Policy and Project Schedule Risk Assessment.

The Committee in its above meeting had also formulated and implemented a Risk Management Plan for the Company including the procedure to inform Board Members about risk assessment and minimization procedures.

### 8. 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 Resolutions
2015-2016	29.09.2016 at 12.30 p.m	Resolution for appointment of Statutory Auditor, Resolution for waiver of recovery of excess remuneration paid to Chairman, Managing Director, Joint Managing Director and Whole-time Directors
2014-2015	26.09.2015 at 12.30 p.m.	Resolution for waiver of recovery of excess remuneration paid to Chairman and Managing Director Re-appointment of Managing Director and Whole-time Directors
2013-2014	24.09.2014 at 12.30 p.m.	Re-appointment of Chairman, Conversion of loan into equity shares, Enhance the borrowing powers, Enhancement of the limit of creation of charge / mortgage / hypothecation and pledge etc. and Amendment in Articles of Association

#### Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the financial Year 2016-17. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

# PRAKASH INDUSTRIES LIMITED

## 9. 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.

### 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.

## 10. 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 25<sup>th</sup> July, 2017 at 12.30 p.m.  
Venue 15 Km. Stone, Delhi Road,  
Hissar-125044

### c) Financial Calendar for 2017-18:

- i) First quarter results upto 14<sup>th</sup>  
August, 2017
- ii) Second quarter results upto 15<sup>th</sup>  
November, 2017
- iii) Third quarter results upto 15<sup>th</sup>  
February, 2018
- iv) Fourth quarter/Annual results upto 15<sup>th</sup>/30<sup>th</sup>  
May, 2018

### d) Book Closure :

22<sup>nd</sup> July, 2017 to 25<sup>th</sup> July, 2017 (both days inclusive)

## e) 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

ISIN No. for FCCB :	XS1299011871
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## f) Market Price Data :

Market price of Company's Equity Share of ₹10 each during the year from April, 2016 to March, 2017 at BSE Ltd. and National Stock Exchange (NSE) are given below: (₹)

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April, 2016	45.50	29.60	45.45	29.65
May, 2016	43.25	35.75	42.95	35.60
June, 2016	38.85	33.20	38.85	33.35
July, 2016	44.40	35.95	44.45	35.90
August, 2016	54.85	39.65	54.80	39.60
September, 2016	58.45	45.05	59.00	45.20
October, 2016	63.40	52.00	63.50	52.30
November, 2016	63.05	42.15	63.00	42.30
December, 2016	50.50	42.05	50.55	42.05
January, 2017	75.55	44.05	75.75	44.10
February, 2017	88.50	69.15	88.45	69.00
March, 2017	82.25	76.40	82.00	76.20

## g) Distribution of Shareholding (as on 31<sup>st</sup> March, 2017)

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Upto 5000	41255	83.23	7036955	5.06
5001 - 10000	3787	7.64	3094594	2.23
10001 - 20000	1980	3.99	3092554	2.22
20001 - 30000	715	1.44	1865537	1.34
30001 - 40000	347	0.70	1257977	0.90
40001 - 50000	320	0.65	1529910	1.10
50001 - 100000	522	1.05	3940604	2.84
100001 - above	643	1.30	117228200	84.31
<b>Total</b>	<b>49569</b>	<b>100.00</b>	<b>139046331</b>	<b>100.00</b>

## h) Shareholding Pattern (as on 31<sup>st</sup> March, 2017)

Category	No. of Shares	% of Shares
Promoter & Promoter Group	62522390	44.97
Mutual Fund / UTI	145641	0.10
Financial Institutions / Banks	3785	0.00
Insurance Companies	300	0.00
Foreign Institutional Investors	7354822	5.29
Bodies Corporate	34602435	24.89
NRIs/OBCs	1132833	0.81
Public (Individuals)	33284125	23.94
<b>Total</b>	<b>139046331</b>	<b>100.00</b>

# PRAKASH INDUSTRIES LIMITED

## i) 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).

## j) 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.

## k) 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, 2017; 93.03% of Equity Shares of the Company were held in dematerialized form.

## l) Listing Fee :

The Company has paid the listing fees upto the year 2017-18 of BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed and traded.

## m) Outstanding Foreign Currency Convertible Bonds (FCCB) :

The total outstanding FCCB as on 31<sup>st</sup> March, 2017 is 31.95 Million US\$.

## n) Plant Locations :

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

## o) 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)**

## 11. OTHER DISCLOSURES

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.45 of Standalone Financial Statements, forming part of the Annual Report. All related party transactions are negotiated on arms

length basis and are intended to further in the Company's interests.

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.

- b) 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.**
- c) The details of establishment of Vigil Mechanism & Whistle Blower Policy can be accessed on the Company's website [www.prakash.com](http://www.prakash.com). Further it is affirmed that 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.
- d) The Policy for determining "Material Subsidiaries" can be accessed on company's website [www.prakash.com](http://www.prakash.com).
- e) The Policy on dealing with related party transactions can be accessed on company's website [www.prakash.com](http://www.prakash.com).
- f) There has been no instance of non-compliance by the Company on any requirement of Corporate Governance report as per Para C of Schedule V of SEBI (LODR), Regulations, 2015.
- g) The Company has adopted and fulfilled the disclosure requirements in compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI(LODR) Regulations, 2015.

## 12. 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 CEO and CFO is given below:

*"In terms of Para D of Schedule V of SEBI (LODR) Regulations 2015, 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 2016-17"*

**Place : New Delhi**  
**Date : 22<sup>nd</sup> May, 2017**

**M. L. Pareek**  
**Chief Executive**  
**Officer**

**P. L. Gupta**  
**Chief Financial**  
**Officer**



**13. Disclosures with respect to demat suspense account/ unclaimed suspense account**

- |   |   |
|---|---|
| a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : NIL | c) Number of shareholders to whom shares were transferred from suspense account during the year : NIL                     |
| b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year : NIL       | d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : NIL |

**Compliance Certificate from the Auditors regarding compliance of conditions of Corporate Governance**

To  
The Members of  
Prakash Industries Limited

We have examined the compliance of conditions of corporate governance by Prakash Industries Limited ("the Company"), for the year ended 31st March, 2017 as stipulated in SEBI(LODR) Regulations, 2015 and 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said clause of the Listing Regulations.

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 **S.K. Hota & Associates**  
**Company Secretaries**

(**Susanta Kumar Hota**)  
**Proprietor**  
**ACS: 16165 CP: 6425**

New Delhi  
22<sup>nd</sup> May, 2017

# **PRAKASH INDUSTRIES LIMITED**

**INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3) (m) OF THE COMPANIES ACT 2013; READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

## **A) CONSERVATION OF ENERGY**

### **I) STEPS TAKEN FOR IMPACT ON CONSERVATION OF ENERGY**

#### **Sponge Iron Division**

1. Reduction of specific coal consumption per ton of DRI in SID Division by optimizing C / Fe Ratio
2. Reduction of power consumption by implementing various Energy conservation projects as per energy audit conducted by CII
3. Reuse and recycle of backflow material of Kiln, back into the process resulting in coal saving in DRI production
4. Improved power factor by installing capacitor bank resulted into energy saving
5. Installation of wet scrapper to arrest the air ingress resulted into increase of steam and power generation
6. Installation of VFD in Kiln Cooler Main drives, Bag Filters & other equipments for optimization and reduction of electrical energy

#### **Induction Furnace Division**

1. Reduction of auxiliary power consumption by implementing CII Audit Energy saving proposals and installing energy efficient Furnace
2. Reduction of heat time resulted into increased the number of heats leading to reduction in specific power consumption of steel

#### **SAF Division**

1. Interconnection of compressed air pipe lines in SAF resulted into energy saving as well as flexibility of operations
2. Installation of VFD in ID Fan & CT fans for energy saving

#### **Power Plant Division**

1. Installation of Capacitor Bank for improving the generator power factor
2. Installation of VFD in CEP pumps, boiler feed pumps & other equipments resulting into reduction of auxiliary power consumption
3. Replaced the conventional blades of cooling tower with energy efficient FRP Blades resulted in energy conservations
4. Improved the efficiency of cooling water pumps by applying the energy efficient epoxy coating
5. In-house designed new type of gland are fabricated and fixed in all PA fans for arresting the air ingress in PA fan lines which has resulted in energy conservation
6. Modification in APH casing resulting improvement in the performance of APH and reduced auxiliary power consumption

### **II) STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY**

1. Replacement of conventional lights with Energy Efficient LED lights
2. Reuse and recycle of backflow material in the Kilns for partly replacing the fresh coal in the feeding
3. Installation of dust injection system for utilizing the De dusting fines in the ABC / DSC of Kilns for increasing the steam and power generation in WHRB
4. Using the waste heat of Kilns for generating power through Waste Heat Recovery Boilers

**III) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPEMENTS**

S.No	PROJECT TITLE	Rs. In lakhs
1.	VFD installation in the plant in all division as per process requirement for energy conservation	26.16
2.	Replacement of conventional lights with energy efficient LED lights	26.52
3.	Installation on energy efficient motors in projects in plant	51.72
4.	Installation of energy efficient pumps in all divisions	51.88
5.	Installation of energy efficient compressors in all divisions	31.93
6.	Installation of Wet Scraper and insulation in WHRB and FBB power plant	49.00
7.	Installation of encon blades in the pumps	30.00
8.	Conducted CII Energy Audit for entire plant	25.00
9.	Energy efficient coatings in cooling tower pumps in power plant	6.50
10.	Energy efficient chemical in power plant	6.00
11.	Energy efficient chemical in rolling mill gasifier	13.00
12.	Energy efficient eco ventilators	15.00
13.	Installation of capacitor bank in plant for improving the power factor	45.00
14.	Installation of new CW pump for TG-9	15.88
15.	Replacement of arc valve with multistage pressure reduction drag valve	41.00

**B) TECHNOLOGY ABSORPTION**
**(i) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION**

Company is committed to use latest technology ensuring maximum efficiencies, highest productivity and least cost. For this Company is buying equipments only from renowned suppliers having tie-up for the latest technology available globally

**(ii) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION**

SNOPROJECT TITLE	BENEFITS DERIVED
<b>A. Sponge Iron Division</b>	
1. Installation of coal dryer to dry coal to optimize the process particularly in rainy season	Process is optimized in rainy season
2. Installed improved design higher capacity coal injectors to increase the productivity	Increased the productivity
3. Study of the air tube life by changing the material of construction to improve its life	Improved the life of air tube
4. Introduction of new refractory in the DRI Kilns to minimize and reduce the radiation heat losses of kiln surface to save the specific coal consumption	Reduced the radiation heat losses of Kiln surface
5. Installation of Wet Scraper resulted into saving of Thermal Energy and improved steam generation	Improved steam generation
6. Increased FeM of the DRI by optimizing process for getting better recovery in the steel melting process	Better yield and recovery received in the steel melting process
7. Recovery and use of backflow material in kilns to reduce the coal consumption	Reduced coal consumption
<b>B. Power Plant Division</b>	
1. Successfully used Coal Catalyst – Thermact to reduce the LOI in fly ash by 15-20 %. resulting into reduction of coal consumption	Reduction of LOI and coal consumption
2. Use of Dolochar (byproduct from Kilns) in the FBB Boilers for utilization of waste byproducts of Kilns in power generation which has resulted into reduction in coal consumption of Boilers	Utilization of solid waste and reduction of coal consumption
3. Retrofitting of WHRB-1 & 2 to increase steam generation from same flue gases resulting in higher power generation	Increase in steam and power generation

## PRAKASH INDUSTRIES LIMITED

<b>C. Induction Furnace Division</b>	
1. Reduction of heat time by 8 -10 % by changing the lining thickness, bottom lining and former design and improving the operational practices, resulted into energy saving and productivity Improvement	Resulted into energy saving and productivity Improvement
2. Changed the ramming mass quality for lining and patching resulted into minimize the sintering heats, which resulted in improvement in the production and reduction of the specific power consumption	Improved the patching life and productivity of IFD division
3. IFD slag reprocessing, recovery & reuse with in-house R & D to minimize the fresh DRI consumption	Utilization of solid waste and reduction of DRI consumption
4. Improved the yield by 1% leading to increase in recovery of metal and production and reduction of specific power consumption	Increased the production
5. Reduction of skull loss in IFD by 50%	Reduction of waste generation and increased production
<b>D. SAF Division</b>	
1. Covering of open area of SAF to avoid the heat loss and to arrest the fugitive emissions	Reduction of heat loss and fugitive emission
2. Reduction in cost of production & power consumption by R & D in blend of manganese ore of various grades	Reduction of production cost
3. Recovery of Si Mn from the waste SAF slag through in-house designed jigging process	Utilization of solid waste
4. Use of sponge iron accretion material and cooler over size material in SAF creating usable product from waste	Utilization of solid waste and reduction of cost of production and creating wealth from waste

### PROCESS IMPROVEMENT

1. Increased the use of coal fines in the Kiln for reducing the coal consumption and coal cost in DRI Kilns
2. Increase the FeM of DRI in the Kilns for improving the yield / metal recovery in Induction Furnace
3. Reuse / recycle of backflow material in Kilns to optimize the coal consumptions
4. Installation of bigger coal Injection system for higher feeding and avoid the downtime of coal injection system particularly in the rainy season
5. Improved the IFD Yield by 1% leading to increase in recovery of metal and production and reduction of specific power consumption
6. Reduction and optimization of heat time to increase the number of heats / furnace and productivity
7. Reduced the specific power consumption and optimization of production in SAF with better quality of Ore and Blend and improving operation practices
8. Optimization of specific coal consumption and power cost in power plant by better coal blend and char and improving efficiency and reduction of auxiliary power consumption

### PRODUCT DEVELOPMENT

Company has pull all possible efforts with adoption of best available technologies to develop the manufacturing of various products, best in the industry

### INFORMATION REGARDING IMPORTED TECHNOLOGY ( LAST THREE YEARS)

S.No.	TECHNOLOGY IMPORTED	YEAR OF IMPORT	STATUS	WHEATHER THE TECHNOLOGY FULLY ABSORBED
i)	Nil	Nil	Nil	Nil

### EXPENDITURE ON RESEARCH AND DEVELOPMENT ( R&D)

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

### 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 lakhs)	Previous Year (₹ in lakhs)
i) Foreign exchange used	1,078	1,356
ii) Foreign exchange earned	—	—

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure & Developments

**Steel and Power Division:** The outlook for the Indian Steel Industry continues to be bright. The sector has already risen to be the third-largest producer of crude steel in the world. The Indian Government's focus on infrastructure investments and noteworthy initiatives, like affordable housing, housing for all by 2022, power for all by 2019, 100 smart cities by 2022, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), expansion of railway networks, development of domestic shipbuilding industry, opening up of the defense sector for private participation and the anticipated growth in the automobile sector are expected to create significant demand for steel in the country in the next couple of years. It is expected that at the current rate of GDP growth, the steel demand will grow threefold in next 15 years to reach a demand of close to 2205 million tonnes by 2030-31.

