

ANNUAL REPORT 2020 - 2021

THINK AHEAD TO STAY AHEAD



Prakash Industries Limited

People... Prosperity... Progress...



PRAKASH INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri V. P. Agarwal	Chairman
Shri Vikram Agarwal	Managing Director
Shri Kanha Agarwal	Joint Managing Director
Shri P. L. Gupta	Whole - time Director & CFO
Shri Y. N. Chugh	Independent Director
Shri M. R. Agarwal	Independent Director
Smt. Purnima Gupta	Independent Director
Shri Sunil Kumar	Independent Director
Dr. S.C. Gosain	Independent Director

COMPANY SECRETARY

Shri Ashwini Kumar

STATUTORY AUDITORS

Chaturvedi & Co.
Chartered Accountants

BANKERS

Union Bank of India
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)

Koira, Distt. Koenjhar (Odisha)

Sirkaguttu (Odisha)

Muppandal (Tamil Nadu)

WEBSITE

www.prakash.com

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 40th Annual Report on the business & operations of the Company together with the Audited Statement of Financial Accounts for the year ended 31st March, 2021.

FINANCIAL RESULTS

		(₹ in Crores)
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Sales	3215.86	2973.64
Other Income	8.06	6.95
Total Income	3223.92	2980.59
EBITDA	322.62	355.80
Depreciation	153.77	144.87
Financial Expenses	73.52	92.74
Profit before exceptional item and tax	95.33	118.19
Exceptional Items	103.67	24
Less: Transferred from General Reserve	103.67	- (24)
Provision for Taxes	-	-
Profit after tax	95.33	118.19
Other Comprehensive Income	8.90	(4.14)
Total Comprehensive Income	104.23	114.05

PERFORMANCE

During the year under review, the Company achieved Net Sales of ₹ 3216 crores as against ₹ 2974 crores in the previous year. The EBITDA for the year was ₹ 323 crores in comparison to ₹ 356 crores in the previous year. After providing for interest, depreciation and tax, the profit after tax of the Company was ₹ 95 crores as against ₹ 118 crores in the previous year, which resulted in EPS of ₹ 5.55 in the current year

OPERATIONAL REVIEW

The performance of the Company, during the year, was impressive despite massive disruptions caused by the COVID-19 pandemic in the initial months of the financial year. The Company adopted focussed approach on improving its volumes, operational efficiencies and operating facilities at optimum levels. The multipronged strategy has

helped the Company in seizing the opportunity offered by the pick-up in the economic activities in the country especially the steel intensive sectors like infrastructure, construction etc. The steel demand continued to improve in each successive quarter which helped the Company to achieve highest steel sales volume of 9.55 lakh MT during the year. The Company also added capacity in its Steel Melting Shop by commissioning two new energy efficient Induction Furnaces. The enhanced capacity now stands at 1.25 Mn tonnes per annum. The Company's Captive Iron Ore Mining operations at Sirkaguttu Mine, Odisha ramped up during the year. The Company achieved annual extraction of ~ 4.7 lakh MT, which has resulted in significant cost savings to the Company. .

FUTURE PROSPECTS

The Global steel demand is expected to grow by ~ 6% in the year 2021 as a result of economic recovery post Covid-19 pandemic supported by government spending and stimulus packages. The Indian steel industry is also expected to remain buoyant amidst strong domestic demand recovery, accommodative government policies and export opportunities.

Further, the full scale operations from the captive Iron Ore mine at Sirkaguttu, Odisha in the current financial year is expected to help the Company to largely insulate itself against the volatility of Iron Ore prices. Further more, the Company had received from Chhattisgarh Government the Grant Order for Iron Ore mining lease in District : Kabirdham (Kawardha), Chhattisgarh.

DIVIDEND

After careful assessment of the available profit during the financial year ended 31st March, 2021, your Directors have not recommended any dividend for the financial year ended 31st March, 2021.

ENVIRONMENT

The Environment Management is embedded in the Company's processes and practices and the Company is committed to improve the environment performance.

The Company has implemented the Environmental Management Systems and formulated effective environmental policy outlining guiding principles and implementation procedures for effective adoption and implementation of environment management program.

The Company adopts multiple strategies and technologies to ensure clean and healthy environment in the plant and also takes pro-active steps to enhance its surrounding environment.

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The Company always believes in 3 principles i.e. Reduce, Reuse and Recycle and implements the same in all its processes to conserve the natural resources and reduce carbon emission.

In addition to complying with all applicable environmental laws and regulations, we committed to:

- Adopt the latest environment improvement and management technologies i.e. high efficient emission & effluent control devices for environment conservation.
- Installation of Online Continuous Emission & Effluent Monitoring Systems for monitoring emission on self-monitor-basis.
- Optimum use of the natural resources and minerals by increased efficiency and implementing the energy conservation and water conservation practices
- Extensive green belt development program implemented in the plant premises & outside area.
- Effective management of hazardous waste, solid waste, bio-medical waste & e-waste and adoption of cleaner technologies to further reduce the consumption of fuel and water in plant operations.

SAFETY

The Company is committed for the implementation of the best possible practices for ensuring the safety of its all stakeholders including employees and contractors. The Company strongly believes that providing safe & healthy working environment to its workforce is not only a statutory requirement but also its moral responsibility.

The Company has developed safety standards, SOPs and safety manual systems and procedures in accordance with ISO-45001 which addresses employee safety, occupational health, process safety and emergency preparedness.

The Company has substantially reduced the number of on-site injuries with its strong emphasis on improving health and safety parameters, reducing risks through people engagement, capability building and strengthening health and safety management systems and processes.

The Company has a structured system for periodically review policies, objectives and targets for continual improvements through corrective and preventive actions and provides safe and healthy working for all by Implementing "Zero Accident" policy.

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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the period under review there were no significant and material orders passed by the Regulators/Courts or Tribunals impacting the going concern status of the Company and its operations in future.

CHANGE IN NATURE OF BUSINESS, IF ANY.

During the year under review there is no change in nature of business of the Company.

DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company's policy for determining material subsidiaries is available at 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

The Company strongly believes that sustainable community development is essential for harmony between the community and the industry. The Company endeavors to make a positive contribution especially to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives.

The Company is following the Companies (Corporate Social Responsibility Policy) Rules 2014 & the Corporate Social Responsibility (CSR) has been an integral part of its vision and policy. The Company's initiatives towards fulfilling its philosophy of Corporate Social Responsibility include promoting education facilities, primary health centers, hospitals, sports hub and places of worship, employment opportunity of the local people, recreation facilities and plantation etc. The interventions are carried out in tandem with local Government bodies to meet the social mandate for the earmarked communities, the support from development sector organizations and institutions apart from implementation through respective CSR activities.

The CSR is the integral part of the Company policy and all CSR initiatives are being planned, executed and monitored by the dedicated CSR Team. The CSR Team conducts assessments internally to keep strengthening the interventions. The CSR programmes and initiatives are aligned with Government mandate of local and State level and as per the specific needs of the community in Health, Education, Infrastructure Development and Social Needs. The projects are directly intended for improving the quality of life of community with well-designed strategies of better health, education and sustainability.

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We incorporated our work in following areas - Water resource management, Promotion of education in villages nearby our plant, Health care & medical camps, Women empowerment, Infrastructure development, Environmental awareness, Plantation & green belt development and contribution on sports & social causes.

A Board level Committee of CSR has been constituted. The details of membership of the Committee & the meetings held are detailed in the Corporate Governance Report, forming part of this Report. The Corporate Social Responsibility Policy is available on the website of the Company at the link http://prakash.com/pdfs/CSR_Policy.pdf

The Annual Report on Corporate Social Responsibility activities is annexed to this report as Annexure 1.

BOARD EVALUATION

During the year, the annual evaluation of the performance of the Board, its Committees and of individual Directors has been made under the provisions of the Companies Act 2013, relevant Rules and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations, 2015 and the circular issued by SEBI with respect to Guidance Note on Board Evaluation from time to time.

In a separate meeting of Independent Directors, performance of Non Independent Directors and performance of the Board as a whole was evaluated. Further, they also evaluated the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

NUMBER OF MEETINGS OF THE BOARD

The details of the Board Meetings and other Committee Meetings held during the financial year 2020-21 are given in the separate section of Corporate Governance Report.

DECLARATION BY INDEPENDENT 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 Companies Act, 2013 and as per Regulation 16(l)(b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of Regulation 25(7) of the Listing Regulations, 2015, the Company has put in place a Familiarization Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

- i) Shri Vikram Agarwal, Managing Director
- ii) Shri P.L. Gupta, Chief Financial Officer
- iii) Shri Ashwini Kumar, Company Secretary

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

Shri M.L. Pareek resigned as Whole Time Director and Chief Executive Officer with effect from 30th June, 2020.

The Board of Directors has reappointed Shri Vikram Agarwal as Managing Director of the Company for the term of 3 (Three) consecutive years on the Board of the Company with effect from 1st April, 2021 subject to approval of members of the Company in ensuing General Meeting.

The Board of Directors has reappointed Shri P.L. Gupta as Whole Time Director & Chief Financial Officer of the Company for the term of 3 (Three) consecutive years on the Board of the Company with effect from 1st April, 2021 subject to approval of members of the Company in ensuing General Meeting.

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.

DEPOSITS

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

TRANSFERS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to applicable provisions of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF" or "Fund") established by the Central Government, after completion of seven years from the date of dividend becoming unpaid / unclaimed. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more, shall also be transferred to the demat account created by the IEPF Authority.

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The Company had sent individual notices and also advertised in the newspapers seeking action from the members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred such unpaid or unclaimed dividends and corresponding shares to IEPF, up to the financial year ended 31st March, 2013.

Members/claimants whose shares and/or unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF authority from time to time.

Details of shares/members in respect of which dividend has not been claimed, are provided on our website at www.prakash.com. The members are encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 (Act), the Board of Directors, to the best of their knowledge and ability, confirm that:

- I. in the preparation of the annual accounts, the applicable standards have been followed and there are no material departures,
- II. they 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. they 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. they have prepared the accounts on a going concern basis,
- V. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively,
- VI. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STANDALONE ACCOUNTS

The Standalone financial statements for the year ended 31st March, 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at 31st March, 2021 and for the previous year ended 31st March, 2020.

AUDITORS & AUDITORS REPORTS

i) Statutory Auditors

The Board of Directors have re-appointed M/s Chaturvedi & Co., Chartered Accountants, (FRN:302137E) as Statutory Auditors of the Company for a term of five years beginning from ensuing 40th Annual General Meeting of the Company, upto the conclusion of the 45th Annual General Meeting of the Company to be held in 2026.

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

Explanations to note on Basis for Qualified opinion of Independent Auditors Report

- a) The net deferred tax liability computed in terms of Ind AS-12 "Income Tax" amounting to ₹ 3133 Lakhs has been adjusted against Securities Premium Account. This has been in terms of Hon'ble Punjab & Haryana High Court order dated 23rd August, 2007.

The Company has utilized Minimum Alternate Tax (MAT) credit amounting to ₹ 804 Lakhs to settle the Income Tax liabilities of the previous financial year, set off against the retained earnings.

- b) The Expenditure amounting to ₹ 10,367 Lakhs in respect of capital expenditure incurred including capital advances given for various projects. The implementation of these projects was abandoned and the same has been written off by withdrawing an equivalent amount from General Reserve.

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 Shri Bhoopendra Kumar Bohra, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as

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Annexure 2 in prescribed format MR- 3 as per Companies Act, 2013 and under SEBI Listing Regulations. The Secretarial Auditor has given observation as mentioned in his report.

iii) Cost Auditors

Pursuant to Section 148(1) of the Companies Act, 2013 Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Accordingly the Board of Directors in its meeting held on 31st May, 2021 has appointed M/s. Rakshit & Associates, (FRN:101951) Cost & Management Accountants, on the recommendation of the Audit Committee, for auditing the cost records of the Company for the Financial Year 2021-22. Appropriate resolution seeking ratification of the remuneration of Cost Auditors, is included in the Notice convening the 40th AGM of the Company.