**PVC Pipe division:** The growth trajectory witnessed in the PVC Pipe and Fitting Industry in the past few years is expected to continue in future also and that too, at a much higher pace. The PVC pipes and fittings industry in India is projected to reach INR 391 billion in FY'2019. The focus of the government on rural water management requiring proper infrastructure for the transportation of water to the end-user, shall remain as one of the major drivers for the growth of PVC pipe industry in the country along with the expansion of housing sector, increasing demand for oil and gas transportation and replacement of ageing pipelines.

### Opportunities and Threats

**Steel and Power Division:** Looking at the present per capita steel consumption in the country, the Indian Steel Industry has a huge potential for growth. The current per capita steel consumption is as low as 60 kg as against the international average is 208 kg per capita. India's growing urban infrastructure and manufacturing sectors indicate that demand is likely to be robust in the years ahead. If India is targeting to become a "developed nation", the steel industry has to play a crucial role as has been the case with all the major developed countries and East Asian countries like Japan, South Korea. However, the major threat to the steel industry in India continues to be the glut of cheap exports from countries like China, Japan and Korea at predatory low prices. Although the Indian Government has taken series of steps like imposition of Minimum Import Price, to create competitive grounds for the domestic steel players, these import barriers are transient in nature and are already under attack by exporters like Japan, which have recently dragged India to the WTO citing that imposition of such minimum import (MIP) prices has flouted global trade rules. There is a threat that these steps may not be sustained for long.

**PVC Pipe division:** The future of the Indian PVC pipe market looks attractive with opportunities in the potable water supply, wastewater supply, agriculture, and chemical sector. The major growth drivers for this sector are the growth of government infrastructural spending, increasing residential and

commercial construction, industrial production, irrigation sector, and replacement of aging pipelines. Expanding population leading to an increase in the demand for agricultural products and increasing water sanitary management have created substantial demand for PVC pipes and fittings in agriculture, infrastructure, real estate and construction sectors across the nation, over the years. Factors such as augmenting level of population leading to increased demand for agricultural production, increased government thrust on infrastructure development, rising demand from construction sector and increasing recognition among people regarding the benefits of PVC pipes over other conventional piping systems have impelled the scope for PVC pipe industry in India in the past and the trend is expected to continue in the future years. However, the major threat to the industry remains to be delays in government decision/ spending and limited availability of PVC resin in India.

### Segment Wise / Product Wise Performance

**Steel and Power Division:** The performance of the Steel division was satisfactory during the year under review. The finished steel production recorded growth of approx. 13.4% in the year under review over the last financial year. During the year, the Company also re-commissioned its Heavy & Medium Structural Mill at Raipur, as a step towards expanding its product range in the finished steel segment. The Steel Melting Shop capacity was also enhanced during the year by replacing the existing furnaces with higher energy efficient furnaces. During the year, the company also secured medium term coal linkage of 0.7 mn tonnes per annum for a period of five years for its steel and power operations, which has improved the self-reliant quotient of the Company significantly regarding the requirement of coal. The operations in the power division were also satisfactory during the year and the generation was sufficient to meet the requirement of power in the steelmaking operations.

**PVC Pipe Division:** The division recorded highest ever production during the year under review. The robust market demand contributed to consequent higher operating margins in the division. Encouraged by the performance of the division and taking into consideration the future growth potential in the sector, the Company has undertaken capacity expansion at its PVC Pipe plant, which is in advanced stages of implementation.

### Outlook

**Steel and Power Division:** The Indian steel industry is riding high on the resurgent economy and rising demand for steel. Rapid rise in steel production has resulted in India becoming the 3rd largest producer of crude steel and is all set to meet the target of 200 million tonnes by 2020, thereby reaching the 2nd place in world steel production. The 12th five year plan of the government is envisaging an investment of \$ 1 trillion in infrastructure that will boost the demand for steel. Further, increase in urban population to 600 million by 2030 from the

## **PRAKASH INDUSTRIES LIMITED**

current level of 400 million, emergence of the rural market for steel currently consuming around 11 kg per annum buoyed by projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, among others, shall also spiral the demand for steel in the country in the future years.

**PVC Pipe Division:** In the last one decade, the PVC pipe industry has been seeing a very strong demand, mainly from new construction in metro cities and Tier II and Tier III cities. Besides new construction demand, there is a huge demand for replacement of metal pipes to plastic pipes mainly due to the corrosion, rusting, scaling etc. Since last five years, the industry is growing at more than 15% CAGR. This growth momentum is expected to continue in coming years also on account of thrust of the government on creation of Infrastructure which shall need different kinds of pipes. Further, India has irrigation potential of 140 million hectares, out of which only 40% is irrigated, reflecting huge growth potential for PVC pipes. The Indian piping market is still unorganized to the tune of 40% to 50 % but with growth of GDP and Per Capita Income, it will ultimately move to organised players, benefitting them substantially. It has been seen that in last few years, customers are rapidly moving from unbranded to branded quality pipes which has been the key reason for growth of organized players in the industry.

### **Risks and Concerns**

The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the company to identify, categorize and prioritize operational, financial and strategic business risks. Across the organization, there are teams responsible for these processes who report to the management. The risks are prudently evaluated and necessary preventive steps or actions are taken to mitigate these probable risks.

In the context of the steel operations, although our country has rich and abundant resources of the key inputs for steel making, namely iron ore and coal, the mining sector in the country has witnessed severe obstacles in the past few years on account of regulatory and environmental issues, which has

severely affected the development and opening up of new mines. The biggest challenges before any steel company remain to be the tie up of interrupted supplies of coal and iron ore on one hand and the fear of glut of cheap imports from countries like China, Korea and Japan on the other. However, our company has managed to secure coal linkage for major part of its steel operations, thereby mitigating the risk of interruption in supplies of coal. As regards iron ore, the Company has got iron ore mines allotted to it, which are likely to open in near future. Subsequent to the opening of the mines, the company shall become substantially self-reliant regarding iron ore.

### **Internal Control System and their Adequacy**

The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets. The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them. The Statutory Auditors of your Company have opined in their report that your Company has adequate internal controls over financial reporting.

### **Material developments in human resources/industrial relations front, including number of people employed**

The Company takes significant steps to ensure that the career aspirations of its employees are met through professional growth. Therefore, it organises various training and skill-development activities to enrich employee knowledge and make them future ready. During the year, the total number of employees of the company at all its locations was more than 5000.



**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
PRAKASH INDUSTRIES LIMITED

**1. Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Prakash Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Ind AS Financial Statements**

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

**3. Auditor's Responsibility**

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

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

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

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

**4. Basis for Qualified Opinion**

We refer to:

- a. Note 40 to the Ind AS financial statements, wherein in terms of a court order, the deferred tax liability of ₹ 236 lakhs for the year ended on March 31, 2017 has been adjusted against Securities Premium reserve. Had the deferred tax liability been accounted for pursuant to Ind AS-12 'Income Taxes', total comprehensive income after tax for the year ended on March 31, 2017 would have been higher by ₹ 236 lakhs.
- b. Note 41 to the Ind AS financial statements, wherein no provision for interest aggregating to ₹ 1,126 lakhs for the year and ₹ 2,178 lakhs as at March 31, 2017 has been made in respect of restructured Foreign Currency Bonds/Convertible Bonds. Also, no provision of interest (amount not ascertained) has been made in respect of other matured Foreign Currency Convertible Bonds as at March 31, 2017. Had such provision for interest been made, Capital work in progress and Other Current financial liabilities would have been higher to that extent. Further, the Company has classified matured Foreign Currency Convertible Bonds of ₹ 15,756 lakhs as borrowings under the head "Non-Current Financial liabilities" instead of "Current Financial liabilities".
- c. Note 42 to the Ind AS financial statements, wherein MAT credit entitlement expired during the year amounting to ₹ 1709 lakhs has been adjusted against the retained earnings. Had this been adjusted in the Statement of Profit & Loss, profit for the year would have been lower by such amount.

# PRAKASH INDUSTRIES LIMITED

## 5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described under paragraph 4 'Basis for Qualified Opinion', the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## 6. Emphasis of matters

We draw attention to the following matters referred to in:

- a. Note 42 to the Ind AS financial statements, wherein the provision for tax expenses 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 in future periods within the prescribed time limit as per the relevant provisions of the Income Tax Act, 1961.
- b. Note 44 to the Ind AS financial statements, wherein the Coal mine blocks allocated to two Joint Venture Companies have been cancelled pursuant to an order of Hon'ble Supreme court. No provision has been made for any diminution in the value of investments of ₹ 218 lakhs made by the Company in these companies and the advance of ₹ 189 lakhs given by the Company.
- c. Note 45 to the Ind AS financial statements, wherein the Company has not received the full and final compensation for the assets of Chotia coal mine transferred in terms of a government order. The necessary adjustment for the gain/loss on transfer of these assets will be made after receipt of full and final amount of compensation.
- d. Note 60 to the Ind AS financial statements, wherein managerial remuneration amounting to ₹ 523 lakhs paid/provided for the financial year ended March 31, 2016 is subject to awaited approval of the Central Government.

Our opinion is not qualified in respect of these matters.

## 7. Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in the Ind AS financial statements, are based on the previously issued audited financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 which were audited by the predecessor auditor whose report for the years ended March 31, 2016 and March 31, 2015 dated May 24, 2016

and May 25, 2015 respectively expressed modified/unmodified opinion on those financial statements. The adjustments to financial statements for the differences in the accounting principles adopted by the Company on transition to the Ind AS, have been audited by us.

## 8. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and except for the matters described under 'Basis for Qualified Opinion' paragraph, 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. Except for the effects of matters described in the 'Basis for Qualified Opinion' paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d. In our opinion, except for the effects of matters described in the 'Basis for Qualified Opinion' paragraph, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
  - e. On the basis of the written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. The qualification relating to the maintenance of accounts and other matters connected there with are as stated in the 'Basis for Qualified Opinion' paragraph;
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and

## PRAKASH INDUSTRIES LIMITED

according to the information and explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements (refer note 36 & 38);
- ii. Except for the effects of matters described under 'Basis of Qualified Opinion' paragraph, the Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts except in matters described in the 'Basis for Qualified Opinion' paragraph. The Company did not have any derivative contracts;
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year;
- iv. The company has provided requisite disclosures in the Ind AS financial statements as to holdings

as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management's representation, we report that disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management (Refer note 58).

**For Chaturvedi & Co.**  
Chartered Accountants  
Firm Registration No. 302137E

**Pankaj Chaturvedi**  
Partner  
Membership No. 091239

New Delhi  
May 22, 2017

## PRAKASH INDUSTRIES LIMITED

### ANNEXURE A REFERRED TO IN INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF PRAKASH INDUSTRIES LIMITED ("THE COMPANY") ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets;
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the company except for one case of freehold land having gross/net block value of ₹ 20 lakhs;
- (ii) According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals during the year except materials in transit as at the year end. The discrepancies noticed on verification between physical inventory and book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has granted an interest free unsecured loan of ₹ 189 lakhs to a Joint venture company covered under register maintained under section 189 of the Act. In our opinion, the terms and conditions of the loan granted by the Company, having regard to the nature and purpose of the transaction and relying on management's representation that the Company is obliged to provide finances to the joint venture company, are not prejudicial to the interest of the Company. The schedule of the repayment of the amount is not stipulated, hence we are not able to comment whether the repayments are regular or the outstanding is overdue (Refer note 43).
- (iv) According to information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employee's state insurance, duty of customs, cess and any other statutory dues except sales tax, income tax, service tax, duty of excise, value added tax and duty on power with the appropriate authorities. The outstanding statutory dues as on March 31, 2017 include the amount of ₹ 2411 lakhs outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there were no outstanding dues in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the following:

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	274.46	1994-95, 2005-06 to 2008-09	CESTAT, New Delhi
		119.70	2012-13 & 2013-14	Appellate Authority - Addl. Commissioner
		5.09	2001-02	Appellate Authority - Jt. Commissioner
		17.92	1995-96 & 2010-11 to 2012-13	Appellate Authority - Dy. Commissioner
		0.11	1996-97	Appellate Authority - Asstt. Commissioner
The Income Tax Act, 1961	Income Tax	356.70	1998-99 to 2000-01 & 2006-07	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	194.70	2012-13 to 2014-15	Appellate Authority - Commissioner

## PRAKASH INDUSTRIES LIMITED

- (viii) According to the information and explanations given to us, there are no loans or borrowings payable to the Government. The details of the delays by the Company in repayments of loans / borrowing to financial institutions, bank and bond holders are as under:

Lender	₹ in Lakhs		Period of Default (days)	Remark
	Repayment of Principal	Payment of Interest		
Foreign Currency Convertible Bonds (FCCB)	15,756	–	702	Refer note 47
Foreign Currency Bonds (FCB)	3,472 - 6,944	–	213 - 336	
Rural Electrification Corporation Limited	6,323	6,419	Rescheduled/restructured by lenders (Refer note 19(b))	
Corporation Bank	4,756	1,394		

- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on the audit procedures conducted by us, the managerial remuneration paid/provided during the year is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. The Company's applications for approvals in respect of excess managerial remuneration of ₹ 523 lakhs paid/payable during the previous year, are pending with the appropriate authority. Accordingly, pending approvals, the Company has taken no further steps in this regard.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has, during the year, made allotment of Equity shares to the Foreign Currency Convertible Bond (FCCB) holders on exercising the option of conversion by them as per the terms of the FCCB. The requirements of section 42 of the Companies Act, 2013 have been complied with by the Company to the extent applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company.
- (xvi) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**For Chaturvedi & Co.**  
Chartered Accountants  
Firm Registration No. 302137E

New Delhi  
May 22, 2017

**Pankaj Chaturvedi**  
Partner  
Membership No. 091239

# **PRAKASH INDUSTRIES LIMITED**

## **ANNEXURE B REFERRED TO IN INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF PRAKASH INDUSTRIES LIMITED ("THE COMPANY") ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

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

We have audited the internal financial controls over financial reporting of Prakash Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Basis of qualified opinion**

The Company did not have appropriate internal financial controls over (a) assessment of provision for interest on Foreign currency bonds/convertible bonds, (b) adjustment of deferred tax liability and MAT credit entitlement to the statement of profit and loss. The inadequate internal controls over financial reporting in respect of aforesaid matters have effect on the reported profit for the year.

**Qualified opinion**

In our opinion and according to the information and explanations given to us, except for the effects of matters described in "Basis of qualified opinion" paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered matters reported in "Basis of qualified opinion" paragraph in determining the nature, timing and extent of audit tests applied in our audit of the Ind AS financial statements of the Company for the March 31, 2017.

**For Chaturvedi & Co.**  
Chartered Accountants  
Firm Registration No. 302137E

New Delhi  
May 22, 2017

**Pankaj Chaturvedi**  
Partner  
Membership No. 091239

# PRAKASH INDUSTRIES LIMITED

## BALANCE SHEET As At 31<sup>ST</sup> March, 2017

₹ in lakhs

	Note No.	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>I. ASSETS</b>				
<b>(1) Non Current Assets</b>				
(a) Property, Plant & Equipment	5	1,57,813	1,63,494	1,63,030
(b) Capital Work-in-progress	5	1,14,145	95,521	88,782
(c) Other Intangible Assets	5	—	—	290
(d) Intangible Assets Under Development	5	—	—	5,631
(e) Financial Assets				
(i) Investments	6	218	218	218
(ii) Loans	7	189	189	182
(iii) Other Financial Assets	8	4,778	2,298	2,865
(f) Non Current Tax Assets	9	267	270	153
(g) Other Non Current Assets	10	31,929	33,148	34,890
		<u>3,09,339</u>	<u>2,95,138</u>	<u>2,96,041</u>
<b>(2) Current Assets</b>				
(a) Inventories	11	18,775	18,258	19,407
(b) Financial Assets				
(i) Trade Receivables	12	7,633	7,994	9,697
(ii) Cash & Cash Equivalents	13	1,664	928	1,968
(iii) Bank Balance other than (ii) above	14	1,147	1,075	801
(v) Other Financial Assets	15	3,057	8,824	760
(c) Other Current Assets	16	8,648	4,018	5,796
		<u>40,924</u>	<u>41,097</u>	<u>38,429</u>
<b>TOTAL ASSETS</b>		<u>3,50,263</u>	<u>3,36,235</u>	<u>3,34,470</u>
<b>II. EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	17	13,905	13,449	13,449
(b) Other Equity	18	2,08,191	2,00,296	1,95,906
		<u>2,22,096</u>	<u>2,13,745</u>	<u>2,09,355</u>
<b>LIABILITIES</b>				
<b>(1) Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19	57,681	54,379	63,029
(ii) Other Financial liabilities	20	165	126	125
(b) Provisions	21	2,913	2,377	1,910
(c) Deferred tax liabilities (Net)	22	8,653	8,889	8,919
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	23	14,331	8,110	13,010
(ii) Trade Payables	24	9,700	8,888	7,722
(iii) Other Financial liabilities	25	26,485	31,799	22,966
(b) Other current Liabilities	26	5,111	6,425	6,499
(c) Provisions	27	1,275	1,103	935
(d) Current tax Liabilities(Net)	28	1,853	394	-
		<u>1,28,167</u>	<u>1,22,490</u>	<u>1,25,115</u>
<b>TOTAL LIABILITIES</b>		<u>1,28,167</u>	<u>1,22,490</u>	<u>1,25,115</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,50,263</u>	<u>3,36,235</u>	<u>3,34,470</u>

The accompanying notes are an integral part of these Ind AS financial statements.

As per our report of even date attached  
For Chaturvedi & Co.  
Chartered Accountants  
Firm Registration No.302137E

(Pankaj Chaturvedi)  
Partner  
M.No.091239

For and on behalf of the Board

NEW DELHI  
22nd May, 2017  
Ashwini Kumar  
Company Secretary  
M.No.ACS 17025

Vikram Agarwal  
Managing Director  
DIN:00054125

M.L. Pareek  
Whole - time Director & CEO  
DIN:01795975

P.L. Gupta  
Whole - time Director & CFO  
DIN:00048868

# PRAKASH INDUSTRIES LIMITED

## STATEMENT OF PROFIT & LOSS For the year ended 31<sup>ST</sup> March, 2017

₹ in lakhs

	Note No.	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>INCOME</b>			
Revenue from operations	29	2,41,480	2,28,120
Other Income	30	332	481
<b>Total Income</b>		<u>2,41,812</u>	<u>2,28,601</u>
<b>EXPENSES</b>			
Cost of material consumed		1,49,270	1,45,415
Changes in inventories of finished goods and work-in-progress	31	(1,052)	597
Employee benefits expense	32	15,488	14,387
Finance costs	33	7,307	6,945
Depreciation and amortization expense	34	10,303	10,181
Excise duty		24,130	22,791
Other expenses	35	27,526	25,946
<b>Total expenses</b>		<u>2,32,972</u>	<u>2,26,262</u>
<b>Profit before exceptional items and tax</b>		8,840	2,339
Exceptional Items		—	—
<b>Profit before tax</b>		8,840	2,339
Tax expenses:			
Current tax	49	1,887	440
Less:MAT credit entitlement		<u>(1,147)</u>	<u>(439)</u>
Deferred Tax	40	—	—
<b>Profit for the year</b>		8,100	2,338
<b>Other Comprehensive Income</b>			
<b>a) Items that will not be reclassified to Profit or Loss</b>			
-Remeasurement of defined benefit plans		(265)	(341)
<b>b) Income tax relating to items that will not be reclassified to Profit or Loss</b>			
-Remeasurement of defined benefit plans	40	—	—
<b>Total Comprehensive Income for the year</b>		7,835	1,997
<b>Earning per equity share:</b>	51		
<b>(Face Value of ₹ 10/- each)</b>			
Basic ₹		5.97	1.74
Diluted ₹		5.40	1.52

The accompanying notes are an integral part of these Ind AS financial statements.

As per our report of even date attached  
For Chaturvedi & Co.  
Chartered Accountants  
Firm Registration No.302137E

(Pankaj Chaturvedi)  
Partner  
M.No.091239

For and on behalf of the Board

NEW DELHI  
22nd May, 2017

Ashwini Kumar  
Company Secretary  
M.No.ACS 17025

Vikram Agarwal  
Managing Director  
DIN:00054125

M.L. Pareek  
Whole - time Director & CEO  
DIN:01795975

P.L. Gupta  
Whole - time Director & CFO  
DIN:00048868

# PRAKASH INDUSTRIES LIMITED

## STATEMENT OF CHANGES IN EQUITY For the year ended 31<sup>ST</sup> March, 2017

### A. Equity Share Capital

Equity Shares of ₹ 10 each issued, subscribed and fully paid up

₹ in lakhs

	Number of Shares	Amount
As at 1st April, 2015	13,44,88,514	13,449
Change in share capital during the year	—	—
Balance as at 31st March, 2016	13,44,88,514	13,449
Change in share capital during the year	45,57,817	456
<b>Balance as at 31st March, 2017</b> (refer note 17)	<b>13,90,46,331</b>	<b>13,905</b>
-Change in share capital during the year ended 31 March, 2017 represents the shares allotted on conversion of Foreign Currency Convertible Bonds (FCCB).		

### B. Other Equity

₹ in lakhs

Particulars	Equity Component of FCCB	Reserves and Surplus					Other Comprehensive Income	Total
		Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at 1st April, 2015	—	279	22,876	800	1,71,000	2,225	(1,274)	1,95,906
Profit for the year	—	—	—	—	—	2,338	—	2,338
Remeasurement of the net defined benefit (liabilities)/assets	—	—	—	—	—	—	(341)	(341)
Equity Component of FCCB	3,091	—	—	—	—	—	—	3,091
Minimum Alternate Tax(MAT) Credit Reversal (refer note 42)	—	—	—	—	—	(728)	—	(728)
Deferred Tax Adjustment (refer note.40)	—	—	30	—	—	—	—	30
<b>Balance as at 31st March, 2016</b>	<b>3,091</b>	<b>279</b>	<b>22,906</b>	<b>800</b>	<b>1,71,000</b>	<b>3,835</b>	<b>(1,615)</b>	<b>2,00,296</b>
Conversion of FCCB	(746)	—	2,279	—	—	—	—	1,533
Profit for the year	—	—	—	—	—	8,100	—	8,100
Remeasurement of the net defined benefit (liabilities)/assets	—	—	—	—	—	—	(265)	(265)
Minimum Alternate Tax(MAT) Credit Reversal (refer note 42)	—	—	—	—	—	(1,709)	—	(1,709)
Deferred Tax Adjustment (refer note 40)	—	—	236	—	—	—	—	236
<b>Balance as at 31st March, 2017</b>	<b>2,345</b>	<b>279</b>	<b>25,421</b>	<b>800</b>	<b>1,71,000</b>	<b>10,226</b>	<b>(1,880)</b>	<b>2,08,191</b>

The accompanying notes are an integral part of these Ind AS financial statements.

# PRAKASH INDUSTRIES LIMITED

## STATEMENT OF CASH FLOWS For the year ended 31<sup>ST</sup> March, 2017

₹ in lakhs

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>A. Cash Flow From Operating Activities :</b>		
Profit before tax	8,840	2,339
Adjustments for		
Provision for employee benefit	182	67
Allowance for doubtful debts and advances	21	24
Depreciation and amortisation expenses	10,303	10,181
Interest and other Income	(332)	(481)
Loss/(Profit) on sale of fixed assets	109	45
Financial cost	7,307	6,945
	<u>17,590</u>	<u>16,781</u>
Operating Profit before working Capital changes	26,430	19,120
Adjustments for		
Trade receivables	354	1,687
Other financial assets	5,568	160
Other current assets	(4,644)	1,770
Inventories	(517)	1,149
Trade payable and other financial liabilities	1,471	2,035
Other current liabilities	(1,314)	(74)
	<u>918</u>	<u>6,727</u>
Cash generated from operations	27,348	25,847
Direct Taxes Paid (Net of refund)	425	145
Additional Levy on Coal	—	1,485
<b>Net Cash generated from operating activities</b>	<u>26,923</u>	<u>24,217</u>
<b>B. Cash Flow From Investing Activities</b>		
Sale proceeds of fixed assets	134	328
Purchase of fixed assets including CWIP and capital advances	(22,880)	(15,842)
Interest and other Income received	335	488
Advances to Joint ventures	—	(7)
Changes in Term deposits with banks	(2,356)	111
<b>Net cash used in investing activities</b>	<u>(24,767)</u>	<u>(14,922)</u>
<b>C. Cash Flow From Financing Activities :</b>		
Proceeds/(Repayment) from Loans (Net)	2,244	(4,973)
Finance expenses paid	(3,664)	(5,362)
<b>Net Cash from financing activities</b>	<u>(1,420)</u>	<u>(10,335)</u>
<b>Net Changes in Cash &amp; Cash equivalents (A+B+C)</b>	736	(1,040)
<b>Opening balance of Cash &amp; Cash equivalents</b>	928	1,968
<b>Closing balance of Cash &amp; Cash equivalents</b>	1,664	928
<b>Component of Cash and Cash equivalents</b>		
Balance with Current Accounts	1,515	830
Cheques, Drafts on hands	100	49
Cash on hands	49	49
	<u>1,664</u>	<u>928</u>

The accompanying notes are an integral part of these Ind AS financial statements.

As per our report of even date attached  
For Chaturvedi & Co.  
Chartered Accountants  
Firm Registration No.302137E

(Pankaj Chaturvedi)  
Partner  
M.No.091239

For and on behalf of the Board

NEW DELHI  
22nd May, 2017

Ashwini Kumar  
Company Secretary  
M.No.ACS 17025

Vikram Agarwal  
Managing Director  
DIN:00054125

M.L. Pareek  
Whole - time Director & CEO  
DIN:01795975

P.L. Gupta  
Whole - time Director & CFO  
DIN:00048868

# **PRAKASH INDUSTRIES LIMITED**

## **NOTES ON IND AS FINANCIAL STATEMENTS**

### **1. Company Overview**

Prakash Industries Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It has been engaged primarily in the business of manufacture and sale of Steel Products & PVC Pipes and generation of Power. The Company has its manufacturing facilities in India and sells products in India.

### **2. Recent accounting pronouncement**

#### **Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from April 1, 2017.

#### **Amendment to Ind AS 7**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The effect on the financial statements is being evaluated by the Company.

#### **Amendment to Ind AS 102**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the standard is not applicable to the Company.

### **3. Significant Accounting policies**

#### **3.1 Statement of Compliance**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"). The Company has prepared its financial statements up to the year ended 31st March, 2016 in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. Refer note 4 below for the details of first time adoption exemptions availed by the Company.

#### **3.2 Basis of preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and presentation requirements of Schedule III to the Act under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### **3.3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets,



**NOTES ON IND AS FINANCIAL STATEMENTS**

liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Judgements** In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

**Discount rate used to determine the carrying amount of the Company's defined benefit obligation:** In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

**Contingences and commitments:** In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on the financial position or profitability.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Income taxes:** The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

**Useful lives of property, plant and equipment:** As described in Note 3.8, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

**Allowances for doubtful debts:** The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates.

### **3.4 Operating Cycle and Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when it (a) Expected to be realised or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

### **3.5 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment inclusive of excise duty and net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties and government.

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

**Sale of Goods** Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold ;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Interest income** Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Dividends** Dividend income from investments is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### 3.6 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Thus, the Company's business falls under three operational segments i.e. Steel Products, PVC pipe and Power.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 3.7 Foreign Currencies

**Functional currency:** The functional currency of the Company is the Indian rupee.

**Transactions and translations:** Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

### 3.8 Property, plant and equipment

Property, plant and equipment (PPE) are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

**NOTES ON IND AS FINANCIAL STATEMENTS**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight-line method ("SLM") in the manner prescribed in Schedule II of the Act. Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets as considered by the company reflect the periods over which these assets are expected to be used.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

**3.9 Capital work-in-progress and intangible assets under development**

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

**3.10 Intangible assets**

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The Company amortises intangible assets with a finite useful life using the straight-line method over the useful lives determined by the terms of the agreement /contract. The estimated useful life is reviewed annually by the management.

**3.11 Investment in joint ventures**

Investments in joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

**3.12 Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current tax:** Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax:** Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset is reviewed

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### 3.13 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

**Operating Lease:** Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding in inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

**Finance Lease:** Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

### 3.14 Impairment of assets

**Financial assets :** The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

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

### 3.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.16 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

**NOTES ON IND AS FINANCIAL STATEMENTS**

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

**3.17 Inventories**

Inventories are valued at lower of cost on FIFO basis and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**3.18 Non-derivative financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**a. Financial assets – Subsequent measurement**

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

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

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

**b. Financial liabilities - Subsequent measurement**

Financial liabilities are measured at amortised cost using the effective interest method. The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

**Composite financial instrument:** The fair value of the liability portion of an optionally convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity.

**Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**c. Offsetting of financial instruments**

Financial assets and financial liabilities are set and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



# **PRAKASH INDUSTRIES LIMITED**

## **NOTES ON IND AS FINANCIAL STATEMENTS**

### **3.19 Borrowing costs**

General and specific borrowing costs (including exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest cost) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

### **3.20 Employee Benefits**

Employee benefits consist of contribution to employees state insurance, provident fund, gratuity fund and compensated absences.

#### **Post-employment benefit plans**

##### **Defined Contribution plans**

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

##### **Defined benefit plans**

The Company operates defined benefit plan in the form of gratuity and compensated absence. The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the said obligation is determined by discounting the estimated future cash out flows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest expense are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest expense on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

The classification of the company's net obligation into current and non- current is as per the actuarial valuation report.

### **3.21 Earnings per share (EPS)**

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

## **4. Explanation of transition to Ind AS**

As stated in Note 2, the Company's financial statements for the year ended 31st March, 2017 are the first annual financial statements prepared by the Company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1st April, 2015 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.



**NOTES ON IND AS FINANCIAL STATEMENTS**

**Reconciliations** The accounting policies as stated above in Note 3 have been applied in preparing the financial statements for the year ended 31st March, 2017, the financial statements for the year ending 31st March, 2016 and the preparation of an opening Ind AS statement of financial position as at 1st April, 2015. In preparing its opening Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31st March, 2016, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous GAAP

An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables:

**i. Reconciliation of equity:**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Equity as per Previous GAAP	2,20,644	2,20,508
Adjustments on account of adoption of Cost model on Property, plant and equipment (PPE)	(8,812)	(10,043)
Impact on remeasurement of fair value of leasehold land	(101)	(93)
Impact of fair valuation of Financial Instruments	3,091	-
Remeasurement of defined benefit plans	(245)	(193)
Deferred Tax impact	(832)	(824)
Equity as per Ind AS	<b>2,13,745</b>	<b>2,09,355</b>

**ii. Reconciliation of total comprehensive income:**

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Profit for the year as per Previous GAAP</b>	<b>2,058</b>
Impact on remeasurement of fair value of leasehold land	(9)
Remeasurement of defined benefit plans	289
<b>Net Profit for the year as per Ind AS</b>	<b>2,338</b>
Other Comprehensive income (net of taxes)*	(341)
<b>Total comprehensive income as per Ind AS</b>	<b>1,997</b>

\*Deferred tax liability is adjusted against Securities Premium reserve in terms of a court order (note 40).

**iii. Explanation of material adjustments to Statement of Cash Flows for the year ended 31st March, 2016:**

The transition from Previous GAAP to Ind AS has no material impact on the Statement of Cash Flows except on account of re-classification of certain items of Assets and Liabilities.

**iv. Exemptions availed on first time adoption of Ind AS 101:**

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

- The Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in joint ventures on the date of transition to Ind AS.
- The Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset or capital work in progress, as the case may be, are capitalized.

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

### v. Reconciliation of Balance Sheets

₹ in lakhs

		As at 31st March, 2016				As at 01st April, 2015		
		Note	Previous GAAP	Ind AS adjustments	Ind AS	Previous GAAP	Ind AS adjustments	Ind AS
I.	<b>Assets</b>							
1.	<b>Non-current assets</b>							
(A)	Property, plant and equipment	(a & b)	1,72,273	(8,779)	1,63,494	1,73,033	(10,003)	1,63,030
(B)	Capital work-in-progress		95,521	–	95,521	88,782	–	88,782
(C)	Other intangible assets		–	–	–	290	–	290
(D)	Intangible assets under development		–	–	–	5,631	–	5,631
(E)	Financial assets							
	(i) Investments		218	–	218	218	–	218
	(ii) Loans		189	–	189	182	–	182
	(iii) Other financial assets	(c)	1,899	399	2,298	2,081	784	2,865
(F)	Non-Current Tax Assets	(d)	–	270	270	153	–	153
(G)	Other non-current assets		33,148	–	33,148	34,890	–	34,890
2.	<b>Current assets</b>							
(A)	Inventories		18,258	–	18,258	19,407	–	19,407
(B)	Financial assets							
	(i) Trade Receivables		7,994	–	7,994	9,697	–	9,697
	(ii) Cash and cash equivalents		928	–	928	1,968	–	1,968
	(iii) Bank balances other than cash and cash equivalents above	(c)	1,474	(399)	1,075	1,585	(784)	801
	(iv) Other Financial Assets		8,824	–	8,824	760	–	760
(C)	Other current assets	(d)	4,036	(18)	4,018	5,796	–	5,796
	<b>Total assets</b>		<b>3,44,762</b>	<b>(8,527)</b>	<b>3,36,235</b>	<b>3,44,473</b>	<b>(10,003)</b>	<b>3,34,470</b>
II.	<b>Equity and liabilities</b>							
1.	<b>Equity</b>							
(A)	Equity share capital		13,449	–	13,449	13,449	–	13,449
(B)	Other equity		2,07,195	(6,899)	2,00,296	2,07,059	(11,155)	1,95,906
2.	<b>Liabilities</b>							
2.1	<b>Non-current liabilities</b>							
(A)	Financial liabilities							
	(i) Borrowings		57,471	(3,091)	54,379	63,029	–	63,029
	(ii) Other financial liabilities	(b)	–	126	126	–	125	125
(B)	Provisions	(e)	2,183	194	2,377	1,756	154	1,910
(C)	Deferred tax liabilities (Net)	(a,b & e)	8,057	832	8,889	8,095	824	8,919
2.2	<b>Current liabilities</b>							
(A)	Financial liabilities							
	(i) Borrowings		8,110	–	8,110	13,010	–	13,010
	(ii) Trade Payables		8,888	–	8,888	7,722	–	7,722
	(iii) Other financial liabilities	(b)	31,790	9	31,799	22,957	9	22,966
(B)	Other current liabilities		6,425	–	6,425	6,499	–	6,499
(C)	Provisions	(e)	1,052	51	1,103	897	38	935
(D)	Current tax liabilities	(d)	142	252	394	–	–	–
	<b>Total equity and liabilities</b>		<b>3,44,762</b>	<b>(8,527)</b>	<b>3,36,235</b>	<b>3,44,473</b>	<b>(10,003)</b>	<b>3,34,470</b>

**NOTES ON IND AS FINANCIAL STATEMENTS**
**vi. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016**
**₹ in lakhs**

	Note	Previous GAAP	Ind AS adjustments	Ind AS
<b>Income</b>				
a) Revenue from operation	(g&h)	2,05,530	22,590	2,28,120
b) Other income		481	–	481
<b>Total Income</b>		<b>2,06,011</b>	<b>22,590</b>	<b>2,28,601</b>
<b>Expenses</b>				
a) Raw material consumed		1,45,415	–	1,45,415
b) Cost of goods sold		–	–	–
c) Change in inventories of finished goods and Work-in-progress		597	–	597
d) Excise duty	(h)	–	22,791	22,791
e) Employee benefit expenses	(e)	14,903	(516)	14,387
f) Finance cost	(b & e)	6,707	238	6,945
g) Depreciation and amortization expenses.	(b)	10,173	8	10,181
h) Other expenses	(g)	26,157	(211)	25,946
<b>Total expenses</b>		<b>2,03,952</b>	<b>22,310</b>	<b>2,26,262</b>
<b>Profit before exceptional items and tax</b>		<b>2,059</b>	<b>280</b>	<b>2,339</b>
Exceptional items		–	–	–
<b>Profit before tax</b>		<b>2,059</b>	<b>280</b>	<b>2,339</b>
<b>Tax expenses</b>				
Current Tax (MAT)		440	–	440
Less: MAT Credit entitlement		(439)	–	(439)
Deferred Tax*		–	–	–
<b>Profit for the year (A)</b>		<b>2,058</b>	<b>280</b>	<b>2,338</b>
<b>Other comprehensive income</b>				
<b>a) Items that will not be reclassified to profit or loss</b>				
Remeasurements of the net defined benefit plans				
<b>b) Income tax relating to items that will not be reclassified to profit or loss</b>				
Remeasurements of the net defined benefit plans*	(e)	–	(341)	(341)
<b>Other comprehensive income for the year (B)</b>		<b>–</b>	<b>(341)</b>	<b>(341)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>2,058</b>	<b>(61)</b>	<b>(1,997)</b>

\*Deferred tax liability is adjusted against Securities Premium reserve in terms of a court order.

**vii. Notes to the Reconciliations**
**(a) Property, plant and equipment**

The Company did not opt deemed cost exemption as per Ind AS 101 'First time Adoption of Indian Accounting Standard.' The Company has applied the Ind AS 16, Property, Plant and Equipment (PPE) as if the same has always been applied i.e. with retrospective effect and accordingly, the carrying value for all of its property, plant and equipment as recognised in the financial statements has been measured as per the historical cost determined in accordance with Ind AS 16 instead of revalued amount of certain items of property, plant and equipment as per previous GAAP.

**(b) Finance Lease Assets**

As per Ind As17-Leases, the Company has recognized finance lease assets at their fair value and corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation and provided depreciation on some assets as per the policy.

# **PRAKASH INDUSTRIES LIMITED**

## **NOTES ON IND AS FINANCIAL STATEMENTS**

**(c) Bank Deposit with maturity more than 12 months**

As per provisions of Schedule-III of the Act, Bank deposits with more than 12 months maturity are re-grouped as non-current other financial assets.

**(d) Non-Current Tax Assets**

Advance Tax Assets not adjustable against the current tax liability have been regrouped and presented as non current tax assets.

**(e) Defined Benefits Obligations**

Under Ind AS, actuarial gains and losses are recognised in the OCI as compared to being recognised in the Statement of Profit and Loss under the previous GAAP.

**(f) Equity component of compounding instrument - Foreign currency convertible bonds**

The fair value of the liability portion of an optionally convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity.

**(g) Revenue from Sale of Goods**

Under Previous GAAP, revenue was recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty.

**(h) Excise Duty**

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in the value of sale of goods and is shown as expense in the face of Statement of Profit and Loss.

**(i) Other Comprehensive Income**

Under the previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**5.Statement of property, plant and equipment , Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development as at 31st March, 2017** ₹ in lakhs

PARTICULARS	Property, Plant and Equipment									Intangible Assets		
	Land (lease Hold)	Land (Free Hold)	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office Equipments	Mould & Dies	Total	Capital Work-in-Progress	Leased Mine	Intangible Assets under Development
Gross carrying value as at 1st April, 2015	737	3,595	40,261	2,26,179	596	2,124	490	64	2,74,046	88,782	2,696	5,631
Additions	-	-	118	9,812	8	3,176	27	5	13,146	16,153	-	18
Disposals	-	90	2,171	1,751	17	27	31	-	4,087	-	-	-
Capitalisation During the year	-	-	-	-	-	-	-	-	-	9,414	-	-
Adjustment on account of compulsory acquisition	-	-	-	-	-	-	-	-	-	-	2,696	5649
Gross carrying value as at 31st March, 2016	737	3,505	38,208	2,34,240	587	5,273	486	69	2,83,105	95,521	-	-
Additions	176	-	174	3,844	14	445	41	173	4,867	22,825	-	-
Disposals	-	7	-	548	-	31	-	-	586	-	-	-
Capitalisation During the year	-	-	-	-	-	-	-	-	-	4,201	-	-
Adjustment on account of compulsory acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying value as at 31st March, 2017	913	3,498	38,382	2,37,536	601	5,687	527	242	2,87,386	1,14,145	-	-
Accumulated depreciation as at 1st April, 2015	93	-	11,312	98,116	373	654	414	54	1,11,016	-	2,406	-
Depreciation	8	-	1817	7782	41	502	25	6	10,181	-	-	-
Accumulated depreciation on disposals	-	-	188	1348	9	22	19	-	1,586	-	2,406	-
Adjustment on account of compulsory acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March, 2016	101	-	12,941	1,04,550	405	1,134	420	60	1,19,611	-	-	-
Depreciation	8	-	1,614	7,964	39	622	17	39	10,303	-	-	-
Depreciation charged to Capital Work in Progress	2	-	-	-	-	-	-	-	2	-	-	-
Accumulated depreciation on disposals	-	-	-	322	-	21	-	-	343	-	-	-
Adjustment on account of compulsory acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March, 2017	111	-	14,555	1,12,192	444	1,735	437	99	1,29,573	-	-	-
Carrying value as at 1st April, 2015	644	3,595	28,949	1,28,063	223	1,470	76	10	1,63,030	88,782	290	5,631
Carrying value as at 31st March, 2016	636	3,505	25,267	1,29,690	182	4,139	66	9	1,63,494	95,521	-	-
Carrying value as at 31st March, 2017	802	3,498	23,827	1,25,344	157	3,952	90	143	1,57,813	1,14,145	-	-

- 1) Lease hold lands are taken by the Company on long term agreements with the government/government agencies for establishment of its plants.
- 2) Free hold land of ₹20 Lakhs is yet to be transferred in the name of the Company as at 31st March, 2017.
- 3) Adjustment on account of compulsory acquisition represents the transfer of assets of a Coal mine in terms of a government order.
- 4) Capital work in progress includes interest cost on borrowings ₹ 855 lakhs (Previous year ₹ 1,124 lakhs) and foreign exchange difference ₹950 lakhs gain(Previous Year ₹2245 lakhs loss.)
- 5) Intangible assets under development represents expenditure incurred on development of Coal mine.