CHANGES IN CAPITAL STRUCTURE

During the financial year 2020-21, the Company has allotted 317986 Equity Shares on conversion of FCCBs. The Company has also allotted 7500000 Equity Shares of the face value of ₹ 10 per share at a premium of ₹ 34.10 per share upon conversion of 7500000 Convertible Equity Warrants. Accordingly, the paid-up Equity Share Capital of the Company increased from ₹ 171.26 crores to ₹ 179.08 crores.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees or investments made and securities provided by the Company pursuant to Section 186 of the Companies Act, 2013, if any, are given in the notes to the financial statements, which form part of the Annual Report.

RELATED PARTY TRANSACTIONS [RPT]

All the Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict of interest with the Company at large. All the related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

A statement of all related party transactions is presented before the Audit Committee on quarterly basis, specifying the terms & conditions of the transactions.

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 are attached as Annexure 3.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

In order to provide a mechanism to all stakeholders of the Company to disclose any unethical and improper practices or any other alleged wrongful conduct in the Company, the Company has laid down a Vigil Mechanism also known as Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Vigil Mechanism and Whistle Blower Policy are available on the website of the Company.

NOMINATION AND REMUNERATION POLICY

The Company has a Nomination and Remuneration Committee of Directors. The members of said Committee are Non- Executive Directors and Independent Directors. The Committee met once during the year. Details of the role and responsibilities of the Committee, the particulars of meeting(s) held and attendance of the members at such meeting(s) are given in the Corporate Governance Report.

The Board has framed a Nomination and Remuneration policy which is available on the Company website at the link [http:// www.prakash.com/policies](http://www.prakash.com/policies).

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as Annexure 4 to this Report.

In terms of the provisions of Section 197(12) of the Companies Act 2013 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 4A.

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RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has set up a Risk Management Committee. The Committee assessed various risks pertaining to Operations & Maintenance of Plants, financial and other organizational risks are assessed, evaluated and continuously monitored for taking effective step.

The Company has adequate internal controls commensurate with the nature of business, size and complexity of its operations. Details of internal control system and its adequacy are furnished in "Management Discussion & Analysis Report", forming part of this Report. The Board of Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

ANNUAL RETURN

The draft annual return of the Company as required under the Companies Act, 2013 is available on the website of the Company at www.prakash.com.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at work place and matters connected therewith. During the year ended 31st March 2021, no complaint was received under the policy

DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Practising Company Secretary's Certificate and Management Discussion and Analysis are attached as Annexure 5, 5A, 5B. The Company has devised proper

systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

BUSINESS RESPONSIBILITY REPORT :

The Business Responsibility Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by the Company from an environmental, social and governance perspective, form an integral part of this Annual Report and annexed hereto as Annexure 6.

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

The particulars relating to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo, as required to be disclosed under the Act are annexed as Annexure 7.

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 : 31st May, 2021

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

Kanha Agarwal
Jt.Managing Director
DIN:06885529

**Annual Report on Corporate Social Responsibility (CSR) Activities
(Pursuant to Rule 8 of Companies (Accounts) (Corporate Social Responsibility Policy) Rules, 2014)
for the Financial Year ended 31st March, 2021**

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

CSR Policy provides a guideline of the methodologies and areas for choosing and implementing the Company's CSR Projects. The major Sectors covered under the said Policy include Education, Health Care, Rural Infrastructure, Sanitation and Self-employment Generation, Vocational Skills, Empowerment of Women and Youth, Environment Sustainability, Protection and Development of National Heritage, Art Culture, Public Libraries, Social Causes & Disaster Management.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Vikram Agarwal	Managing Director (Chairman)	1	1
2	Shri Kanha Agarwal	Joint Managing Director (Member)	1	1
3	Smt. Purnima Gupta	Independent Director (Member)	1	1

3. The CSR Policy of the Company is displayed on Company's website at link- http://prakash.com/pdfs/CSR_Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)
- Not applicable for Financial Year 2020-21**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the company as per section 135(5). : ₹ 36105.64 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 722.11 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : N.A.
- (c) Amount required to be set off for the financial year, if any : NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c). : ₹ 722.11 Lakhs
8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 722.22 Lakhs	N.A.	N.A.	N.A.	N.A.	NA

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(b) Details of CSR amount spent against ongoing projects for the financial year : **Not Applicable**

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	-	-	-	-	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year : **(Amount in Lakhs)**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent in the current financial Year (in ₹)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation- Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Drinking Water Facility	Making available Safe Drinking Water Health Care Schedule VII (i)	Yes	Chhattisgarh	a) Champa b) Raipur	133.14 26.51	Yes	NA	NA
2.	Training Programme & Promotion of Education	Promoting Education Including Special Education and Employment Enhancing Vocational Skills Schedule VII (ii)	Yes	Chhattisgarh	a) Champa b) Raipur	153.99 2.99	Yes	NA	NA
3.	Environment Awareness	Ensuring Environment Sustainability Schedule VII (iv)	Yes	Chhattisgarh	a) Champa b) Raipur	3.52 1.23	Yes	NA	NA
4.	Protection of Art & Culture	Restoration of building and sites of historical importance, Schedule VII (v)	Yes	Chhattisgarh	Champa	5.00	Yes	NA	NA
5.	Rural Sports	Training to rural sports, nationally recognized sports Schedule VII (vii)	Yes	Chhattisgarh	Champa	12.32	Yes	NA	NA
6.	Poverty & malnutrition	Mid day meal scheme, Schedule VII (i)	Yes	Delhi NCR	South Delhi	383.50	Yes	NA	NA
Total						722.22			

- (d) Amount spent in Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment, if applicable : Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 722.22 lakhs
- (g) Excess amount for set off, if any : NIL

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

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9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2017-18	NA					
2.	2018-19	NA					
3.	2019-20	NA					

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project - Completed / Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-wise details) : Not Applicable

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). :
Not Applicable

Kanha Agarwal
Member-CSR Committee
DIN:06885529

Vikram Agarwal
Chairman-CSR Committee
DIN:00054125

**FORM No. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021****[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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prakash Industries Limited - CIN L27109HR1980PLC010724 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Prakash Industries Limited ("the Company") for the financial year ended on 31st March 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 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, 2018 as amended from time to time;
 - d) 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 our examination and reporting is based on the documents, records and files as produced and shown to us 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 our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

We 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.

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

PRAKASH INDUSTRIES LIMITED

Registrar to Issue and Share Transfer Agents during the audit period);

During the period under review and as per the explanations and clarifications given to us 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.

During the period under review and as per the explanations

The Company has spent an amount of ₹ 722.22 Lakhs against the amount of ₹ 722.11 Lakhs to be spent during the year towards Corporate Social Responsibility.

We 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 records there was delay in submitting Shareholding Pattern for Quarter ending March, 2020 to stock exchanges which is required to be submitted by 15th May, 2020 under Regulation 31 of SEBI (LODR) and it was submitted on 3rd June, 2020. The Company has paid required fines imposed by NSE & BSE. This issue was also covered in the previous Secretarial Audit Report.

The Company has paid managerial remuneration to Whole-time Directors in excess of limit provided as per Section 198 of the Companies Act, 2013 in the financial year 2019-20 and for waiver of the excess managerial remuneration paid to Whole-time Directors, it has taken required approval of shareholders by way of Special Resolutions in the 39th Annual General Meeting held during the Year.

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

We further report that as per the explanations given to us and the representation made by the Management and relied upon by us 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 etc.

We further report that during the audit period the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For B K Bohra & Associates
(Company Secretaries)**

**Bhoopendra Kumar Bohra
(Proprietor)**

Place: New Delhi

ACS No.: 62344 & CP No.: 23511

Date : 31st May, 2021

UDIN: A062344C000416621

Note : This report is to be read with our 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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and

regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B K Bohra & Associates
(Company Secretaries)**

**Bhoopendra Kumar Bohra
(Proprietor)**

Place: New Delhi

ACS No.: 62344 & CP No.: 23511

Date : 31st May, 2021

UDIN: A062344C000416621

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. 43 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 are interested by name and amount	
3.	Holding Company	Investment by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	

By Order of the Board

Place : New Delhi
Dated : 31st May, 2021

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

Kanha Agarwal
Jt. Managing Director
DIN:06885529

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><thead><tr><th>Director</th><th>Ratio</th></tr></thead><tbody><tr><td>Shri V.P. Agarwal, Chairman</td><td>158:1</td></tr><tr><td>Shri Vikram Agawal, Managing Director</td><td>81:1</td></tr><tr><td>Shri Kanha Agarwal, Joint Managing Director</td><td>38:1</td></tr><tr><td>Shri P.L. Gupta, Whole-time Director & CFO</td><td>18:1</td></tr><tr><td>Shri Y.N. Chugh, Director *</td><td></td></tr><tr><td>Shri Mamraj Agarwal, Director *</td><td></td></tr><tr><td>Smt. Purnima Gupta, Director *</td><td></td></tr><tr><td>Shri Sunil Kumar, Director*</td><td></td></tr><tr><td>Dr. S.C. Gosain, Director*</td><td></td></tr></tbody></table>	Director	Ratio	Shri V.P. Agarwal, Chairman	158:1	Shri Vikram Agawal, Managing Director	81:1	Shri Kanha Agarwal, Joint Managing Director	38:1	Shri P.L. Gupta, Whole-time Director & CFO	18:1	Shri Y.N. Chugh, Director *		Shri Mamraj Agarwal, Director *		Smt. Purnima Gupta, Director *		Shri Sunil Kumar, Director*		Dr. S.C. Gosain, Director*							
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Shri Mamraj Agarwal, Director *																												
Smt. Purnima Gupta, Director *																												
Shri Sunil Kumar, Director*																												
Dr. S.C. Gosain, 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><thead><tr><th>Director</th><th>Ratio</th></tr></thead><tbody><tr><td>Shri V.P. Agarwal, Chairman</td><td>(5.53%)</td></tr><tr><td>Shri Vikram Agawal, Managing Director</td><td>(2.12%)</td></tr><tr><td>Shri Kanha Agarwal, Joint Managing Director</td><td>(2.12%)</td></tr><tr><td>Shri P.L. Gupta, Whole-time Director & CFO</td><td>(13.06%)</td></tr><tr><td>Shri Y.N. Chugh, Director *</td><td></td></tr><tr><td>Shri Mamraj Agarwal, Director *</td><td></td></tr><tr><td>Smt. Purnima Gupta, Director *</td><td></td></tr><tr><td>Shri Sunil Kumar, Director*</td><td></td></tr><tr><td>Dr. S.C. Gosain, Director*</td><td></td></tr></tbody></table> Key Managerial Personnel <table><tbody><tr><td>Shri Vikram Agawal, Managing Director</td><td>(2.12%)</td></tr><tr><td>Shri P.L. Gupta, Whole-time Director & CFO</td><td>(13.06%)</td></tr><tr><td>Shri Ashwini Kumar, Company Secretary</td><td>(7.00%)</td></tr></tbody></table>	Director	Ratio	Shri V.P. Agarwal, Chairman	(5.53%)	Shri Vikram Agawal, Managing Director	(2.12%)	Shri Kanha Agarwal, Joint Managing Director	(2.12%)	Shri P.L. Gupta, Whole-time Director & CFO	(13.06%)	Shri Y.N. Chugh, Director *		Shri Mamraj Agarwal, Director *		Smt. Purnima Gupta, Director *		Shri Sunil Kumar, Director*		Dr. S.C. Gosain, Director*		Shri Vikram Agawal, Managing Director	(2.12%)	Shri P.L. Gupta, Whole-time Director & CFO	(13.06%)	Shri Ashwini Kumar, Company Secretary	(7.00%)
Director	Ratio																											
Shri V.P. Agarwal, Chairman	(5.53%)																											
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Shri P.L. Gupta, Whole-time Director & CFO	(13.06%)																											
Shri Ashwini Kumar, Company Secretary	(7.00%)																											
(iii)	The percentage increase in the median remuneration of employees in the financial year	0.23%																										
(iv)	The number of permanent employees on the rolls of Company	2628 as on 31 st March, 2021																										
(v)	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 0.23% in FY 21 over previous year. The salary increase is based on compensation philosophy of the organisation which takes into account internal as well as external factors.																										
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company * No remuneration, only sitting fees paid	Affirmed																										

PRAKASH INDUSTRIES LIMITED

ANNEXURE-4A

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

FOR THE YEAR ENDED 31ST MARCH, 2021

Employed throughout the financial year under review and were in receipt of remuneration for the year in aggregate not less than ₹ 8.50 Lakh per Month :

Sr. No.	Name	Age (Years)	Qualifications	Experience (Years)	Designation/ Nature of Duties	Remuneration (₹) Lakhs	Date of Commencement of Employment	Particulars of last Employment
1.	Sh.V.P.Agarwal	65	B.Com.	42	Chairman	555	01.01.1981	Surya Roshini Limited
2.	Sh.Vikram Agarwal	43	B.Com.	19	Managing Director	283	28.05.2005	Primenet Global Limited
3.	Sh.Kanha Agarwal	28	B.Com.	7	Joint Managing Director	132	28.05.2014	Earnst & Young

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 and are related to each other accordingly.