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

₹ in lakhs

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>6. NON CURRENT INVESTMENTS</b>			
Unquoted Equity Shares at cost			
Investment in Joint Ventures			
Madanpur(North) coal Company Private Limited 21,32,236(21,32,236)Equity Shares of ₹ 10 each fully paid up	213	213	213
Fatehpur Coal Mining Company Limited 46,150(46,150)Equity Shares of ₹ 10 each fully paid up	5	5	5
	<u>218</u>	<u>218</u>	<u>218</u>
Aggregate amount of unquoted investments	218	218	218
Aggregate amount of impairment in value of Investments (Refer note.44)	—	—	—
<b>7. LOANS As at 31st March,2017</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>Non current financial assets</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
(unsecured, considered good, unless otherwise stated)			
Advance to Joint Venture (Refer note.43)	189	189	182
	<u>189</u>	<u>189</u>	<u>182</u>
<b>8. OTHER FINANCIAL ASSETS</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>Non current financial assets</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
Bank Deposits with more than 12 months maturity	2,683	399	784
Security Deposits	2,095	1,899	2,081
	<u>4,778</u>	<u>2,298</u>	<u>2,865</u>
-Bank deposits are earmarked with banks for issue of letters of credit and bank guarantees.			
<b>9. NON CURRENT TAX ASSETS</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
Income Tax refund receivable	267	270	153
	<u>267</u>	<u>270</u>	<u>153</u>
<b>10. OTHER NON CURRENT ASSETS</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
(unsecured, considered good, unless otherwise stated)			
Capital Advances	7,843	8,500	9,953
MAT Credit Entitlement ( Refer Note 42)	24,086	24,648	24,937
	<u>31,929</u>	<u>33,148</u>	<u>34,890</u>
<b>11. INVENTORIES</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>Current assets</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
(As taken,valued and certified by the Management)			
Raw Materials	6,374	7,808	6,743
Raw Materials in transit	1,157	150	976
Finished Goods	2,955	3,067	4,994
Work In Progress	298	346	363
Stores,Spares & Fuels	2,631	2,702	3,347
Scrap & Waste	5,360	4,185	2,984
	<u>18,775</u>	<u>18,258</u>	<u>19,407</u>



# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

₹ in lakhs

12. TRADE RECEIVABLES	As at	As at	As at
Current financial assets	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015
(unsecured, considered good, unless otherwise stated)			
Considered good	7,633	7,994	9,697
Considered doubtful	56	50	34
	<u>7,689</u>	<u>8,044</u>	<u>9,731</u>
Allowance for bad and doubtful debts	56	50	34
	<u>7,633</u>	<u>7,994</u>	<u>9,697</u>
The movement in allowance for bad and doubtful debts:			
Balance as at beginning of the year	50	34	38
Allowance for bad and doubtful debts during the year*	6	16	(4)
Trade receivables written off during the year	—	—	—
	<u>56</u>	<u>50</u>	<u>34</u>

\*net of recovery of bad and doubtful debts

13. CASH AND CASH EQUIVALENTS	As at	As at	As at
Current financial assets	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015
Balances with banks:			
On Current Accounts	1,515	830	1,732
Cheques,drafts on hand	100	49	90
Cash on hand	49	49	146
	<u>1,664</u>	<u>928</u>	<u>1,968</u>

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	As at	As at	As at
Current financial assets	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015
Earmarked balances with banks			
Unpaid Dividend	105	105	105
Term Deposits*	1,042	970	696
	<u>1,147</u>	<u>1,075</u>	<u>801</u>

\*Pledged as securities or earmarked for issue of letters of credit /bank guarantees.

15. OTHER FINANCIAL ASSETS	As at	As at	As at
Current financial assets	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015
Interest accrues and not due	105	108	115
Claims Recoverable ( Refer note.45)	2,952	8,716	645
	<u>3,057</u>	<u>8,824</u>	<u>760</u>

16. OTHER CURRENT ASSETS	As at	As at	As at
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015
Balances with Customs,Central Excise, VAT etc.	246	319	632
Advances to vendors (unsecured)			
Considered Good	7,991	3,399	4,791
Considered Doubtful	40	26	18
Allowance for Doubtful Advances	(40)	(26)	(18)
	<u>7,991</u>	<u>3,399</u>	<u>4,791</u>
Other advances(including prepaid expenses etc.)	411	300	373
	<u>8,648</u>	<u>4,018</u>	<u>5,796</u>
The movement in allowance for doubtful advances:			
Balance as at beginning of the year	26	18	13
Allowance for doubtful advances during the year*	14	8	5
Advances receivables written off during the year	—	—	—
	<u>40</u>	<u>26</u>	<u>18</u>

\*net of recovery of doubtful advances

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

₹ in lakhs

17. EQUITY SHARE CAPITAL	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>AUTHORISED</b>			
17,00,00,000 (31 <sup>st</sup> March, 2016: 17,00,00,000 and 1 <sup>st</sup> April, 2015: 17,00,00,000) Equity Shares of ₹ 10 each	17,000	17,000	17,000
	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>			
<b>Equity</b>			
13,90,46,331 ((31 <sup>st</sup> March, 2016: 13,44,88,514 and 1 <sup>st</sup> April, 2015: 13,44,88,514)) Equity Shares of ₹ 10 each	13,905	13,449	13,449
	<u>13,905</u>	<u>13,449</u>	<u>13,449</u>

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

Equity Shares	As at 31 <sup>st</sup> March, 2017 Nos. ₹ in lakhs	As at 31 <sup>st</sup> March, 2016 Nos. ₹ in lakhs	As at 1 <sup>st</sup> April, 2015 Nos. ₹ in lakhs
Balance at the beginning of the year	13,44,88,514 13,449	13,44,88,514 13,449	13,44,88,514 13,449
Issued during the year	45,57,817 456	– –	– –
Balance at the end of the year	13,90,46,331 13,905	13,44,88,514 13,449	13,44,88,514 13,449

- b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is entitled to one vote per share. All equity Share holders are having right to get dividend in proportion to paid up value at each equity shares as and when declared. 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 31 <sup>st</sup> March, 2017 Nos. % of holding	As at 31 <sup>st</sup> March, 2016 Nos. % of holding	As at 1 <sup>st</sup> April, 2015 Nos. % of holding
GMK Builders Private Limited	94,27,300 6.78%	76,64,800 5.70%	1,24,01,300 9.22%
Sunudhi Capital Private Limited	75,00,000 5.39%	29,50,000 2.19%	– –
SMC Comtrade Liited	6,000 –	60,11,001 4.47%	90,00,000 6.69%
Welter Securities Limited	50,06,666 3.72%	70,50,666 5.24%	50,06,666 3.72%

- d) The company had allotted 4557817 equity shares at a premium of ₹ 50 per share to FCCB holder during the year ended 31<sup>st</sup> March, 2017.
- e) Foreign Currency Convertible Bond (FCCB) holders of US\$ 13.55mn (₹8786 lakhs) have an option to get their bonds converted into equity shares of the Company up to 1<sup>st</sup> October, 2020.

18. OTHER EQUITY	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Equity component of foreign currency convertible bond	2,345	3,091	–
Capital Reserve	279	279	279
Securities Premium Reserve	25,421	22,906	22,876
Capital Redemption Reserve	800	800	800
General Reserve	1,71,000	1,71,000	1,71,000
Retained Earnings	10,226	3,835	2,225
Other Comprehensive Income			
Remeasurement of defined benefit plans	(1,880)	(1,615)	(1,274)
	<u>2,08,191</u>	<u>2,00,296</u>	<u>1,95,906</u>

(Refer Statement of Changes in Equity and note 65)

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

₹ in lakhs

19. BORROWINGS	As at		As at		As at	
Non current financial liabilities	31 <sup>st</sup> March, 2017		31 <sup>st</sup> March, 2016		1 <sup>st</sup> April, 2015	
<b>Secured</b>						
<b>Term Loans</b>						
From Banks	3,921		77		877	
From Others	23,378	27,299	23,906	23,983	23,753	24,630
<b>Funded Interest Term Loans</b>						
From Bank	1,202		—		—	
From Other	6,419	7,621	—	—	—	—
<b>Unsecured</b>						
Matured Foreign Currency Convertible Bonds	15,756		16,119		37,554	
Foreign currency bonds	—		4,736		—	
Term Loans from Others	566		792		845	
Liability Component of Foreign Currency Convertible Bonds	6,439	22,761	8,749	30,396	—	38,399
		57,681		54,379		63,029

- (a) Followings 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.

₹ in lakhs

Lender	Loan Amount	Balance as at		Rate of Interest	Repayment Terms
		31.3.2017	31.03.2016		
Term Loan from bank					
Corporation Bank	5,902	5,855	4,756	12.90%	96 monthly installment from December,2016
Term Loans from others					
Rural Electrification Corporation Limited (REC)	28,977	28,735	21,778	13.50%	120 monthly installment from March,2017
SREI Infrastructure Finance Limited	10,000	3,007	4,821	15.00%	19 quartely installment from October,2013
SREI Infrastructure Finance Limited	6,000	5,400	6,000	14.50%	12 quartely installment from September,2016

- (b) Corporation Bank and Rural Electrification Corporation Limited (REC) have restructured/reschedule their outstanding dues into Term Loans and Funded Interest Term Loans for a period of 8 years from December 2016 and 10 years from March 2017 respectively.
- (c) Term Loans from banks and others include ₹ 78 lakhs (₹ 135 lakhs) and ₹ 1,382 lakhs (₹ 2236 lakhs) respectively secured against the vehicles financed by the concerned lenders.

Lender	0-1Year	1-3 years	4-5 Years	6-10 Years	Rate of Interest
Term Loans from banks	45	31	2	—	10% to 12%
Term Loans from Others	958	423	1	—	10.75% to 17.10%

- (d) The Company has outstanding FCCB of US\$ 60 million(mn) matured in earlier year. FCCB of US\$ 35.7 mn have been restructured into new bonds in a manner that the bondholders have a right to convert 50% of this i.e. US\$ 17.85 mn into shares with maturity date of 1st October, 2020 carrying interest @5.35% p.a. and balance 50% of this i.e. US\$ 17.85 mn carrying interest @ 5.25% p.a. to be redeemed in three installment due on by 30th September 2015(30%),31st August 2016(30%) and 31st July 2017(40%). For the remaining FCCB of US\$ 24.3 mn, the company is in discussion with the bondholders for restructuring. In view of the legal opinion obtained by the Company, this liability of the matured FCCB is considered as non current liability and is stated at book value being its fair value. 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

## NOTES ON IND AS FINANCIAL STATEMENTS

(e) Terms and conditions of unsecured Term loans from others are as under.

₹ in lakhs

Lender	Loan Amount	Balance as at		Rate of Interest	Repayment Terms
		31.3.2017	31.03.2016		
India Infoline Finance Ltd.	1,000	676	845	16.00%	60 monthly installment from March, 2015
India Infoline Housing Finance Ltd.	152	115	139	14.50%	60 monthly installment from September, 2015

(f) The non current borrowings shown above are net of current maturities ₹ 21,336 lakhs (Mar 31, 2016 ₹ 23,039 lakhs) which are shown under note 25

(g) Refer note 47 for delays of repayments of loans/borrowings and interest thereon.

₹ in lakhs

<b>20. OTHER FINANCIAL LIABILITIES</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>Non current financial liabilities</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
Finance Lease Obligations	<b>165</b>	126	125
	<b>165</b>	126	125
<b>21. NON CURRENT PROVISIONS</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
For Employee Benefits	<b>2,913</b>	2,377	1,910
	<b>2,913</b>	2,377	1,910
<b>22. DEFERRED TAX LIABILITIES (NET)</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>Non current financial liabilities</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
Deferred Tax Liabilities (Refer note 50)	<b>8,653</b>	8,889	8,919
	<b>8,653</b>	8,889	8,919
<b>23. BORROWINGS</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>Current financial liabilities</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
<b>Secured</b>			
Working Capital Loan From Bank	<b>3,813</b>	3,323	3,418
<b>Unsecured</b>			
From Others	<b>10,495</b>	1,850	5,500
From Related Party	<b>23</b>	2,937	4,092
	<b>14,331</b>	8,110	13,010

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.

<b>24. TRADE PAYABLES</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>Current financial liabilities</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2016</b>	<b>1<sup>st</sup> April, 2015</b>
Trade Payables	<b>9,700</b>	8,888	7,722
(Refer note.39)	<b>9,700</b>	8,888	7,722

**NOTES ON IND AS FINANCIAL STATEMENTS**
**₹ in lakhs**

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>25. OTHER CURRENT FINANCIAL LIABILITIES</b>			
Current Maturity of long term debts	9,763	15,935	15,308
Current maturity of Foreign Currency Bonds	4,629	3,552	—
Current Maturity of Finance lease obligations	12	9	9
Unpaid Matured Foreign Currency Bonds	6,944	3,552	—
Interest accrued but not due on borrowings	3	12	30
Interest accrued and due on borrowings	20	4,284	2,547
Unpaid Dividends	105	105	105
<b>Others</b>			
Trade/Security deposits	1,365	1,385	1,480
Salary,wages and benefits payable	2,267	1,464	1,874
Capital Creditors	485	533	560
Other expenses payables	892	968	1,053
	<u>26,485</u>	<u>31,799</u>	<u>22,966</u>

-There are no amount due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act 2013 as at 31st March 2017, 2016 and 2015.

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>26. OTHER CURRENT LIABILITIES</b>			
Statutory dues payable	4,039	5,866	5,960
Advances from Customers	1,072	559	539
	<u>5,111</u>	<u>6,425</u>	<u>6,499</u>

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>27. CURRENT PROVISIONS</b>			
For Employee Benefits	1,275	1,103	935
	<u>1,275</u>	<u>1,103</u>	<u>935</u>

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>28. CURRENT TAX LIABILITIES (NET)</b>			
Provision for Income Tax(Net)	1,853	394	—
	<u>1,853</u>	<u>394</u>	<u>—</u>

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

₹ in lakhs

29. REVENUE FROM OPERATIONS	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Sale of products	2,41,480	2,28,120
	<u>2,41,480</u>	<u>2,28,120</u>
30. OTHER INCOME	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Interest Income	268	254
Miscellaneous income	64	227
	<u>332</u>	<u>481</u>
31. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>Closing Inventories</b>		
Finished products	2,955	3,067
Work in process	298	346
Scrap and waste	<u>5,360</u>	<u>4,185</u>
	8,613	7,598
<b>Opening Inventories</b>		
Finished products	3,067	4,994
Work in process	346	363
Scrap and waste	<u>4,185</u>	<u>2,984</u>
	7,598	8,341
	1,015	(743)
Excise Duty on Finished Goods Movement	<u>(37)</u>	<u>146</u>
	<u>1,052</u>	<u>(597)</u>
32. EMPLOYEES BENEFITS EXPENSES	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Salaries, wages & other benefits	14,339	13,295
Contribution to provident & other funds	787	730
Employee's welfare expenses	<u>362</u>	<u>362</u>
	<u>15,488</u>	<u>14,387</u>
33. FINANCE COST	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Interest on borrowings	6,705	6,420
Interest on others	592	525
Other Borrowing Cost	<u>10</u>	<u>—</u>
	<u>7,307</u>	<u>6,945</u>
34. DEPRECIATION AND AMORTIZATION EXPENSES	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Depreciation of Tangible assets	10,303	10,181
	<u>10,303</u>	<u>10,181</u>



**NOTES ON IND AS FINANCIAL STATEMENTS**

₹ in lakhs

<b>35. OTHER EXPENSES</b>	<b>For the year ended 31<sup>st</sup> March, 2017</b>		<b>For the year ended 31<sup>st</sup> March, 2016</b>	
Power & fuel		<b>11,619</b>		10,846
Processing Charges		<b>23</b>		53
Stores & spares		<b>4,468</b>		4,233
Repaires to:				
Machinery		<b>4,680</b>		4612
Building		<b>318</b>		264
Others		<b>27</b>		22
		<b>5,025</b>		<b>4,898</b>
Insurance		<b>41</b>		96
Rates & taxes		<b>1,280</b>		1,145
Travelling & Conveyance		<b>428</b>		479
Vehicle maintenance		<b>148</b>		125
Auditor's remuneration				
Audit fees		<b>44</b>		44
Tax audit fees		<b>10</b>		10
Reimbursement of expenses		<b>2</b>		—
		<b>56</b>		54
Legal & professional charges		<b>1,276</b>		1,092
Miscellaneous expenses		<b>425</b>		482
CSR expenditure(Refer note 62)		<b>267</b>		155
Allowance for doubtful Debts & Advances		<b>20</b>		24
Bank Charges		<b>191</b>		157
Rent		<b>38</b>		44
Director's sitting fees		<b>13</b>		14
Packing & forwarding charges		<b>1,463</b>		1,389
Sales promotion		<b>120</b>		68
Commission		<b>516</b>		547
Loss on sale of asset (net)		<b>109</b>		45
		<b>27,526</b>		<b>25,946</b>

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

		₹ in lakhs	
		As at	As at
		31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>36. Contingent Liabilities not provided for in respect of:</b>			
(a) Guarantees/Unexpired Letter of credits issued by banks on behalf of the company	2,446		218
(b) Disputed demands of Excise Duty/Income Tax/Electricity dues/ Lease rentals etc.(Amount paid there against ₹ 370 lakhs (₹ 471 lakhs))	8,550		7,586
<b>37. Commitments</b>			
		As at	As at
		31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	42,654		36,842
<b>38.</b>	The company has taken certain plant and machinery under operating lease during the period prior to 1st 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. In the opinion of management the liability on this account will not be material.		
<b>39.</b>	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.		
<b>40.</b>	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 Indian Accounting Standard (Ind AS) 12 Income Taxes has been adjusted against Securities Premium reserve. Consequently, the profit for the year is lower by ₹ 236 lakhs (previous year ₹ 30 lakhs).		
<b>41.</b>	Foreign Currency Convertible Bonds (FCCB) of US\$ 60 mn have matured in an earlier year, out of these, FCCB of US\$ 35.7 mn have been restructured as detailed in note 19 (d). The Company has partly paid interest on these bonds up to 30th September 2015. The Company is in discussion with the Bond holders for waiver of interest payable on these Bonds which is under their active consideration. Accordingly, no provision has been made in the books of account of the unpaid interest on these Bonds. Had the provision been made, the interest payable would have been higher by ₹ 1126 lakhs (₹ 2178 lakhs as at 31 <sup>st</sup> March, 2017). For the remaining FCCB, the Company is in an advanced stage of discussion with the Bond holders for restructuring the same for the further period of five years which is under their active consideration. The Company has not provided interest on these FCCB pending finalisation of the settlement terms with the Bond holders. In view of the legal opinion taken by the Company, these FCCBs of ₹ 15756 lakhs (US\$ 24.3 mn) are being shown as non-current liabilities and are stated in the Ind AS financial statements at book value being its fair value.		
<b>42.</b>	Considering the future profitability and taxable position in the subsequent years, the Company is recognizing Minimum Alternate Tax(MAT) credit entitlement as an asset and is carrying the same in its accounts under the head of Non-Current Assets. In case the credit entitlement is not availed by the Company within the time limit prescribed under the Income Tax Act, the same is set off against the Retained Earning. The Company has adjusted ₹ 1709 lakhs on this account in the Retained Earnings during the year ended 31 <sup>st</sup> March, 2017 (previous year ₹ 728. lakhs).		
<b>43.</b>	Loan to Joint venture company represents sum of ₹ Nil (₹18 lakhs) advanced to Fatehpur Coal Mining Co. Pvt. Ltd. {Maximum amount outstanding during the year ₹ 189 lakhs (₹189 lakhs)} towards company's share of contribution in terms of Joint venture agreement for acquiring /developing the coal mine allocated to the Company jointly with others.		
<b>44.</b>	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 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
Name of Joint Venture (In India)	% Holding	Amount of Investment (₹ in lakhs)	% Holding	Amount of Investment (₹ in lakhs)
Madanpur (North) Coal Company Private Limited	20.67	213	20.67	213
Fatehpur Coal Mining Company Private Limited	38.46	5	38.46	5

The Hon'ble Supreme Court of India vide its Order dated 24th September, 2014 had cancelled the allocation of Coal blocks to above Joint Venture Companies. No adjustment has been made by the Company in the book values of the Investments of ₹ 218 lakhs made in above Joint Venture Companies and advance of ₹189 lakhs given by the Company as the amount of compensation receivable to these Companies for the coal mines cancelled is not ascertainable at

**NOTES ON IND AS FINANCIAL STATEMENTS**

present. Necessary adjustment for gain/loss will be made in the Books of Account as and when the final compensation is received by these Companies and is reimbursed to the Company.

In the absence of the required information, the Company is not able to ascertain its share in the assets, liabilities, revenue and expenses of above Joint venture companies for the purpose of recognition in its standalone financial statements. However, the management is of the view there will be no material impact on the financial statements of the Company.

45. Pursuant to the cancellation of the Choita coal mine of the Company vide Hon'ble Supreme Court's Order, the assets pertaining to this mine have been vested with the new owner in terms of a government order. The book values of the assets transferred to the new owner have been aggregated and shown as claim recoverable in the Books of Account. The outstanding balance as at 31st March, 2017 is ₹ 2165 lakhs. Necessary adjustment for gain/loss will be made in the Books of Accounts on the final settlement of the compensation claimed by the Company.
46. The Company has a process whereby periodically all long term contracts (including derivative contracts, if any) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.
47. The details of delays in repayments of principal of loans/borrowing and interest thereon during the year are as follows:

₹ in lakhs

Lender	Amount of		Period of Default (days)
	Repayment of Principal	Payment of Interest	
Foreign Currency Convertible Bonds (FCCB)	15,756	—	702
Foreign Currency Bonds (FCB)	3,472 - 6,944	—	213 - 336
Rural Electrification Corporation Limited	6,323	6,419	Rescheduled / restructured by lenders (Refer note 19(b))
Corporation Bank	4,756	1,394	

The Company is in advanced stage of discussion with the Bond holders for restructuring the same for a further period of five years which is under their active consideration.

48. Details of Employees Benefits as required by the Ind AS 12 "Employee Benefits" are given below:-

**A) Defined Contribution Plans:**

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

₹ in lakhs

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Contribution to Provident Fund	673	648
Contribution to Employees' State Insurance	87	81

**B) Defined Benefit Plan:**

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

	For the year ended 31 <sup>st</sup> March, 2017			For the year ended 31 <sup>st</sup> March, 2016		
	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)
Defined Benefits obligation at the beginning of the year	2,417	818	245	1978	675	192
Current Service Cost	218	80	28	189	70	25
Interest Cost	181	61	19	158	54	15
Actuarial (gain)/loss	195	72	(2)	240	88	13
Benefit paid	(105)	(39)	—	(148)	(69)	(—)
Defined Benefit obligation at the year end	2,906	992	290	2,417	818	245

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

	For the year ended 31 <sup>st</sup> March, 2017			For the year ended 31 <sup>st</sup> March, 2016		
Gratuity	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)
<b>Reconciliation of fair value of assets and obligations</b>						
Present value of obligation at year end	2,906	992	290	2,417	818	245
Amount recognized in Balance Sheet	2,906	992	290	2,417	818	245
<b>Expenses recognized during the year</b>						
Current Service Cost	218	80	28	189	70	25
Interest Cost	181	61	19	158	54	15
Actuarial gain/(loss)	195	72	(2)	240	88	13
Total Cost recognized in the Profit & Loss A/c	594	213	45	587	212	53
<b>Actuarial assumption</b>						
Mortality Table	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Discount rate (per annum)	7.50%	7.50%	7.50%	8%	8%	8%
Rate of escalation in salary (per annum)	5%	5%	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.

### 49. Income tax expense:

₹ in lakhs

(A)	Components of Income Tax Expense	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
	Current Tax	1,887	440
	Deferred Tax on account of temporary differences	(236)	(30)
	Reversal of Minimum Alternate Tax(MAT) credit	1,709	728
	Income tax expense	3,360	1,138
	Income tax adjusted against securities premium	236	30
	Reversal of MAT credit against retained earning	(1,709)	(728)
	MAT credit entitlement	(1,147)	(439)
	<b>Tax expense recognised in the Statement of Profit and Loss</b>	<b>740</b>	<b>1</b>

(B)	Reconciliation of Income tax expense to the accounting profit for the year	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
	Profit before tax	8,840	2,339
	Income tax expense at normal rate	3,060 34.61%	809 34.61%
	Effect of income exempt from income tax	(1,109) (12.55%)	— —
	Effect of temporary differences	(1,447) (16.36%)	(838) (35.85%)
	Others (MAT credit entitlement )	1,147 12.98%	439 18.77%
	Reversal of MAT credit	1,709 19.33%	728 31.12%
	Income tax expense	3,360 38.01%	1,138 48.65%
	Income tax adjusted against securities premium	236 2.67%	30 1.29%
	Reversal of MAT credit against retained earning	(1,709) (19.33%)	(728) (31.12%)
	MAT credit entitlement	(1,147) (12.98%)	(439) (18.77%)
	<b>Tax expense recognised in the Statement of Profit and Loss</b>	<b>740 8.37%</b>	<b>1 0.04%</b>

**NOTES ON IND AS FINANCIAL STATEMENTS**

(C)	<b>Tax Assets and Liabilities</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 01<sup>st</sup> April, 2015</b>
	Non-current tax assets	<b>267</b>	270	153
	Current tax liabilities (net)	<b>1,853</b>	394	—

**50. Movement in Deferred Tax Assets and Liabilities**

**₹ in lakhs**

	<b>For the year ended 31<sup>st</sup> March, 2017</b>			<b>For the year ended 31<sup>st</sup> March, 2016</b>		
	<b>As at 1<sup>st</sup> April, 2016</b>	<b>Adjusted in the Securities Premium reserve</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 1<sup>st</sup> April, 2015</b>	<b>Adjusted in the Securities Premium reserve</b>	<b>As at 31<sup>st</sup> March, 2016</b>
Provision for employee benefits	<b>1,204</b>	<b>252</b>	<b>1,456</b>	967	237	1,204
Provision for doubtful debts and advances	<b>26</b>	<b>6</b>	<b>32</b>	18	8	26
Depreciation-Property, plant and equipment	<b>(10,119)</b>	<b>(22)</b>	<b>(10,141)</b>	(9,904)	(215)	(10,119)
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>(8,889)</b>	<b>236</b>	<b>(8,653)</b>	(8,919)	30	(8,889)

**51. Related party disclosure as required by Ind As -24 issued by Ministry of Corporate Affairs(MCA) 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 Roshini Limited
3. Tools India Private Limited
4. Vanshi Farms Private Limited
5. Hissar Tubes Private Limited
6. Nilkanth Fincon Private Limited

b) Key Management Personnel :

1. Shri V.P.Agarwal, Chairman
2. Shri Vikram Agarwal, Managing Director
3. Shri Kanha Agarwal, Joint Managing Director
4. Shri M.L.Pareek, Whole-time Director
5. Shri P.L. Gupta, Whole-time Director
6. Shri Ashwini Kumar, Company Secretary

c) Joint Venture Entities :

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

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

(B) Transactions with related parties

₹ in lakhs

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>Key Management Personnel</b>		
Remuneration	808	764
<b>Enterprises</b>		
Amount paid for Services	1	2
Amount for Services Rendered	60	196
Rent Received	–	27
Rent Paid	5	4
Purchase of goods	5	11
Purchase of Capital goods	3	3
Advances paid	–	–
Loan Received (Net of Repayment)	(2,937)	(1,154)
<b>Balances outstanding at year end</b>		
Long term advances	–	–
Loan Received	–	2,937
Trade Receivable	–	200
<b>Joint Venture Entities</b>		
Advances paid(Net)	–	21
Loan Received	23	–
<b>Balances outstanding at year end</b>		
Long term advances	189	189
Borrowing	23	–
Related party relationships are as identified by the management and relied upon by the Auditor.		
No amount due from/to any related party is/has been written off/back or considered doubtful.		

### 53. Earning per share (EPS)

₹ in lakhs

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Net Profit for the period (before OCI) (₹ in lakhs)	8,100	2,338
Weighted average no. of Equity Shares (In lakhs)	1,358	1,345
Diluted average no. of Equity Shares (In lakhs)	1,501	1,534
Basic Earning per Share (₹)	5.97	1.74
Diluted Earning per Share (₹)	5.40	1.52
Face Value of each Share (₹)	10	10

### 54. Particulars of raw materials consumed

₹ in lakhs

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Chargeable Metal	36,086	27,075
Coal	43,717	44,783
PVC Resin	18,921	16,863
Ores & Minerals	35,148	43,346
Others	15,398	13,348
	1,49,270	1,45,415



**NOTES ON IND AS FINANCIAL STATEMENTS**
**₹ in lakhs**

55. Value of consumption of imported and indigenous raw materials, stores and spares and percentage to total consumption:

	<b>For the year ended 31<sup>st</sup> March, 2017</b>		<b>For the year ended 31<sup>st</sup> March, 2016</b>	
	<b>₹ in lakhs</b>	<b>Percentage</b>	<b>₹ in lakhs</b>	<b>Percentage</b>
Raw Material Consumed				
Imported	<b>3,497</b>	<b>2.34%</b>	11,752	8.08%
Indigenous	<b>1,45,773</b>	<b>91.92%</b>	1,33,663	91.92%
	<b>1,49,270</b>	<b>100.00%</b>	1,45,415	100.00%
Stores & Spares				
Imported	<b>57</b>	<b>1.28%</b>	47	1.11%
Indigenous	<b>4,411</b>	<b>98.72%</b>	4,186	98.89%
	<b>4,468</b>	<b>100.00%</b>	4,233	100.00%

56. **CIF value of imports** **₹ in lakhs**

	<b>For the year ended 31<sup>st</sup> March, 2017</b>	<b>For the year ended 31<sup>st</sup> March, 2016</b>
Stores & Spares	<b>61</b>	28
Raw Material	<b>815</b>	652

57. **Expenditure in foreign currency** **₹ in lakhs**

	<b>For the year ended 31<sup>st</sup> March, 2017</b>	<b>For the year ended 31<sup>st</sup> March, 2016</b>
Interest on foreign currency convertible bonds	–	323
Professional Charges	<b>200</b>	364
Travelling	<b>2</b>	–

58. Details of Specified Bank Notes (SBN) as defined in the MCA notification G.S.R.308(E) dated 31st March, 2017 held and transacted during the period 08/11/2016 to 30/12/2016 are under :- **₹ in lakhs**

	<b>SBNs</b>	<b>Other denomination notes</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	309	47	356
(+) Permitted receipts	–	109	109
(-) Permitted payments	–	110	110
(-) Amount deposited in Banks	309	–	309
Closing cash in hand as on 30.12.2016	–	46	46

59. Certain balances of Trade Receivable, Advances to suppliers, Trade Payable etc. 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.