REPORT ON CORPORATE GOVERNANCE
1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Governance is an integral part of the Company's business practices and it envisages attainment of the highest level of accountability, transparency and equity in all facets of its operations and aims at maximizing the Shareholders' value, protecting and pursuing interest of all the Stakeholders and meeting societal expectations. Your Company is committed to the principles of good governance in letter and spirit.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to Corporate Governance.

2. BOARD OF DIRECTORS
a) Composition

The Board consists of 9 Directors as on 31st March, 2021, represented by 4 Executive Directors including Chairman, Managing Director & Joint Managing Director and Whole-time Director and 5 Independent Directors (Non-Executive) including one Woman Director.

b) Confirmation relating to independent Directors

In the opinion of the Board, the Independent Directors fulfil the conditions as specified in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and as per the provisions of the Companies Act, 2013 and rules & Schedules made thereunder and are independent of the management.

c) Attendance of each Director at the Board meetings & last Annual General Meeting during the year 2020-21 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	5	No	1	7	–	–
2.	Shri Vikram Agarwal* Managing Director DIN:00054125	Executive & Promoter	5	No	–	7	2	2
3.	Shri Kanha Agarwal** Joint Managing Director DIN:06885529	Executive & Promoter	5	No	–	9	–	–
4.	Shri Y.N. Chugh DIN:02225961	Non-executive & Independent	5	Yes	–	–	–	–
5.	Shri M.R. Agarwal DIN:00180671	Non-executive & Independent	5	No	–	–	–	–
6.	Smt. Purnima Gupta DIN:06885738	Non-executive & Independent	5	Yes	–	–	–	–
7.	Shri M.L. Pareek*** DIN:01795975	Executive	1	No	–	1	–	–
8.	Shri P.L. Gupta DIN:00048868	Executive	5	No	–	1	–	–
9.	Dr.S.C. Gosain# DIN:08202130	Non-executive & Independent	5	No	–	1	–	3
10.	Shri Sunil Kumar DIN:08047482	Non-executive & Independent	5	No	–	–	–	–

* Non-executive and Promoter Director in Prakash Pipes Ltd.

** Executive and Promoter Director in Prakash Pipes Ltd.

*** Resigned w.e.f. 30th June, 2020 # Independent Director in Prakash Pipes Ltd.

PRAKASH INDUSTRIES LIMITED

d) Core Skills/Expertise/Competencies available with the Board

The Board comprises qualified members who possess required skills, expertise and competence that allow them to make effective contribution to the Board and its Committees.

The Company has identified certain skills/expertise/competencies identified for the effective functioning of the Company. Matrix/table of skills/expertise is as under:

Particulars	Detailed List of Core Skills, Expertise and Competencies	Name of Directors who have Skills, Expertise and Competence								
		Shri Ved Prakash Agarwal	Shri Vikram Agarwal	Shri Kanha Agarwal	Shri P.L.Gupta	Smt. Purnima Gupta	Dr. S.C. Gosain	Shri Mamraj Agarwal	Shri Y. N. Chugh	Shri Sunil Kumar
Industry Knowledge/ experience	Industry experience	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No
	Knowledge of Sector	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Knowledge of Government / Public Policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical Skills/ experience	Projects	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
	Accounting	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
	Finance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Law	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No
	Marketing Experience	Yes	Yes	Yes	No	No	Yes	No	Yes	No
	Public Relations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

e) 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. Shri Vikram Agarwal and Shri Kanha Agarwal are related to each other as brothers. Apart from that, there are no relationships existing among other Directors of the Company.

f) No. of Board Meetings

During the financial year 2020-21, the Board met five times on 27th June, 2020, 31st August, 2020, 23rd October, 2020, 10th November, 2020 and 8th February, 2021. 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.	27.06.2020	10	10
2.	31.08.2020	9	9
3.	23.10.2020	9	9
4.	10.11.2020	9	9
5.	08.02.2021	9	9

g) Meetings of Independent Directors

During the year, one meeting of Independent Directors was held on 8th February, 2021 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 of the Company. All Independent Directors were present in the meeting.

h) Details of shareholding of non-executive Directors in the Company as on 31st March, 2021

S.No.	Name of Director	No. of shares held
1.	Shri Y. N. Chugh	Nil
2.	Shri M. R. Agarwal	Nil
3.	Smt. Purnima Gupta	Nil
4.	Dr. S. C. Gosain	Nil
5.	Shri Sunil Kumar	Nil

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

PRAKASH INDUSTRIES LIMITED

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.

During the year, the Board of Directors has reconstituted the Audit Committee. The Committee comprises of five members and majority of them are Independent Directors. Shri Y.N. Chugh (Non-Executive and Independent Director) is the Chairman of the Audit Committee and Shri M.R. Agarwal, Smt. Purnima Gupta, Dr. S. C. Gosain (All Non-Executive and Independent Directors) and Shri P.L. Gupta (Whole- time Director) are members of the Audit Committee.

ii) No. of Audit Committee Meetings

During the financial year 2020-21, the Audit Committee met four times on 27th June, 2020, 31st August, 2020, 10th November, 2020 and 8th February, 2021 and attendance was as under.

S.No.	Name of Director	Status	Meetings Attended
1.	Shri Y.N. Chugh	Chairman	4
2.	Shri M.R. Agarwal	Member	4
3.	Smt. Purnima Gupta	Member	4
4.	Shri M.L. Pareek*	Member	1
5.	Shri P.L. Gupta	Member	4
6.	Dr. S. C. Gosain	Member	4

* Ceased to be member due to resign w.e.f. 30th June, 2020

Audit Committee meetings are also attended by representative of Statutory Auditors, Internal Auditors and Managing Director / Joint Managing Director 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 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 Nomination and Remuneration Committee comprises of Shri Y. N. Chugh (Non-Executive and Independent Director) as the Chairman and Shri M.R. Agarwal and Smt. Purnima Gupta (All Non-Executive and Independent Directors) as members of the Committee of the Board of Directors.

During the financial year 2020-21, the Committee met two times on 27th June, 2020 and 8th February, 2021 and attendance was as under:

S. No.	Name of Director	Status	Meetings Attended
1.	Shri Y.N. Chugh	Chairman	2
2.	Shri M.R. Agarwal	Member	2
3.	Smt. Purnima Gupta	Member	2

ii) Performance evaluation criteria for independent Directors:

Performance evaluation of Independent Directors shall be done on annual basis. The rating shall be provided by all the Directors except the Independent Directors being evaluated. The evaluation criteria shall be reviewed by the Nomination and Remuneration Committee of 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 1ST APRIL, 2020 TO 31ST MARCH, 2021:

a) 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.

b) Pecuniary Relationship

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

(₹ in lakhs)

S.No.	Name of Director	Salary	Perquisites	Sitting Fee
1.	Shri V. P. Agarwal	555.00	0.40	N.A.
2.	Shri Vikram Agarwal	283.36	0.40	N.A.
3.	Shri Kanha Agarwal	132.25	0.40	N.A.
4.	Shri Y. N. Chugh	Nil	Nil	3.50
5.	Shri M. R. Agarwal	Nil	Nil	3.00
6.	Smt. Purnima Gupta	Nil	Nil	4.25
7.	Shri M. L. Pareek*	10.52	0.72	N.A.
8.	Shri P. L. Gupta	64.94	6.07	N.A.
9.	Shri Sunil Kumar	Nil	Nil	1.50
10.	Dr. S. C. Gosain	Nil	Nil	2.50

* Resigned w.e.f. 30th June, 2020

PRAKASH INDUSTRIES LIMITED

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	01.04.2020	N.A.
2.	Shri Vikram Agarwal	3 years	01.04.2021	N.A.
3.	Shri Kanha Agarwal	3 years	01.04.2019	N.A.
4.	Shri P.L. Gupta	3 years	01.04.2021	One month

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors had reconstituted the Stakeholders Relationship Committee comprises of Smt. Purnima Gupta (Non-Executive and Independent Director), as Chairperson of the Committee, Shri Kanha Agarwal, Joint Managing Director and Shri P.L. Gupta, Whole-time 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.

During the financial year 2020-21 the Stakeholders Relationship Committee met four times on 6th April, 2020, 8th August, 2020, 10th October, 2020 and 12th January, 2021 and attendance was as under:

S.No.	Name of Director	Status	Meetings Attended
1.	Smt. Purnima Gupta	Chairperson	4
2.	Shri M.L. Pareek*	Member	1
3.	Shri P.L. Gupta	Member	4
4.	Shri Kanha Agarwal	Member	2

* Resigned w.e.f. 30th June, 2020

Compliance Officer : Shri Ashwini Kumar
Company Secretary

No. of shareholders/ investors complaints received upto 31st March, 2021 : 15

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

No. of pending complaints : 1

The Company has created an exclusive e-mail ID viz. 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 shareholders within the prescribed time after needful. 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 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. During the year Board of Directors has reconstituted the Finance Committee. The Committee comprises of Shri Vikram Agarwal, (Managing Director) as Chairman of the Committee and Shri P.L. Gupta (Whole-time Director and Chief Financial Officer) as member of the Finance Committee of the Board of Directors.

During the financial year 2020-21 the Committee met once on 10th November, 2020 and attendance was as under:

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

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 Shri Y.N. Chugh (Non-Executive and Independent Director) as the Chairman of the Allotment Committee and Shri Vikram Agarwal (Managing Director) and Shri P.L. Gupta (Whole-time Director) as members of the Allotment Committee of the Board of Directors.

During the financial year 2020-21 the Committee met twice on 12th December, 2020 and 23rd March, 2021 and attendance was as under:

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

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 P.L. Gupta (Whole-time Director) as member of the FCCB Conversion Committee of the Board of Directors.

During the financial year 2020-21 the Committee met once on 25th August, 2020 and attendance of members at the meeting was as follows:

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

e) CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

The Board has constituted the Corporate Social Responsibility and Governance Committee (CSR & G Committee) comprises Shri Vikram Agarwal, Chairman and Shri Kanha Agarwal and Smt. Purnima Gupta 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.

During the financial year 2020-21 the Committee met once on 27th June, 2020 and attendance of members at the meeting was as follows:

S. No.	Name of Director	Status	Meetings Attended
1.	Shri Vikram Agarwal	Member	1
2.	Shri Kanha Agarwal	Member	1
3.	Smt.Purnima Gupta	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 P.L. Gupta, Whole-time Director as members of the Committee.

During the financial year 2020-21 the Committee met once on 8th February, 2021 and attendance of members at the meeting was as follows:

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

The Committee is empowered pursuant to its terms of reference:

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

As per SEBI Circular dated 15th November 2018 disclosure regarding commodities in the prescribed format is as under.

- Risk management policy of the listed entity with respect to commodities including through hedging (Such policy shall take into account total exposure of the entity towards commodities, commodity risks faced by the entity, hedged exposures, etc. as specified below)

- Not Applicable -

- Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

- Total exposure of the listed entity to commodities in INR

- Not Applicable -

- Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
-NA-	-NA-	-NA-	-NA-	-NA-	-NA-	-NA-	-NA-

- Commodity risks faced by the listed entity during the year and how they have been managed.

- Not Applicable -

8. GENERAL BODY MEETINGS

Details of Annual General Meetings (AGM) of the Company held during the last three financial years, which were held at the Registered Office of the Company at 15 Km. Stone, Delhi Road, Hissar-125044 (Haryana) as mentioned below:

Year	Date	Details of Special Resolutions
2019-2020 (AGM)	28.09.2020 at 12.30 p.m	Re-appointment of Shri Ved Prakash Agarwal as Chairman of the Company. Waiver of Recovery of Excess Remuneration paid to Shri Ved Prakash Agarwal, Chairman, Shri Vikram Agarwal, Managing Director and Shri Kanha Agarwal, Joint Managing Director of the Company.
2018-2019 (AGM)	26.09.2019 at 12.30 p.m	No special resolution was passed.
2017-2018 (AGM)	29.07.2018 at 12.30 p.m.	Re-appointment of Managing Director, Whole-time Directors and revise the remuneration of Joint Managing Director

Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the financial year 2020-21. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

9. MEANS OF COMMUNICATIONS

The Board of Directors approves and takes on record the quarterly / half yearly and annual results 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. The Notice of AGM/EGM alongwith the Annual Report/Notice of EGM are sent to the shareholders well in advance of the AGM/EGM. The stock exchanges are notified of any important

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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 29th July, 2021 at 12.30 p.m.

Venue Through Video Conferencing (VC)/
Other Audio Visual Means (OAVM)

c) Financial Calendar for 2021-22:

- i) First quarter results upto 14th
August, 2021
- ii) Second quarter results upto 15th
November, 2021
- iii) Third quarter results upto 15th
February, 2022
- iv) Fourth quarter/Annual results upto 15th /30th
May, 2022

d) Book Closure :

21st July, 2021 to 24th July, 2021 (both days inclusive)

e) Stock Exchanges where Equity Shares of the Company are listed:

S.No.	Name of the Stock Exchange	Stock Code
1.	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	506022
2.	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1 G Block, Bandra-Kurla Complex, Bandra (E) , Mumbai - 400051	PRAKASH

ISIN No. for equity shares : INE603A01013

f) Market Price Data :

Market price of Company's Equity Share of ₹10 each during the year from April, 2020 to March, 2021 at BSE Ltd. and National Stock Exchange (NSE) are given below:

(₹)

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April, 2020	32.30	19.25	32.70	19.05
May, 2020	32.95	25.85	32.35	25.80
June, 2020	42.70	28.50	41.45	28.50
July, 2020	38.25	31.35	38.35	31.25
August, 2020	51.80	32.55	51.90	32.85
September, 2020	48.00	36.20	48.10	35.90
October, 2020	47.85	38.05	47.90	38.30
November, 2020	47.45	39.80	47.70	40.05
December, 2020	58.60	45.00	58.65	45.05
January, 2021	65.40	50.20	65.45	50.15
February, 2021	58.25	47.20	58.35	47.10
March, 2021	77.50	52.70	77.45	52.70

g) Distribution of Shareholding (as on 31st March, 2021)

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Upto 5000	69195	81.45	10334994	5.77
5001 - 10000	7114	8.37	5729585	3.20
10001 - 20000	3807	4.48	5905440	3.30
20001 - 30000	1394	1.64	3597779	2.00
30001 - 40000	427	0.50	1481738	0.83
40001 - 50000	464	0.55	1971362	1.10
50001 - 100000	1242	1.46	7979640	4.46
100001 - above	1315	1.55	142081301	79.34
Total	84958	100.00	179081839	100.00

h) Shareholding Pattern (as on 31st March, 2021)

Category	No. of Shares	% of Shares
Promoter & Promoter Group	73384732	40.98
Mutual Fund / UTI	46904	0.03
Financial Institutions / Banks	2335	0.00
Insurance Companies	200	0.00
Foreign Institutional Investors	5077375	2.83
Bodies Corporate etc.*	31496212	17.59
IEPF	821818	0.46
NRI's/OBCs	2398450	1.34
Public (Individuals)	65853813	36.77
Total	179081839	100.00

*Including Trust, Clearing Member & LLP etc.

i) Registrar and Transfer Agent

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 as per SEBI guidelines. However with effect from 1st April, 2019, SEBI vide its Press Release No.12/2019 dated 27th March, 2019 had prohibited the transfer of shares in physical form.

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. 95.12% of Equity Shares of the Company were held in dematerialized form as on 31st March, 2021.

l) Listing Fee :

The Company has paid the listing fees upto the year 2021-22 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 31st March, 2021 is 10.80 Million US\$.

n) Plant Locations :

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

o) Address for Correspondence and for Share related matters:

Prakash Industries Ltd.
SRIVAN, Bijwasan,
New Delhi – 110061.

Ph. : (011) - 25305800

Fax. : (011) - 28062119

Website : www.prakash.com

E-mail : investorshelpline@prakash.com

11. OTHER DISCLOSURES

- a) 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.43 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 during the financial year 2020-21.

- c) The Company has in place "Vigil Mechanism-cum-Whistle Blower Policy" to provide a formal mechanism to the Directors and Employees to report their genuine concerns about the unethical behaviour, actual or suspected fraud, etc. The mechanism provides for adequate safeguards against victimization of employees, who use such mechanism. During the year, no employee was denied access to the Audit Committee. The Policy is displayed on the Company's Website and can be accessed at link <https://www.prakash.com>

- d) The Policy for determining "Material Subsidiaries" can be accessed on Company's website www.prakash.com.

- e) The Policy on dealing with related party transactions can be accessed on Company's website www.prakash.com.

- f) Compliance with Corporate Governance Requirements specified in SEBI Listing Regulations

The Company has complied with the requirements of sub-paras (2) to (10) of Part-C to Schedule-V to the SEBI Listing Regulations. The Company has also complied with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations and necessary disclosures have been made in this Corporate Governance Report.

A Certificate as to the compliance of conditions of Corporate Governance issued by Practising Company Secretary is appended with this Report.

12. Fees paid to Statutory Auditor for services rendered during the financial year 2020-21:

The total fees of ₹ 68 Lakhs had been paid to M/s Chaturvedi & Co., Chartered Accountants Firm having Registration No.302137E for all the services rendered by them to the Company during the financial year 2020-21 on standalone basis.

13. DISCLOSURE ABOUT UTILISATION OF FUND RECEIVED FROM PREFERENTIAL ALLOTMENT UNDER REGULATION 32 (7A) OF SEBI (LODR) REGULATIONS, 2015

The Company has received an amount of ₹ 3307 Lakh through preferential allotment of 7500000 Equity Shares upon conversion of Convertible Equity Warrants as per the Regulation 32(7A) of SEBI Listing Regulations. The entire fund received and utilised to augment the working capital requirements of the Company and other general corporate purposes.

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14. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Directors and Senior Management personnel including functional heads of the Company. The essence of the code is to conduct the business of the Company in honest and ethical manner in compliance with applicable laws. The Code of Conduct has been posted on the website of the Company. All the Board members and Senior Management personnel including functional heads of the Company have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director 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 2020-21"

Place : New Delhi
Date : 31st May, 2021

Vikram Agarwal
Managing
Director

P. L. Gupta
Chief Financial
Officer

15. A certificate has been received from Shri Bhoopendra Kumar Bhora, Practising Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority.

15. 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
- b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year : NIL
- c) Number of shareholders to whom shares were transferred 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 Practising Company Secretary 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, 2021 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 **B.K. Bhora & Associates**
Company Secretaries

New Delhi
31st May, 2021

(Bhoopendra Kumar Bhora)
Proprietor
ACS: 62344 CP: 23511

Industry Structure & Developments

The Global steel industry suffered severe impact of the COVID pandemic in the first half of the year 2020 on account of nationwide lockdowns and disrupted supply chains across the countries. Although steel was declared an essential industry in several countries, demand for steel fell sharply during the pandemic. The Automotive manufacturing sector, one of the largest consumers of steel, cut down its production, thereby resulting in dip in demand for steel. Also many non-essential construction projects were put on hold, which also affected demand for steel. However, in the second half, the steel industry showed a rebound with resumption of economic activities in almost every part of the world, which translated into more than 30% jump in the steel prices globally. The World Steel Association (worldsteel) has forecasted that steel demand will grow by 5.8% in 2021 to reach 1,874.0 million tonnes and will further grow by 2.7% to reach 1,924.6 million tonnes in 2022.

Opportunities and Threats

The largest contributor for the Steel demand continues to be the Construction and Infrastructure sector. The sector anticipates growth in near future, owing to Government infrastructure projects like Bharatmala, Sagarmala, Atal Mission for Rejuvenation and Urban Transformation, setting up of National Investment and Manufacturing Zone, Smart cities etc. Further, the rapid investment in the Infrastructure sector is expected to result in a growth in Capital Goods which consumes nearly 15% of the domestic Steel production. The Automotive Mission Plan 2026 is also expected to fuel the Steel demand in auto sector, which is another major driver for steel demand in the country. The National Steel Policy (NSP) and its emphasis on Government tenders for domestically manufactured steel & iron products shall also support the industry in the coming times. Last but not the least, the current low per capita steel consumption and rapid urbanization in the country shall continue to provide significant potential for growth of the steel sector.

The major threat to the domestic steel sector continues to be the high cost of borrowed funds as compared to the developed countries such as China, Japan and Korea, which makes the Indian steel players more vulnerable to any slowdown in the economy. Moreover, the steel demand is cyclical, which further makes the situation difficult for the indigenous steel makers. Also, another key threat to the steel industry continues to be the availability and the price volatility of iron ore, which is the key raw material. However, your Company has insulated itself against these possible threats by being one of the lowest leverage company in the industry and securing itself a captive iron ore mine, from which the extraction of the ore has already started during the current year for use in its steel making operations.

Outlook

The coronavirus pandemic pulled down the steel industry

tailspin in the first half of 2020, but it quickly bounced back with a pick-up in domestic demand at the onset of the third quarter due to restoration of activities. The industry expects the strong demand to continue in the current year also. The mood in the steel industry is upbeat so far as demand growth in India is concerned as the per capita consumption of steel in India is significantly low, which leaves room for growth. In India, it stands at around 78 kg compared to a global average of 225 kg. Further, the National Steel Policy 2017, which has laid down a roadmap for achieving long term growth in the Indian steel industry, both on the demand and supply side, will continue to aim to increase demand of steel in the country by targeting the domestic per capita steel consumption at 160 kgs by the year 2030-31. The Government's focus on infrastructure spending, expansion of housing and manufacturing sector, road and railway projects will also fuel the demand for steel in the country.

Risks and Concerns

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. 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. The Company has formed a Risk Management Committee which has the mandate of identifying the risks and suggesting the ways to mitigate them. The Company spends significant time, effort and human resources to manage and mitigate identified risks. The Company has identified its risk parameters and planned out mitigation measures to sustain its operations.

The steel making business is subject to various potential risks among which the key risks are global steel demand scenario, domestic steel demand and assured supply of key inputs like iron ore, coal and power. The Indian Steel Industry is grappling hard with uncertainties pertaining to the availability and consistent supplies of raw materials i.e. both coal and iron ore. However, our company has safeguarded itself against these risks to a significant extent by opening its captive iron ore mine in Sirkaguttu, State Odisha this year. During the year, the extraction of the ore from the mine was ~ 4.7 Lakh tonnes. Further, as regards coal, the Company has in place Long Term Linkage of Coal from Coal India Limited for supply of Coal at a stable price.