60. Managerial remuneration amounting to ₹ 523 lakhs paid / payable by the Company during the year ended 31st March, 2016 was subject to approvals by the Central government. The Company has submitted the necessary applications with the appropriate authority to seek the said approvals and the management is hopeful to get the same.

**61. Segment Information**

**Operating Segments**

The Company has determined following reporting segments based on the operating results of its business segments reviewed by the Company's Chief Operating Decision Maker for the purpose of making decision about resource allocation and performance assessment.

- Steel
- Power
- PVC Pipe

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

₹ in lakhs

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>Segment Revenue</b>		
a) Power	35,858	34,946
b) Steel	2,12,682	2,02,142
c) PVC Pipe	28,319	25,621
Total	2,76,859	2,62,709
Less : Inter Segment Revenue (Power)	35,379	34,589
Net Sales/Income from Operations	2,41,480	2,28,120
<b>Segment Results</b>		
Profit before tax and interest		
a) Power	10,168	4,647
b) Steel	2,671	1,348
c) PVC Pipe	3,308	3,289
Total	16,147	9,284
Less : Financial Expenses	7,307	6,945
Exceptional Item	–	–
<b>Total Profit before tax</b>	8,840	2,339
<b>Segment Assets</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>
a) Power	1,42,564	1,45,224
b) Steel	1,76,981	1,60,889
c) PVC Pipe	7,150	4,986
d) Unallocated	24,568	25,136
<b>Total</b>	<b>3,50,263</b>	<b>3,36,235</b>
<b>Segment Liabilities</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 31<sup>st</sup> March, 2016</b>
a) Power	64,663	63,366
b) Steel	47,449	44,918
c) PVC Pipe	1,361	1,444
d) Unallocated	14,694	12,763
<b>Total</b>	<b>1,28,167</b>	<b>1,22,491</b>

	For the year ended 31 <sup>st</sup> March, 2017			For the year ended 31 <sup>st</sup> March, 2016		
	Capital expenditure	Depreciation/ Amortisation	Non-cash expenditure other than Depreciation	Capital expenditure	Depreciation/ Amortisation	Non-cash expenditure other than Depreciation
a) Power	561	3,230	–	8,975	3,287	37
b) Steel	21,853	6,806	129	10,023	6,754	32
c) PVC Pipe	1,077	267	–	887	140	–
<b>Total</b>	<b>23,491</b>	<b>10,303</b>	<b>129</b>	<b>19,885</b>	<b>10,181</b>	<b>69</b>

**NOTES ON IND AS FINANCIAL STATEMENTS**

62. The details of the expenditure on activities of Corporate Social Responsibilities (CSR) in pursuant to provisions of Section 135 of the Companies Act, 2013 are as under:

- a) The gross amount required to be spent by the Company during the year is ₹ 135.39 lakhs (previous year ₹ 231.59 lakh).  
b) The amount spent during the year on CSR activities is as follows:

₹ in lakhs

Sl. No.	Particulars	For the year ended 31 <sup>st</sup> March, 2017			For the year ended 31 <sup>st</sup> March, 2016		
		Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
(i)	Construction /acquisition of any assets	–	–	–	–	–	–
(ii)	On purpose other than (i) above	267	–	267	155	–	155

**63. Financial risk management and policies**

**63.1 Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 19, 23 & 25 less cash and bank balances as detailed in note 13 & 14) and total equity of the Company. Equity consists of equity capital, share premium and all other equity reserves attributable to the equity holders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

**63.2 Financial risk management**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, cash and bank balance, trade and other receivables.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**a. Market risk**

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and changes in interest rates. There have been no changes to the Company's exposure to market risk or the manner in which it manages and measures the risk in recent past.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and bank deposits.

**i. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is limited.

**ii. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's borrowings. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

Particulars of unhedged foreign currency exposures as at the reporting date:

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 01 <sup>st</sup> April, 2015
FCCB Borrowings	36,115	39,800	37,554
Interest	–	–	–
Total	36,115	39,800	37,554
Interest not provided (refer note 41)	2,178	1,052	–

# PRAKASH INDUSTRIES LIMITED

## NOTES ON IND AS FINANCIAL STATEMENTS

### b. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The Company has adopted a policy of only dealing with creditworthy customers.

The credit limit is granted to a customer after assessing the Credit worthiness based on the information supplied by credit rating agencies, publicly available financial information or its own past trading records and trends.

At March 31, 2017, the company did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

### c. Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company.

The Company has established an appropriate liquidity risk management framework for its short-term, medium term and long-term funding requirement.

The table below summarizes the maturity profile of the Company's financial liabilities.

₹ in lakhs

Particulars	Less than 1year	1-5 years	> 5 years	Total payments
<b>As at 31st March, 2017</b>				
Borrowings and interest thereon	35,690	45,081	12,600	93,371
Trade and other payables	14,814	–	–	14,814
Other financial liabilities	12	50	115	177
<b>As at 31st March, 2016</b>				
Borrowings and interest thereon	35,445	53,676	703	89,824
Trade and other payables	13,343	–	–	13,343
Other financial liabilities	9	38	88	135
<b>As at 1st April, 2015</b>				
Borrowings and interest thereon	30,895	59,517	3,512	93,924
Trade and other payables	12,794	–	–	12,794
Other financial liabilities	9	38	88	135

### 64. Disclosure of Financial Lease hold land as per Ind AS -17 - Leases

₹ in lakhs

Particulars	Carrying Value	Less than 1year	1-5 years	> 5 years	Total payments
<b>As at 31st March, 2017</b>					
Lease hold land (Assets)	802	–	–	–	–
Minimum lease payment	1,485	1,237	50	423	1,485
Present value of minimum lease payment	177	12	50	115	177
<b>As at 31st March, 2016</b>					
Lease hold land (Assets)	636	–	–	–	–
Minimum lease payment	1,114	9	38	1,067	1,114
Present value of minimum lease payment	135	9	38	88	135
<b>As at 1st April, 2015</b>					
Lease hold land (Assets)	644	–	–	–	–
Minimum lease payment	1,123	9	38	1,076	1,123
Present value of minimum lease payment	135	9	38	88	135

**NOTES ON IND AS FINANCIAL STATEMENTS**

The Company has taken land on lease for its plants from various government and government agencies for 99 years, with condition of further renewal as per terms and conditions mutually agreed by both the parties and increase of lease rental to the extent of 25% of existing lease rental.

**65. Nature and purpose of reserves**

- (a) Capital reserve: The capital reserve was recognized on forfeiture of equity shares by the Company. This reserve is not freely available for distribution to the shareholders.
- (b) Securities premium reserve: The amount of difference between the issue price and the face value of the shares is recognized in Securities premium reserve.
- (c) Capital redemption reserve: The Company had created Capital redemption reserve out of the profits for redemption of the Preference shares. This reserve may be utilized for the specified purposes in accordance with the provisions of the Act.
- (d) General reserve: General reserve is the accumulation of the portions of the net profits transferred by the Company in the past years pursuant to the earlier provisions of the Companies Act, 1956.
- (e) Retained earnings: Retained earnings comprise of the profits of the Company earned till date net of distributions and other adjustments.

**66.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Figures have been rounded off to the nearest lakhs rupees unless otherwise stated.

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As per our report of even date attached  
For Chaturvedi & Co.  
Chartered Accountants  
Firm Registration No.302137E

(Pankaj Chaturvedi)  
Partner  
M.No.091239

For and on behalf of the Board

NEW DELHI  
22nd May, 2017

Ashwini Kumar  
Company Secretary  
M.No.ACS 17025

Vikram Agarwal  
Managing Director  
DIN:00054125

M.L. Pareek  
Whole - time Director & CEO  
DIN:01795975

P.L. Gupta  
Whole - time Director & CFO  
DIN:00048868

**NOTICE**

NOTICE is hereby given that the 36<sup>th</sup> Annual General Meeting of the Members of Prakash Industries Limited will be held on Tuesday, the 25<sup>th</sup> July, 2017 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, 2017, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M.L. Pareek (DIN : 01795975), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of Chaturvedi & Co., Chartered Accountants (FRN : 30213E) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty-Seventh AGM of the Company to be held in the year 2018 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS**

4. 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 61 and 64 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from existing ₹ 1,70,00,00,000/- (Rupees One Hundred Seventy Crores Only) divided into 17,00,00,000 Equity Shares of ₹ 10/- each to ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 Equity shares of ₹ 10/- (Rupees Ten) each ranking pari passu in all respect with the existing equity shares of the Company.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the members of the Company be and is

hereby accorded for substituting Clause V of the Memorandum of Association of the company with the following clause.”

V “The Authorised Share Capital of the Company is ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 Equity shares of ₹ 10/- (Rupees Ten) each.”

6. To consider and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

**“RESOLVED THAT** all outstanding obligations of the Company on the April 2015 Foreign Currency Convertible Bonds (“Existing Bonds”) be exchanged by issue of new 2022 Bonds (“New Bonds”) on the terms and conditions as may be decided by the Board of Directors. The issue of New Bonds shall constitute full and final discharge of the Issuer's obligations to such holder(s) under the existing bond conditions with respect to payment of principal, interest and premium on such Existing Bonds and no other amounts shall be payable or New Bonds shall be issued to such holder(s) in respect of the Existing Bonds, to the extent provided in the terms and conditions of the Bonds.

**RESOLVED FURTHER THAT** consent of the members of the Company be and it is hereby accorded for execution of the offer to exchange the Existing Bonds, subject to having obtained all necessary internal, corporate and other approvals and consents and compliance with all applicable securities laws and other laws in relation to the New Bonds (including, without limitation, obtaining the approval of the holders of Existing Bonds, the RBI, SEBI, Stock Exchanges and any other approval, which may be required by law), to the issuance of New Bonds and the Board or any of its committees, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose;

**RESOLVED FURTHER THAT** the Company, through its Board or any of its Committee and/or any agency of the Company is authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of the New Bonds, all such equity shares ranking pari passu with the existing equity shares of the Company, in compliance with all applicable laws.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or any Director or Directors or Company Secretary or other officer of the Company, or to any intermediary or agent of the Company, to do all such acts, deeds, matters and things including but not limited to appointment of intermediaries/agencies, execution of various documents in relation to issuance of the New Bonds, applying for and obtaining the necessary statutory and regulatory approvals, finalisation of terms and



## PRAKASH INDUSTRIES LIMITED

conditions of the New Bonds and oversee the requirements to issue the New Bonds and to take such steps as may be necessary and desirable to give effect to this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle all questions, difficulties, doubts, or problems that may arise in regard to offer, issue or allotment of Securities and utilisation of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, with the intent that member shall be deemed to have their approval thereto expressly by the authority of this resolution.”

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 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) the remuneration payable to M/s Rakshit & Associates (FRN 101951), Cost Accountants, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18 amounting to ₹ 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, be and is hereby ratified and confirmed.

**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.”

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

“**RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration Committee of the Company and as per the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), approval of the members be and is hereby accorded to the re-appointment of Shri V.P. Agarwal (DIN : 00048907) as Chairman of the Company for a period of three year with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020 subject to approval of appropriate authorities, if required, on the following terms and conditions:

- 1) Salary : ₹40,00,000 p.m.  
(in the grade of ₹40,00,000 - 5,00,000 - 50,00,000)
- 2) Perquisites : In addition to the aforesaid salary, the following perquisites would be allowed:

### Category ‘A’

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- i) Gratuity - In accordance with the provisions of Payment of Gratuity Act but shall not exceed half month's salary for each completed year of service.
- ii) 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.

### Category ‘B’

- i) Free use of Company's Car with driver for Company's business.
- ii) Free mobile and telephone facility.
- iii) Reimbursement of all entertainment and travelling expenses actually incurred by the Chairman for the business of the Company.

Provided that the total remuneration shall not exceed 5% of the net profit of the Company and if there is more than one Director, remuneration shall not exceed 10% of the net profit to all such Directors and Manager taken together.

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

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary contained hereinabove, where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as decided by the Board from time to time pursuant to the provisions of Schedule V of the Companies Act, 2013 shall be paid to Shri V.P. Agarwal, Chairman as minimum remuneration subject to approval of the Central Government, if required, for the period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised for obtaining necessary approvals - statutory, contractual or otherwise and to do all such acts, deeds, matters and things as are incidental thereto or as may be deemed necessary or desirable and settle any question or difficulty that may arise, in such manner as they may deem fit in order to give effect to the above resolution.”

By order of the Board  
**For Prakash Industries Limited**

Registered Office:

15 Km. Stone,  
Delhi Road,  
Hissar – 125044 (Haryana)  
Dated : 22<sup>nd</sup> May, 2017  
CIN : L27109HR1980PLC010724

**Ashwini Kumar**  
Company Secretary

## 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. Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
5. 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 representatives to attend and vote on their behalf at the meeting to the Company.
6. 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.
7. Register of Members and Share Transfer Books will remain closed from 22<sup>nd</sup> July, 2017 to 25<sup>th</sup> July, 2017 (both days inclusive).
8.
  - 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 SH-13 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.
9. 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, 2011-12, 2012-13 and 2013-14 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, 2012-13 and 2013-14 may please write to Shri Ashwini Kumar, 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.

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**.

10. Members holding shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.
  11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
  12. 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. As per Regulation 36(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies shall 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 electronic 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.
13. **Voting through electronic means -**
    - A. 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 Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the 36th Annual General Meeting ("AGM"). The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Authorised Agency to provide e-voting facilities.