Internal Control System and their Adequacy

The Company has an internal control system commensurate with the size, scale and complexity of its operations. The system provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding the assets of the Company and ensuring compliance with corporate policies.

The Company has availed the services of independent professional firm for Internal Audit, which checks the

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effectiveness of the internal controls with an objective to provide an independent, objective and reasonable assurance of the adequacy and effectiveness of the Company's risk management, control and governance processes. The scope and authority of the Internal Audit activity are approved by the Audit Committee. The Internal Auditor reports directly to the Audit Committee of the Board. Based on the report of the Internal Auditors, process owners undertake corrective actions in their respective areas and thereby strengthen the control.

Audit Committee periodically reviews the Internal Audit Reports and issues guidance and advice. Minutes of the Audit Committee are put up to the Board of Directors.

Material Developments in Human Resource/Industrial Relations

The Company's HR vision is to build an organization, where everyone is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence with organizational objectives. The Company continues to maintain healthy work environment and constructive

relationship with its employees with a continuing focus on productivity and efficiency. The Company believes that its success is driven by the success of its people, who are at the core of everything the Company does. Keeping this in mind, the Company has invested significantly in the professional development of employees through training and leadership development programs.

The Company has maintained healthy and cordial industrial relations during the year

RATIO ANALYSIS

S.No.	Particular	Units	FY 2021	FY 2020
1.	Debt-Equity Ratio	Times	0.12	0.13
2.	Current Ratio	Times	1.30	1.01
3.	Operating Profit Margin	%	10.03	11.97
4.	Net Profit Margin	%	3.24	3.84
5.	Interest Coverage Ratio	Times	4.39	3.84
6.	Debtors Turnover Ratio	Times	19.04	17.22
7.	Inventory Turnover Ratio	Times	14.93	16.06

BUSINESS RESPONSIBILITY REPORT**Section A: General Information about the Company**

1. Corporate Identity Number	:	L27109HR1980PLC010724
2. Name of the Company	:	Prakash Industries Limited
3. Registered Office Address	:	15 Km. Stone, Delhi Road, Hissar - 125044 (Haryana)
4. Website	:	www.prakash.com
5. Email-id	:	Investorshelpline@prakash.com
6. Financial Year Reported	:	2020-21
7. Sectors engaged in	:	Steel and Power generation
8. Key products / services company manufactures	:	Steel, Power
9. Number of locations where business is undertaken		
i. International locations	:	Nil
ii. National locations	:	5
10. Markets served by the company	:	The Company serves in national market

Section B: Financial Details of the Company : **(₹ in Lakhs)**

1. Paid-up Capital (₹ in Lakhs)	:	17908
2. Total Turnover (₹ in Lakhs)	:	321586 (Standalone)
3. Total Profit / (Loss) after taxes (₹ in Lakhs)	:	9533 (Standalone)
4. Total Spending on CSR as % profit after tax	:	7.58%
5. List of activities in which CSR expenses incurred:		
a) Drinking water and sanitation		
b) Education and Skill Development		
c) Healthcare, Nutrition.		
d) Sustainable livelihood and women Empowerment.		
e) Rural Infrastructure development		
f) Environmental awareness- Plantation and water conservation.		
g) Expenses on social causes.		
h) Sports, Art and Culture		

Section C: Other Details

1. Details on subsidiary companies	:	Nil as on March 31, 2021
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?	:	Not Applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	:	Not Applicable

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4. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.**

The Board of Directors periodically reviews / assesses the operational, financial and marketing performance of the Company.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it's published?**

In compliance with SEBI (LODR) Regulations, 2015, the Business Responsibilities Report (BRR) is published as an Annexure to the Board Report annually, forming part of the Annual Report from FY 2019-20. The said Report can be viewed on the Company's Website at <http://www.prakash.com>

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

- a) The Company has in place a "Whistleblower Policy & Vigil Mechanism" to provide a formal mechanism to the Directors and Employees of the Company to report their genuine concerns about the unethical behavior, actual or suspected fraud etc.
- b) The Company has also in place "Code of Conduct for Designated Persons", which sets ethical standards and provides guidance and helps in recognizing and dealing with ethical issues to foster a culture of honesty and accountability.
- c) In order to further strengthen internal controls for prevention of insider trading, there exists a "Code of Conduct for prevention of Insider Trading" in Company's shares, which not only satisfies the Regulatory requirements but also instills a sense of responsibility amongst the designated employees / persons.
- d) The Company has "Code of Practices and Procedures for fair Disclosure of Unpublished Price Sensitive Information" (UPSI) with the main object of ensuring timely and fair disclosure of UPSI, events, occurrence that could impact share price.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During FY 2020-21, the Company received 15 complaints from the Investors mainly with regard to non-receipt of Dividend, Annual Report, Issue of Duplicate Share Certificates, Transmission of Shares etc. All the complaints have been satisfactorily resolved except one complaint which is pending as on March 31, 2021.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- Sponge Iron DRI
- Steel Billets
- TMT Bars / Wire Rods

The Company has adopted the Integrated Management System including ISO-9001 (Quality), ISO-14001 (Environment), ISO 45001 (Occupational Health & Safety) and ISO-50001 (Energy) Management System Certification of all its products and process. The Company has identified the areas of environment and social concern and associated risks as per the SOPs of Management System and has ensured the effective implementation of the same to ensure Pollution control in the plant as per the statutory guidelines, Zero Accidents and optimum use of Energy and Water in each product / process. The Company always ensures that all its products / processes adhere with the quality, environmental, safety and social concerns at the design stage itself through selection of state-of-the-art technology, quality project execution etc. The Company ensures that the products manufactured are of Best Quality in the Industry, cost effective, Energy Efficient, Environment friendly and are made with Safe operational processes and also ensures the safe and efficient transportation to the customers.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company has identified the reduced consumption of raw materials and fuel as Key Performance Indicators for each process in the integrated steel plant to manufacture the least cost competitive products. These key performance indicators are being

monitored strictly and correction/improvement plan are made based on the review of the same at regular intervals. In order to achieve its objectives, Company uses efficient fuel and better raw material to maximize the yield and achieve reduction in specific consumption. Raw materials are sourced accordingly. The Company is also committed to supply the quality products to its consumers with timely delivery.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has adopted the energy efficient technologies to conserve maximum energy in its production processes. Waste water treatment facilities are installed to treat and reuse of water by recycling of treated water in various areas and thereby conserve the water. The Company also believes in recovery of usable material from various solid wastes and utilizing it back in the production. Regular Energy and water audits are arranged through renowned external agencies like CII, NPC etc to conserve Energy as well as natural resources like coal, water etc.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The Company has defined processes and procedures in place for sustainable sourcing. In steel production, coal, Iron ore and pellet are the main raw materials. The Iron ore / pellet and Coal (indigenous as well as imported) are adequately available for meeting the Company's requirements for transportation of which the Company has developed its own trucks fleet and also has done long term contracts with external transport agencies for ensuring timely transportation of these raw materials. Transportation of various raw material is done through predefined routes of rail and road.

The Company ensures the transportation of various raw materials inside the plant through covered belt conveyor systems ensuring controlled fugitive emission during transportation. By this way Company has ensured the sustainable sourcing and optimum utilization of its resources. Adoption of cleaner technologies has further reduced the consumption of fuel and various raw materials and thereby increased the sustainability.

The Water requirement for various operations is fulfilled from the nearby Hasdeo river. Water is transported through closed pipelines networks and 100% waste water recycling after proper treatment is ensured by the company with Zero discharge outside the factory premises.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company promotes procurement of goods and services from local vendors and small producers. This is primarily done while hiring various equipment and services, procurement of raw materials, construction material, plant consumables and spares from local and small producers in nearby areas. Apart from this, the Company has always emphasized taking services of civil contractors, transporters as well as casual labour by sourcing from nearby villages.

The Company has also put efforts to build and improve the skills and capabilities of local people in nearby villages and also gives them preference in recruitments.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has predefined mechanism to recycle its wastes. Solid Wastes generated from various processes are slag, Dolo char, and fly ash. Liquid wastes are Process effluents. These wastes are being reused with recycling it after proper treatment as per the details mentioned below -

S.No.	Product /Waste Recycling	% age of re-use /recycling	Details
1.	Dolo Char	100%	Being used as fuel in AFBC boilers replacing coal and thereby conserving the natural resource.
2.	Fly ash	100%	Used in Brick manufacturing plant installed in the plant premises which are used in various construction /projects in the company and also being distributed to nearby villages free of cost. Surplus flyash is being sent to Cement plants as well as being sent for filling of abandoned mines as per statutory guidelines.
3.	Effluent	100%	Effluent Treatment Plants have been installed for treatment of all waste water of the Plants & ZERO discharged condition is being maintained.
4.	Hazardous waste	100%	Sold to CPCB Authorized Re-cyclers for optimum use of natural fuel.

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Principle 3: Businesses should promote the well being of all employees.

1. Please indicate the Total number of employees.

The total number of employees is 6784.

2. Please indicate the Total number of employees hired on temporary contractual / casual basis.

The total number of employees hired on temporary contractual/casual basis is 4512.

3. Please indicate the Number of permanent women employees.

The number of permanent women employees is 2.

4. Please indicate the Number of permanent employees with disabilities

The number of permanent employees with disabilities is 4.

5. Do you have an employee association that is recognized by management?

The Management of the Company has recognized "PRAKASH EMPLOYEES UNION (INTUC)" as an employee association. The Management and the Union work together for wellbeing of the employees alongwith growth of the organization.

6. What percentage of your permanent employees is members of this recognized employee association?

98% of our permanent employees are members of this recognized employee association.

7. Please indicate number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The Company does not engage any child labour, forced labour and Involuntary Labour in the Organization and no complaint relating to child labour, forced labour, involuntary labour or sexual Harassment was there in the last financial year and pending, as on the end of the financial year.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

* Permanent Employees: 82%

* Permanent Women Employees: 100%

* Casual/Temporary/Contractual Employees: 100%

* Employees with Disabilities: 75%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes. The Company has mapped its internal as well as external stakeholders. Our Internal stakeholders are all Employees working in the organization and external stakeholders are suppliers / Vendors / nearby Community/ Contractors / Govt. Institution / NGO and other interested parties for the socio-economic development of the plant and its surroundings.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes. The Company has identified disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

The Company engages with stakeholders through multiple channels of communication both formally and informally. The Company has developed internal systems and procedures to identify, prioritize and address needs and concerns of stakeholders at various levels. Likewise, various departments have been entrusted with the responsibility of interacting and engaging with stakeholders.

The Company undertook activities to improve the quality of lives of the disadvantaged and vulnerable section in local communities by undertaking multifaceted sustainable socio-economic and ecological Projects/ Programs as given below:

- Development and livelihood projects such as spreading awareness about sanitation, hygiene, vocational training and entrepreneurship.
- Extend support to children from earmarked marginalized communities for their education in the nearby Schools / Colleges.
- Women empowerment through promoting women based groups and focused initiatives including skilling and livelihood.
- Extending support to widows by way of pensions.

- e. Provide apprentices to the nearby students to increase their skill and groom them as employable and give them jobs as per their skill.
- f. Focus on sanitation across community as well as private places including schools, individual households, community places like markets, community halls etc. Promoting resource sufficiency for clean drinking water, clean air and green ecosphere.
- g. The Company works with the local administration to undertake rural development projects such as construction of road, drainage facilities, renovation of pond, construction of bathing places and community hall.
- h. Spreading the Awareness on the Covid-19 and Providing Medical aids and Ambulance Facility to nearby community.
- i. The Company is running the Covid vaccination drive to ensure the vaccination of the employees at all levels coming from the nearby villages.
- j. The Company donated Ventilators to the District Hospital and is also ensuring the supply of Oxygen Cylinders as per requirement of the District Administration to the hospitals.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

Yes. The Company has a policy which covers human rights. The Company is committed to uphold and maintain the dignity of all employees and it has in place a policy which provides for protection against any problems occurred at work places and has a system of redressal of such complaints. During the year under review, no such complaint was received.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint on Human Rights was received in the past financial year.

Principle 6: Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures/ Suppliers/ Contractors/NGOs/others?

Various processes of the Company have been certified with Integrated Management System for Environment, Occupational Health & Safety and Quality Management for Operation, Maintenance, Customer satisfaction & legal requirement. The IMS Policy is not only applicable to the Company but it is ensured that the Suppliers / Contractors, other group have followed the guideline and Integrated Management Policy to protect and restore the environment. All stakeholders of the Company are abiding by the IMS policy and following the same in true spirit for protecting the Environment.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc?

The Company has adopted the International Environment Management System ISO-14001 which is part of the Integrated Management System for Environment, Occupational Health & Safety and Quality Management for Operation, Customer satisfaction & legal requirement. Implementation of Corporate Environment Responsibility (CER) is on continuous basis and the environmental standard are identified, categorized and mapped for its impacts on surrounding area. Respective SOPs are developed to address various issues during implementation of the Environmental Management System. The Integrated Steel Plant is designed and optimized for minimal consumption of natural resources for maximum output thus taking care of global warming and climate change. The Company also implemented the Green belt Development Programme under HARIHAR VRIKSHAROPAN PROGRAMME outside and inside the plant premises and nearby vicinity.

The Company organizes active awareness camps during World Environment Day, National Energy Conservation Day every year to create and disseminate the awareness on the environment amongst the employees. The Company ensured implementation of reduce / Reuse / Recycle of the Waste generated in the process continuously, which ultimately led to conservation of natural resources.

The Company has implemented the Waste Heat Recovery System since its Inception for utilization of the waste heat of Kilns in the power generation through WHRB boilers and Company also ensures the utilization of all byproduct and waste in various processes resulting in the conservation of Natural Resources.

The Company has also implemented Energy Management System which emphasis on using the Energy Efficient processes and technologies. Energy Policy of the Company promotes energy efficient procurement and optimization of the energy in the operational processes by adoption of the energy efficient technologies.

The Company also organizes Energy Audit and Water Audit regularly in the plant to ensure the optimum utilization of Water and Energy.

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3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company has identified and assessed potential environmental risks through Aspect Impact Analysis in Integrated Management System which have been implemented in the various processes as per the Environment Management System ISO-14001 and ISO-45001 - Occupation Health and Safety Management System.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.

Yes. The Company has adopted Clean Technology and Energy Conservation as part of its process and also has been certified for the ISO-50001 Energy Management System. The Company has continuously implemented the energy conservation practices in the plant, Waste reduction, Utilizations of Waste and Recycling of water and other natural resources, Improvement of Environment by using the latest pollution control equipments as well as environment management practices..

As a Policy, the Company always procures Star Rating Appliances for Energy Saving including LED Lights, Energy Efficient Motors, Energy Efficient Pumps, Air Conditioners and FDs etc. to ensure optimum energy saving.

The Company has also engaged the external experts like National Productivity Council, CII etc. for carrying out the Water Audit and Energy Audit in the plant to ensure the optimum utilization of Water and maximum energy conservation.

The energy efficiency measures undertaken during the year 2020-21 have been provided in Annexure 7 to Directors Report under the head "Energy Conservation Measures, Technology Adoption and Absorption".

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, The emissions/waste generated in the Integrated Steel plants are within the stipulated limits given by CPCB / SPCB. The Company has installed the latest Online Monitoring System as prescribed by the CPCB / SPCB to monitor the pollutant levels. All the Waste generated in the process is well within the permissible limit and the waste management is also strictly implemented as per the statutory norms of CPCB/ SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause notice has been received from CPCB or SPCB during the financial year 2020-21.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- PHD Chamber of Commerce & Industry
- Confederation of Indian Industry (CII)
- National Safety Council

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company is actively involved in the following areas for advocating public good:

- Energy and Raw Material Security
- Sustainable Business principles
- Governance
- Safety and Skill Development
- Economic Reforms

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8 If yes, details thereof.

The Company has implemented the ISO-9001/ ISO-14001 / ISO-45001 Integrated Management System. The Company has also formulated and implemented the IMS policy, which ensures the growth and equitable development of all stakeholders of the Company. The Company's approach towards Corporate Social Responsibility (CSR) is to interweave social responsibility of surrounding area into Company's mainstream business functions by translating our commitments into the Company's policies. These policies are guidelines and yardstick to

perform all operational and service functions in the organization. These Policies not only motivate our employees, but also influences our stakeholders especially partners and suppliers, to embrace responsible business practices in their respective spheres of action.

The Company lays special emphasis on bringing about a tangible change in the lives of people living in rural and underserved areas by engaging them in various works in the Company by assigning the contracts and giving them the employment according to their skill to ensure the livelihood of the nearby community.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/ Government structures/any other organisation?

The CSR is the integral part of the Company policy and all CSR initiatives are being planned, executed and monitored by the dedicated CSR Team. The Company's Corporate Social Responsibility (CSR) initiatives are implemented through delivery mechanisms comprising of employees, local bodies, non-governmental organizations, not for- profit entities and government institutions etc.

The interventions are carried out in tandem with local Government bodies to meet the social mandate for the earmarked communities. The execution of the programs under the thematic heads Education, Healthcare, Rural Transformation, Environment and Sanitation are carried out with the support from development sector Organizations and institutions apart from implementation through respective CSR teams. Employee volunteering also acts as a critical implementing arm across for the earmarked communities.

3. Have you done any impact assessment of your initiative?

No.

4. What is your Company's direct contribution to community development projects (amount in INR and the details of the projects undertaken).

The Company has spent ₹ 722.22 lakhs as direct contribution to community development projects under the heads of Education, Healthcare, Rural transformation, Environmental awareness, Plantation programme, water facility & conservation, promotion of Sports and Social causes. These projects are directly intended for improving the quality of life of community with well-designed strategies of better health education and sustainability.

The Company provides the Community Hall / School building / Drinking Water Facility to nearby villages and also give the pensions to widows and handicapped persons in surrounding villages to ensure their livelihood.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CSR is the integral part of the Company policy and all CSR initiatives is being planned, executed and monitored by the dedicated CSR Team. The Company regularly evaluates the performance and impact of its CSR programmes. The Company is closely working with nearby community in creating meaningful partnerships through various CSR Programs for engagements and involvement and also ensuring the transparency in our processes across board. This is undertaken by initiating meaningful ground level participation with local bodies / institutions / NGOs to support and augment interventions in nearby areas by ensuring stakeholder engagement to identify their perceived needs and develop the CSR Programmes to cater the requirement and need of community related to Health, Education and Infrastructure Development and Social Needs(Marriage of daughters of poor family).

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

The Company's main products are Sponge Iron / Billet / TMT Bars, Wire Rods, Structure Steel and Ferro Alloys and main consumers are C&F Agents / Steel Manufacturing Plants. The Company has ISO 9001 Quality management Systems Certified Organization, which ensures the Quality and Specification are met as per the customer specification and laid down procedures for customer complaint handling & redressal. All customer complaints received are adequately and appropriately resolved on time and there is no customer complaint and/ consumer case is pending as on the end of the Financial Year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information)

Yes. We mention the Company name on the product and it is adequately tied up for safe handling during use as our product is used for infrastructure and construction activities.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No cases have been filed by any stakeholder against the Company regarding unfair trade practices during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company ensures that any complaint received from its stakeholder is adequately addressed and promptly attended. However the Company has not carried out any customer survey in this regard.

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 31ST MARCH, 2021

A) CONSERVATION OF ENERGY

I) STEPS TAKEN FOR IMPACT ON CONSERVATION OF ENERGY

The Energy Conservation is one of the most important objective of the company which is very well demonstrated in its policies and processes. The company has implemented ISO-50001-Energy Management System in the plant by adopting energy efficient technology, process optimizations and efficiency Improvement initiatives. The company has also given utmost importance to Environment and reduction of Waste , natural resources like Water through Reduce ,Recycle and Reuse principle. The company has installed the latest pollution control equipment with best available technology for best Environmental Management in the plant.

The Company has engaged the Confederation of Indian Industry for carrying out the detailed Energy Audit and other Experts like NPC for water Audit in the plant and their recommendations are being implemented in the plant. Following are the details of these implementations-

Sponge Iron Division

1. Achieved the highest Production of DRI by using more Imported coal i, High Grade sized Iron Ore / Pallet in the DRI kilns through which better productivity was achieved with reduced cost of production due to reduction of Carbon to Iron ratio (C/Fe) & Coal Consumption.
2. Achieved the Highest Ever Production in DRI Production which is a result of optimizing the process and operating parameters and using more FC of coal.
3. Overall Yield Improvement of DRI by 2.9 % from (62.79% to 64.66%) has lead to increase in the production with existing resources
4. Reduction of Overall Specific Coal consumption of DRI by approx 10.7% from (1.12 MT / MT of DRI to 1.00 MT / MT of DRI)
5. Reduction of Specific Power Consumption of per ton of DRI by 5.00% from (71.94 Kwh / MT to 68.39 Kwh / MT) by increasing the productivity and reducing the downtime hrs.
6. Reduction of Overall Loss of Ignition (LOI) in SID Division by 21% from (13.59% to 10.67%), which leads to improvement of combustion of coal and energy saving.
7. Breakdowns in the equipments are controlled resulting increase in the productivity due to more availability of equipments

Induction Furnace Division

1. Installed the Hydraulic pushers to avoid furnace jamming tendency during more use of pellets. This has helped in optimizing the furnace power and smoothening the melting cycle resulting lower power consumption .
2. Installation of new Furnaces of inductotherm make with latest technology for enhancing the production with reduced energy consumptions.
3. More EOT cranes were installed in the Induction Furnace shed to improve the furnace synchronization as well as to ensure crane availability in case of breakdown in other cranes.
4. Upgradation of PLC System in the furnaces, CCM etc along with upgradation of old drives, gear box etc to ensure least breakdowns.. This has also helped increasing the casting speed from 1.93tr/ minutes to 2.4 mtr/ minutes, which has resulted into reduction in Furnace Holding time and power consumption..
5. Modified the CCM Primary and Secondary cooling system with improved quality of Water which has lead to improved cooling efficiency and increased productivity.
6. Installed new cooling towers and also upgraded old cooling towers in the Induction furnace division as well as Oxygen plant to minimize the high temperature tripping related breakdowns

SAF Division

1. Replacement of the pearl coke with the high FC Steam coal in SAF Charge mix for cost saving as well as to restrict the dependency on Pearl coke.
2. Started the use of Iron Ore lumps in place of Sinter in the SAF which has lead to increasing the productivity smoothening the operation , less Phos in the product etc.
3. Furnace heat loss and Fugitive emission minimized in SAF by providing bracket from bottom side of hood in all charging chutes and then locking by ceramic blanket.
4. Replaced the Protection Shield and D Mantle in SAF for avoiding the Downtime and for Smooth operation and better productivity.
5. Sealing of all Electrode of SAF below the Guide Roller and Side Loop Holes to control the Fugitive emission
6. Installation of VFD in SAF for optimizing the energy conservation.

Power Plant Division

1. Performed the Condenser cleaning with efficient method for improving the vacuum and also have online condenser cleaning system for ensuring the sustenance of the vacuum level for optimized steam consumption in the turbines.
2. Replacement of economizer coils and bed coils and APH tubes in AFBC boiler for increasing the availability and reliability of boilers which has resulted the lower fuel consumption and more power generations
3. Overhauling of TG N1 in Siemens as it was not reaching to more than 23.5 MW. After overhauling, getting full load 25 MW in the TG.
4. Installed VFD in Boiler Feed Pump motors of WHRB for energy conservation and process optimization.