## PRAKASH INDUSTRIES LIMITED

- B. 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:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 22<sup>nd</sup> July, 2017 (09:00 a.m.) and ends on 24<sup>th</sup> July, 2017 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19<sup>th</sup> July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders / Members.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next Enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of name in CAPITAL letters. Eg. If your name is RAMESH KUMAR with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of "Prakash Industries Limited".
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phones users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians
 

" Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

" A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## PRAKASH INDUSTRIES LIMITED

- " After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- " The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- " A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- C. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 19<sup>th</sup> July, 2017 may follow the same instructions as mentioned above for e-Voting.
- D. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- E. M/s S.K. Hota & Associates, Company Secretaries (Membership No.16165 & CP No.6425) has been appointed as the Scrutinizer and Alternate scrutinizer to scrutinize the remote e-voting process and voting through Ballot paper in the meeting, in a fair and transparent manner.
- F. The Scrutinizer, after scrutinising the votes cast at the meeting through ballot paper and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
- G. In the event of poll, please note that the members who have exercised their right to vote through electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon shall be prepared in accordance with Section 109 of the Act read with relevant rules. In such an event, votes cast under Poll taken together with the votes cast through remote e-voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the Meeting.
- H. Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the 36<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Tuesday, the 25<sup>th</sup> July, 2017. The Results shall be declared within 48 Hours from the conclusion of the meeting. 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 CDSL's website, [www.cdslindia.com](http://www.cdslindia.com) / [www.evotingindia.com](http://www.evotingindia.com) within 48 hours of passing of the Resolutions at the meeting and communicated to the Stock Exchanges.
- 14. Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of the Secretarial Standard 2 as per Annexure- A

- 15. Members are requested to bring their duly filled Attendance Slip enclosed herewith to attend the meeting along with their copy of Annual Report.
- 16. A route map to the venue of the AGM alongwith prominent landmark for easy location is enclosed.

### EXPLANATORY STATEMENT

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

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 to 7 of the accompanying Notice:

#### Item No 4 & 5

In view of proposed issue of new FCCBs in lieu of all obligations of the Company on the 5.25% April, 2015 Bonds and expected conversion of Bonds into Equity, the Company proposes to increase the existing Authorised Capital of the Company of ₹ 1,70,00,00,000/- (Rupees One Hundred Seventy Crores Only) divided into 17,00,00,000 Equity Shares of ₹ 10/- each to ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 Equity shares of ₹ 10/- (Rupees Ten) each.

The proposed increase in Authorised Capital will consequently require alteration in Capital clause V of Memorandum of Association of the Company.

The special resolutions are therefore proposed at Item No.4 & 5 of the notice to increase the Authorised Share Capital and for making necessary alterations in Capital clause V of Memorandum of Association 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 these Resolutions.

The Board recommends the Resolutions set out at Item No.4 & 5 for your approval.

#### Item No 6

As the members are aware, the Company issued FCCBs aggregating to US\$ 60 million in April 2010 which were due for redemption in 2015 ("2015 Bonds"). However, the Company was not in a position to redeem the 2015 Bonds in full on its maturity date. The Company then proposed to the holders of the 2015 Bonds to restructure their Bonds and obtained consent of 59.5% of the holders of 2015 Bonds to exchange their existing bonds equal to 50% of the principal amount into 2020 Bonds and pay a cash consideration equal to the remaining 50% of the principal amount of the Bonds. The remaining holders of the 2015 Bonds did not consent to the above terms of Restructuring and the Bonds equivalent to US\$ 24.3 million held by them remain outstanding.

The Company is now proposing to restructure all outstanding obligations of 2015 Bonds, including the cash consideration of US\$ 17.85 million payable under the restructuring terms of 2015 Bonds, by exchanging and issuing new Convertible Bonds of



## **PRAKASH INDUSTRIES LIMITED**

equivalent amount, subject to approval of members, approval of the respective Bondholders and the Reserve Bank of India and any other applicable approval, if required.

The conversion price of the new bonds to respective bondholders shall be freely determined subject to such price not being less than that prescribed under applicable laws including the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 or any other applicable pricing regulations/guidelines issued by Government of India and/or stipulated by the RBI.

The said Special Resolution seeks to give the Board and any of its Committees, powers to (i) issue the FCCBs upto US\$ 24.30 million (US\$ Twenty Four Million Three Hundred Thousand Only) in one or more tranche or tranches to the 2015 Bondholders and (ii) issue FCCBs against all outstanding obligations with respect to cash consideration of US\$ 17.85 million (US\$ Seventeen Million Eighty Hundred and Fifty Thousand Only), in one or more tranche or tranches, at such time or times, at such price or prices and on such terms and conditions as the Board or any of its Committees may in its absolute discretion deem fit.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the aforesaid Resolution.

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

### **Item No.7**

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 2017-18 as mentioned in the resolution set out at Item No.7 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 members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2017-18.

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.7 for your approval.

### **Item No.8**

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 24<sup>th</sup> September, 2014 had re-appointed Shri V.P. Agarwal for a period of three years from 1<sup>st</sup> April, 2014. 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, 2017 to 31<sup>st</sup> March, 2020 on the terms & conditions as mentioned in the resolution.

The matter had been discussed and approved by the Nomination and Remuneration Committee and Board in its meetings held on 14<sup>th</sup> February, 2017 which recommended the re-appointment and remuneration payable as mentioned in the resolution as set out at item No.8 of the Notice subject to the approval of the shareholders.

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.8 for your approval.

By order of the Board  
**For Prakash Industries Limited**

Registered Office:

15 Km. Stone,  
Delhi Road,  
Hissar – 125044 (Haryana)  
Dated : 22<sup>nd</sup> May, 2017  
CIN : L27109HR1980PLC010724

**Ashwini Kumar**  
Company Secretary

**PRAKASH INDUSTRIES LIMITED****ANNEXURE-A**

**Details of Director(s) seeking appointment/reappointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of the Secretarial Standard 2**

Name of the Directors	Shri M.L. Pareek
Date of Birth	10.05.1945
Date of First appointment on the Board	04.08.2012
Qualifications	Graduate
Experience/Expertise in specific function areas/Brief resume of the Director.	Shri M.L. Pareek is experienced technocrat and had been associated earlier with the Company at the time of instalation and commissioning of integrated steel plant of the Company
Terms and Conditions of appointment/re-appointment	Appointed w.e.f. 01.04.2015 to 31.03.2018 vide special resolution passed in AGM dated 26.09.2015 re-appointment
Details of remuneration sought to be paid and remuneration last drawn	Remuneration withdrawn/and to be paid as per term and condition of appointment vide special resolution passed in AGM dated 26.09.2015 and 29.09.2016.
Disclosure of Relationship with other Directors Manager and Key Managerial Personnel of the Company	Not inter-se related to any other Director or key Managerial Personnel
No. of Meeting of Board of Directors attended during the F.Y. 2016-17	4
Other Directorship held	1
Membership/Chairmanship of Committees of other Boards	1
Shareholding in the Company	802

Name of the Directors	Shri V.P. Agarwal
Date of Birth	24.03.1956
Date of First appointment on the Board	31.07.1980
Qualifications	Graduate
Experience/Expertise in specific function areas/Brief resume of the Director.	Shri V.P. Agarwal is associated with the Company since its incorporation.
Terms and Conditions of appointment/re-appointment	Appointed as per term and conditions mentioned at Item No. 8
Details of remuneration sought to be paid and remuneration last drawn	Remuneration withdrawn/and to be paid as per term and condition of appointment mentioned at Item No. 8
Disclosure of Relationship with other Directors Manager and Key Managerial Personnel of the Company	None of the Director or key Managerial Personnel except Sh. Vikram Agarwal and Sh. Kanha Agarwal are related to him
No. of Meeting of Board of Directors attended during the F.Y. 2016-17	4
Other Directorship held	17
Membership/Chairmanship of Committees of other Boards	2
Shareholding in the Company	526884



**E-COMMUNICATION REGISTRATION FORM**

To,

**Prakash Industries Limited**

SRIVAN

Bijwasan

New Delhi - 110061

Ph.No.011-25305800

Fax No. 011-28062119

E-mail: investorshelpline@prakash.com

Website: www.prakash.com

**Green Initiative in Corporate Governance**

I/We hereby exercise my/our option to receive all Notices / Documents, etc. from the Company including Notice of General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, Postal Ballot Notice, etc. in electronic mode.

Please register my e-mail ID as given below, in your records, for sending the communications:

DP ID & Client ID / Folio No.	:	.....
Name of 1st Registered Holder	:	.....
Name of Joint Holder(s), if any	:	.....
Registered Address of the Sole/ 1st Registered Holder	:	..... ..... ..... .....
E-mail ID (to be registered)	:	.....

Date : .....

Signature : .....

**Notes:**

1. The above form may be used for registering the E-mail IDs by those Shareholders who hold Shares in physical form.
2. The form duly filled and signed may please be sent to Company's above mentioned address.
3. Members holding shares in electronic mode are requested to ensure to keep their e-mail addresses updated with the depository participants.
4. On registration, all the communications will be sent to the E-mail ID registered.
5. The form is also available on the website of the Company i.e. www.prakash.com under the 'Investors Section'.
6. Shareholders are requested to keep updated to their depository participants / Company's above mentioned address as and when there is any change in the e-mail address.



**PRAKASH INDUSTRIES LIMITED****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  
*(In case of shares held in Demat, Form be sent direct to DP  
and not to the Company)*

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.

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**Shares held in Demat Form**

DP ID No. (NSDL)\*

I	N								
---	---	--	--	--	--	--	--	--	--

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	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>(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.</p>										

Account type  
(Please Tick (✓) wherever applicable)

Savings

--

Current

--

Cash Credit

--

Account No.  
(as appearing in the cheque book)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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/We hereby record my/our presence at the **36<sup>th</sup> Annual General Meeting** of the Company to be held on Tuesday, 25<sup>th</sup> July, 2017 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

**Note :** Please read the instructions printed under the Note No.13 to the Notice of **36<sup>th</sup> Annual General Meeting**. The e-voting period starts on Saturday, 22<sup>nd</sup> July, 2017 (9.00 am) and ends on Monday, 24<sup>th</sup> July, 2017 (5.00 pm). At the end of the e-voting period, the portal where the votes are cast shall forthwith be blocked by CDSL.



# Prakash Industries Limited

CIN : L27109HR1980PLC010724

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

## FORM NO. MGT-11

## 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 Member(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 **36<sup>th</sup> Annual General Meeting** of the Company to be held on Tuesday, 25<sup>th</sup> July, 2017 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/we wish my/our above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Description of Resolution	For	Against
1.	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors as at 31 <sup>st</sup> March, 2017		
2.	Re-appointment of Shri M. L. Pareek (DIN : 01795975) who retires by rotation		
3.	Ratification of re-appointment of Statutory Auditors		
4.	Increase in Authorised Share Capital		
5.	Alter clause V of the Memorandum of Association		
6.	Issue of New Foreign Currency Convertible Bonds		
7.	Ratification of remuneration of Cost Auditors		
8.	Re-appointment of Shri V.P. Agarwal (DIN : 00048907) and fix his remuneration		

Signed this ..... day of ..... 2017

Signature of shareholder

Affix  
Revenue  
Stamp  
₹1

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

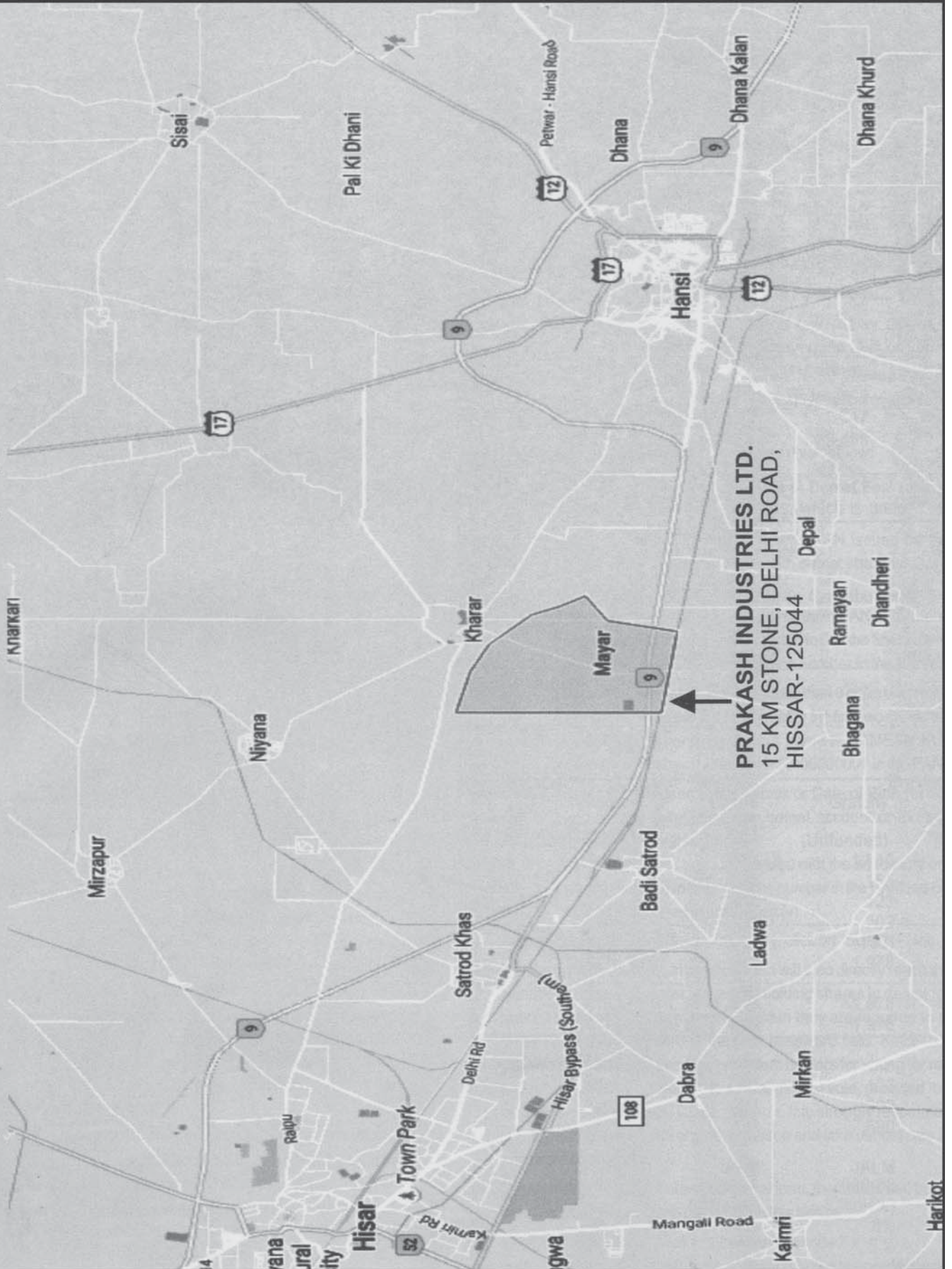
**Notes:** (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered/Corporate Office of the Company not less than 48 hours before the commencement of the meeting.

(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.





Route Map for Venue of 36<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 25<sup>th</sup> July, 2017









## **Prakash Industries Limited**

**Corporate Office**

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