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

1. Continuous Reuse and recycle of backflow material in the Kilns for partly replacing fresh coal in the feeding
2. Established and continuously using the Coal Additive Application of Multifunctional Combustion Catalyst and achieved Coal Savings in Boiler and also Reduction in Loss of Ignition.
3. Utilizing the DRI Cooler Oversize, Kiln Accretion Waste Material and IFD Waste Mill Scale in SAF Division replacing partly raw material and conserve natural resources.
4. Continuous Recovery of SAF Slag and Remelt material and utilize in the IFD for making of Steel leads to replace the requirement of fresh Raw material.
5. Kiln waste product Char has been uses in boiler as alternative fuel of coal resulted into partly replacing the fresh coal requirement of power plant.

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III) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

S.No	PROJECT TITLE	₹ In lakhs
A	Sponge Iron Division	
1.	Installation of VFD of 250 KW in Kiln 4	5.00
2.	Replacement of Kiln 6 Cooler Support Assembly in Kiln 6 for smooth operation and to avoid downtime	9.25
3.	Installation of Opacity meter of Kiln 1 for online monitoring and Modification & upgrading of Online. monitoring system AAQMS 3&4, Kiln 1 &3 Opacity Meter and EQMS system.	16.85
4.	Procurement of ID Fan Impeller for Kiln1 to avoid any breakdown	9.58
B	Power Plant	
1.	Replacement of economizer coils and bed coils of FBB-4 and APH tubes in AFBC boiler	250
2.	Installation of VFD in Boiler Feed Pump motors of WHRB for energy conservation and process optimization.	
3.	Overhauling of TG N 1 for improving the efficiency	76.7
4.	Use of thermograph by Thermal Imager Camera to detect hot spot in electrical system	2.85
C	Induction Furnace Division	
1.	Installation of the Hydraulic Pushers for Process Optimization and improve the Productivity	82.35
2.	Installation of New EOT Cranes to improve the productivity of the IFD	62.65
3.	Up-gradation and Installation of the PLC system in 12 T shed CCM Operation for efficient operation and monitoring of process	5.50
4.	Heat Resistant Paint application on HT Cables for safety of Cable from Fire and Heat	10.00
5.	New Primary cooling tower in 5.8T Shed and furnaces cooling tower revamping work in 12 T shed completed	16.85
6.	Using Boron Oxide Pre Mix Ramming Mass for improving the patching life and productivity	18.46
7.	Addition of Two New Furnaces of Inductotherm to increase the Productivity	350
D	Submerged Arch Furnace Division	
1.	Installation of new Bag filters for arresting the Tapping Fumes during Tapping process in the SAF 5-Saf 9.	26.92
2.	Replaced the Protection Shield / Hood and Mantle of SAF 7 SAF 8 and SAF 9 for minimizing the downtime and smooth operation.	24.00
3.	Latest technology Circular Magnet installed in EOT cranes to increase productivity	19.20
4.	Procurement and Installation of energy efficient pumps	20.52
5.	New Filter Bags Changed in the Bag Filters to control the emission	27.62
6.	Change over Switch System is provided in SAF Switch yard to smoothen the operation of SAF 7 8 9	14.22
7.	Installation of additional Pan Mixer at Sinter Plant to increase productivity.	20.50
8.	Procurement and Installation on energy efficient motors	50.90

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

S.No	PROJECT TITLE	BENEFITS DERIVED
A.	Sponge Iron Division	
1.	Installation of VFD in Kiln 6	Energy conservation and efficient operation of kilns
2.	Use of high Ni (35 % Ni) air tubes in kilns	Life of Air Tubes improved to enhance productivity & increase availability of Kilns
3.	Replacement of Kiln 6 Cooler Support Assembly in Kiln 6	To avoid downtime and for Smooth Operation
B.	Power Plant Division	
1.	Condenser and generator air cooler chemical cleaning of TGN1, TGN3 and TG8	Improved the vacuum of turbine and reduced winding temperature of generator resulting lower steam consumption in TG
2.	Replacement of economizer coils and bed coils and APH tubes in AFBC boiler.	Improved the availability and reliability of the Power Plant
3.	Installed VFD for Boiler Feed Pump motor of WHRB-4	Energy conservation and efficient operation
4.	Use of thermograph by Thermal Imager Camera to detect hot spot in electrical system	For predictive maintenance and early detection of Hot spot in Electrical System
C.	Induction Furnace Division	
1.	Installation of the Hydraulic Pushers	To control furnace jamming tendency during maximum pellets use and for optimization of operation.
2.	Introduction of New Coil Coating for minimization of GLD and Improve the Coil Efficiency	Better Life of Furnace coil and better performance of furnace and reduction in downtime of GLD.
3.	Installation of New Crane 40/15T to replace the old crane in 15T 3 Shed.	Improved the productivity of the IFD by increasing the availability of crane for the operation
4.	12T Shed Concast machine up gradation work and Installation of the PLC system in 12 T shed CCM	Increased casting speed of CCM and reduced the holding of furnaces and increased productivity
5.	Boron Oxide Ramming mass started using in furnaces	Improved the patching life of furnaces and reduced the power consumption .
6.	Addition of 2 New induction furnaces of Inductotherm with latest technology for lower Energy Consumption	Energy Saving and increased productivity

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S.No	PROJECT TITLE	BENEFITS DERIVED
D.	SAF Division	
1.	The Ceramic blankets and ceramic rope have been installed in the Furnace Mantle and Protection Shield in SAF	Reduced the heat losses and controlled fugitive emission . Also energy savings.
2.	Replaced the Protection Shield and D Mantle of SAF 7, SAF 7 and SAF 9	Reduced Downtime an operation smoothen thereby increased productivity
3.	Replacement of the pearl coke with the high quality Steam coal in SAF Charge mix	Achieved cost saving by utilization of steam coal in place of Pearl coke.
4.	The New Circular Magnet installed with EOT crane	Sizing and Breaking of the product was increased to improve productivity.
5.	Installed the Stiffen box around the slipping device for each electrode in SAF 7-8-9	Electrode slipping problem was solved resulting smooth operation of SAF Furnace
6.	Installed FD coolers to control Bag filter inlet temperature	Controlled the inlet temperature of bag filter which have stopped burning of bag filters bags
7.	Installation of additional PAN Mixer at Sinter plant	Improved the productivity of Sinter Plant

PROCESS IMPROVEMENT

Sponge Iron Division

1. Weigh Feeder Replacement with Side wall type weigh feeder in Kilns, to minimize the errors.
2. Started using high Ni (35 % NI) air tubes in kilns as a result of which life of air tubes at outlet hot zone of the kilns have been doubled
3. Continuous use of Coal Dryer in Sponge Iron Division during rainy Season for Removal of Moisture from Coal for better productivity in Monsoon
4. The Claderys Castable Refractory of low thermal conductivity (LCM-70) is used in Kilns for Longer Campaign life which has reduced the Heat / Radiation Losses
5. Installation of Magnetict Concentrator in Kiln 4-5-6 Product Separation to reduce and minimize the MRH Material Re-handling.

Induction Furnace Division

1. Installed Hydraulic pushers to avoid furnace jamming tendency during maximum pellets use. This has helped in taking the furnace optimum power and smooth melting cycle and also reduced the power consumption.
2. Happy induction flux is used to smoothen furnace operation during use of maximum Pellet
3. The Stork length of Oscillation Unit is increased to 11 mm from 8 mm for smooth operation of CCM which has also reduced the Break Outs.
4. Heat Resistant Paint is applied at all HT Cable for safety of cable from Fire and Heat.

Power Plant Division

1. Revamping of Cooling Towers for improving efficiency to improve the performance of Turbines and to reduce Auxiliary power consumption.
2. Plastic refractory applied In FBB 4 boiler bed coils for increasing life of tubes and for avoiding direct hitting of bed material with bed coil tubes during operation.
3. Logic modification and implementation in TG-10 DCS to avoid false tripping of TGs due to malfunctioning of temperature, pressure, level transmitters

PRAKASH INDUSTRIES LIMITED

4. Modification in Islanding Logic to succeed in individual islanding of TG . It minimized the restoration time of TGs.
5. New Thermal imaging camera procured for monitoring & identification of the hot spots on Electrical switch gears & equipments. It helped in predicting the failure of equipments & reduced breakdowns.

SAF

1. Installed FD coolers in SAF to control Bag filter inlet temperature to avoid the Burning of Bags of Bag Filter.
2. Change over Switch System is provided in SAF Switch yard to smooth operation of SAF 7-8-9 in case of Power failure. It helped in increasing the productivity.
3. Installed the Stiffen box around the slipping device of each electrode in SAF 7-8-9 to prevent slipping problem and for smooth operation.

PRODUCT DEVELOPMENT

The Company has put all best possible efforts with adoption of latest technologies in manufacturing of various products to be cost competitive in the industry.

INFORMATION REGARDING IMPORTED TECHNOLOGY (LAST THREE YEARS)

S.No.	TECHNOLOGY IMPORTED	YEAR OF IMPORT	STATUS	WHETHER 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	254	173
ii) Foreign exchange earned	—	—

PRAKASH INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF PRAKASH INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Prakash Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter(s) described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Note 37 to the statement of financial statement, amounting to ₹ 10,367 lakhs in respect of capital expenditure incurred including capital advances given for various projects, implementation of which is abandoned, have been adjusted by withdrawing an equivalent amount from general reserve. Had this adjustment not been made, net profit before and after tax and total comprehensive income after tax for the year ended on March 31, 2021 would have been lower by ₹ 10,367 lakhs.
2. Note 36 and 38 to the statement of financial statement, wherein the deferred tax liability of ₹ 3133 lakhs for the year ended on March 31, 2021 has been adjusted against Securities Premium Account in terms of a court order. Further, unused MAT Credit Entitlement utilized during the year for the net increased tax liability of previous financial year, determined at the time of filing of return of income, aggregating to ₹ 804 lakhs have been adjusted against the opening balance of retained earnings. Had the current tax and deferred tax been accounted for pursuant to Ind AS -12 'Income Taxes', tax expense would have been higher by ₹ 3937 lakhs and net profit and total comprehensive income after tax for the year ended on March 31, 2021 would have been lower by ₹ 3937 lakhs.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

S No.	Key Audit Matters	Auditor's Response
1.	<p>Assessment of litigations and related disclosure of contingent liabilities. Refer to Note 33 to the Financial Statements- "Use of estimates and critical accounting judgements - Provisions and contingent liabilities".</p> <p>As at March 31, 2021, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">-Obtained management assessment on the litigation along with the communications made to the Board of Directors and regulators;We understood, assessed of available information and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;-We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/

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S No.	Key Audit Matters	Auditor's Response
	provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.	<p>other significant litigations made in the Financial Statements;</p> <p>-We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and</p> <p>-We assessed the adequacy of the Company's disclosures. Based on the above work performed, management's assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Financial Statements are considered to be reasonable.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
- b) Except for the effects of matters described under '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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, except for the effects of matters described under 'Basis for Qualified Opinion' paragraph, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The qualification relating to the maintenance of account and other matters connected there with are as stated in the 'Basis for Qualified Opinion' paragraph.

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- 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". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the company to directors is in accordance with the provision of section 197 of the Act.
- i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, (Refer note no 33).
 - ii. Except for the effects of matters described under 'Basis for Qualified Opinion' paragraph, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

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

New Delhi
31st May, 2021

Pankaj Chaturvedi
Partner
Membership No. 091239

PRAKASH INDUSTRIES LIMITED

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PRAKASH INDUSTRIES LIMITED of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified 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, no material discrepancies were noticed on such verification.
- (c) According to information and explanation given to us, the title deeds of the immovable property have been mortgaged with the Banks/ Financial Institutions etc., for securing the borrowings and loan raised by the Company. On the basis of our examination of the records of the Company and copy of the title deeds of immovable properties, the title deeds of immovable properties are held in the name of the Company except for one case of freehold land having value of ₹ 20 lakhs. In respect of immovable properties been taken on lease, the lease agreements are in the name of the Company.
- ii. According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed on verification between physical inventory and book records were not material and have been properly dealt with in the book of account.
- iii. According the information and explanations given to us, the Company has granted unsecured loans to a body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans and has not made investments and provided guarantees and securities during the year.
- 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 during the year. Accordingly, the provision of Para 3 (v) of the Order is not applicable to the Company.
- 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 determining 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, income tax, goods and service tax, duty of customs, cess and any other material statutory dues applicable to it with the appropriate authorities. However, dividend distribution tax of ₹ 499 lakhs is pending to be deposited since more than six months.
- (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 provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues which as at March 31, 2021 have not been deposited on account of any dispute except the following:

Name of Statue	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	386.15	2001-2006	CESTAT, New Delhi
		80.22	2006-2014	Appellate Authority - Asst. Commissioner

PRAKASH INDUSTRIES LIMITED

- viii. According to the information and explanations given to us, there is no loan or borrowing taken from Government, and the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holder except as stated in note 17(c) of the financial statements, interest of ₹ 1326 lakh as on 30th September, 2020 and ₹ 213 lakh due for half year ended 31st March ,2021 could not be remitted by the company to the foreign currency convertible bond holders due to non-furnishing of the bank account particulars by them.
- 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 during the year. Accordingly, the provision of Para 3 (ix) of the Order is not applicable to the Company.
- 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 or provided during the year is in accordance with the provision of section 197 of the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provision of Para 3 (xii) of the Order is 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 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 holder of share warrant and to the FCCB bondholders on exercising the option of conversion by them. The requirements of section 42 of the Companies Act, 2013 have been complied with by the Company to the extent applicable. The Company has received money against the share warrants during the year. The money so raised have been used for the purpose for which funds were raised.
- 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 provision of section 192 of the Companies Act, 2013 is 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.

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

New Delhi
31st May, 2021

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 financial statements for the year ended March 31, 2021

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, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of qualified opinion

The Company did not have appropriate internal financial controls in respect of control over process of compliance of Ind As-12 "Income Tax" and accounting thereof. 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, 2021, 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 financial statements of the Company for the March 31, 2021.

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

Pankaj Chaturvedi
Partner
Membership No. 091239

New Delhi
31st May, 2021

PRAKASH INDUSTRIES LIMITED

Balance Sheet as at 31ST March, 2021

₹ in lakhs

	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	4	2,87,866	2,90,302
(b) Capital Work-in-progress	4	12,218	17,070
(c) Intangible Assets	4	9,705	10,951
(d) Financial Assets			
(i) Other Financial Assets	5	6,622	6,372
(e) Non-Current Tax Assets (Net)	6	117	-
(f) Other Non-Current Assets	7	1,946	6,302
		<u>3,18,474</u>	<u>3,30,997</u>
(2) Current Assets			
(a) Inventories	8	29,398	13,691
(b) Financial Assets			
(i) Trade Receivables	9	14,288	19,484
(ii) Cash and Cash Equivalents	10	1,653	2,968
(iii) Bank Balance other than (ii) above	11	2,826	2,934
(iv) Loan	12	-	467
(v) Other Financial Assets	13	7,501	7,408
(c) Other Current Assets	14	14,273	8,608
		<u>69,939</u>	<u>55,560</u>
TOTAL ASSETS		<u>3,88,413</u>	<u>3,86,557</u>
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	17,908	17,126
(b) Other Equity	16	2,72,016	2,73,293
		<u>2,89,924</u>	<u>2,90,419</u>
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	35,457	37,076
(b) Provisions	18	4,266	4,691
(c) Deferred Tax Liabilities	19	5,009	(493)
		<u>44,732</u>	<u>41,274</u>
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	13,667	13,430
(ii) Trade Payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		1,011	3,090
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		14,708	11,315
(iii) Other Financial Liabilities	22	15,521	16,623
(b) Other Current Liabilities	23	6,023	6,192
(c) Provisions	24	2,328	2,257
(d) Current Tax Liabilities(Net)	25	499	1,957
		<u>53,757</u>	<u>54,864</u>
TOTAL LIABILITIES		<u>98,489</u>	<u>96,138</u>
TOTAL EQUITY AND LIABILITIES		<u>3,88,413</u>	<u>3,86,557</u>

The accompanying notes are an integral part of these 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

New Delhi
31st May, 2021

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Vikram Agarwal
Managing Director
DIN:00054125

Kanha Agarwal
Jt. Managing Director
DIN: 06885529

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

For and on behalf of the Board

PRAKASH INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31ST March, 2021

₹ in lakhs

	Note No.	For the year ended 31 ST March, 2021	For the year ended 31 ST March, 2020
INCOME			
Revenue from operations	26	3,21,586	2,97,364
Other Income	27	806	695
Total Income		3,22,392	2,98,059
EXPENSES			
Cost of material consumed		2,31,480	1,95,642
Changes in inventories of finished goods and work-in-progress	28	(1,809)	1,568
Employee benefits expense	29	22,970	24,179
Finance costs	30	7,352	9,274
Depreciation and amortization expense	31	15,377	14,487
Other expenses	32	37,489	41,090
Total expenses		3,12,859	2,86,240
Profit before exceptional items and tax		9,533	11,819
Exceptional Items	37	10,367	2,400
Less: Transferred from General Reserve		(10,367)	(2,400)
Profit before tax		9,533	11,819
Tax expenses:			
Current tax	41	8	1,574
Less: MAT credit entitlement		(8)	(1,574)
Deferred Tax		—	—
Total Tax expense		—	—
Profit for the year		9,533	11,819
Other Comprehensive Income			
a) Items that will not be reclassified to Profit or Loss			
-Remeasurement of defined benefit plans		890	(414)
-Income tax relating to above items		—	—
Total other Comprehensive Income		890	(414)
Total Comprehensive Income for the year		10,423	11,405
Earning per equity share:	44		
(Face Value of ₹ 10 each)			
Basic ₹		5.55	6.97
Diluted ₹		5.27	6.44

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

As per our report of even date attached

For Chaturvedi & Co.

Chartered Accountants

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Pankaj Chaturvedi

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For and on behalf of the Board

PRAKASH INDUSTRIES LIMITED

Statement of Changes in Equity for the year ended 31st March, 2021

A. Equity Share Capital

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

₹ in lakhs

	Number of Shares	Amount
As at 1 st April, 2020	17,12,63,853	17,126
Change in share capital during the year	78,17,986	782
Balance as at 31st March, 2021	17,90,81,839	17,908
-Change in share capital during the year ended 31 st March, 2021 represents the shares allotted on conversion of Foreign Currency Convertible Bonds (FCCB) and share warrants to promoter (refer note 15)		

B. Other Equity

₹ in lakhs

Particulars	Equity Component of FCCB	Reserves and Surplus				Money Received against Share Warrant	Other Comprehensive Income	Total
		Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings			
Balance as at 1st April, 2019	2,050	39,814	800	1,24,943	95,448	8,498	(2,528)	2,69,025
Profit for the year	-	-	-	-	11,819	-	-	11,819
Remeasurement of the net defined benefit (liabilities)/assets	-	-	-	-	-	-	(414)	(414)
Minimum Alternate Tax(MAT) Credit Reversal (refer note 38)	-	-	-	-	(4,146)	-	-	(4,146)
Conversion of Share Warrant	-	15,850	-	-	-	(8,498)	-	7,352
Deferred Tax Adjustment (refer note.42)	-	(5,326)	-	-	-	-	-	(5,326)
Dividend on Equity Shares	-	-	-	-	(2,055)	-	-	(2,055)
Dividend Distribution Tax on Equity Shares	-	-	-	-	(423)	-	-	(423)
Received/Transferred during the year	-	-	-	(2,539)	-	-	-	(2,539)
Balance as at 31st March, 2020	2,050	50,338	800	1,22,404	1,00,643	-	(2,942)	2,73,293
Profit for the year	-	-	-	-	9,533	-	-	9,533
Remeasurement of the net defined benefit (liabilities)/assets	-	-	-	-	-	-	890	890
Minimum Alternate Tax(MAT) Credit Reversal (refer note 38)	-	-	-	-	(804)	-	-	(804)
Conversion of Share Warrant	-	2,558	-	-	-	(3,308)	-	(750)
Conversion of FCCB	(113)	159	-	-	-	-	-	46
Deferred Tax Adjustment (refer note.42)	-	(3,133)	-	-	-	-	-	(3,133)
Received/Transferred during the year	-	-	-	(10,367)	-	3,308	-	(7,059)
Balance as at 31st March, 2021	1,937	49,922	800	1,12,037	1,09,372	-	(2,052)	2,72,016

Nature and purpose of reserves

- Securities premium: The amount of difference between the issue price and the face value of the shares is recognized in Securities premium.
- 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.
- General reserve: General reserve is the accumulation of the portions of the net profits transferred by the company in the past years pursuant to earlier provisions of the companies act 2013. This reserve has been utilized in pursuance to withdraw to adjust capital expenditure incurred including capital advances given for various projects, implementation of which is abandoned (refer note 37)
- Retained earnings: Retained earnings comprise of the profits of the Company earned till date net of distributions and other adjustments.

The accompanying notes are an integral part of these standalone 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
31st May, 2021

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Vikram Agarwal
Managing Director
DIN:00054125

Kanha Agarwal
Jt. Managing Director
DIN: 06885529

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

PRAKASH INDUSTRIES LIMITED

Statement of Cash Flow for the year ended 31ST March, 2021

₹ in lakhs

	For the year ended 31 ST March, 2021	For the year ended 31 ST March, 2020
A. Cash Flow From Operating Activities :		
Profit before tax	9,533	11,819
Adjustments for		
Provision for employee benefit	427	497
Allowance for doubtful debts and advances	62	257
Depreciation and amortisation expenses	15,377	14,487
Interest and other Income	(622)	(660)
Provision written back	(72)	-
(Profit)/Loss on sale of fixed assets	(77)	(2)
Financial cost	7,352	9,274
Operating Profit before working Capital changes	<u>31,980</u>	<u>35,672</u>
Adjustments for		
Trade receivables	5,269	(4,513)
Inventories	(15,707)	9,640
Other financial assets	498	(1,848)
Other current assets	(5,908)	4,022
Trade payable and other financial liabilities	276	844
Other current liabilities	(534)	(4,928)
Cash flow generated from operations before exceptional items	<u>15,874</u>	<u>38,889</u>
Direct Taxes Paid (Net of refund)	12	(77)
Net Cash generated from operating activities	<u>15,886</u>	<u>38,812</u>
B. Cash Flow From Investing Activities		
Sale proceeds of fixed assets	117	5
Purchase of fixed assets including CWIP and capital advances	(13,392)	(24,904)
Interest and other Income received	565	669
Changes in Term deposits with banks	(155)	(553)
Net cash used in investing activities	<u>(12,865)</u>	<u>(24,783)</u>
C. Cash Flow From Financing Activities :		
Money Received against Share warrant	3,308	8,142
(Repayment)/Proceeds from Loans (Net)	(3,063)	(9,636)
Dividend paid	-	(2,055)
Finance expenses paid	(4,581)	(9,074)
Net Cash from financing activities	<u>(4,336)</u>	<u>(12,623)</u>
Net Changes in Cash and Cash equivalents (A+B+C)	<u>(1,315)</u>	<u>1,406</u>
Opening balance of Cash and Cash equivalents	2,968	1,562
Component of Cash and Cash equivalents (refer note 10)		
Balance with Current Accounts	1,534	2,941
Cheques, Drafts on hand	93	1
Cash on hand	26	26
	<u>1,653</u>	<u>2,968</u>

The accompanying notes are an integral part of these 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

New Delhi
31st May, 2021

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Vikram Agarwal
Managing Director
DIN:00054125

Kanha Agarwal
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For and on behalf of the Board

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

PRAKASH INDUSTRIES LIMITED

Notes on 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 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange(BSE) in India. It has been engaged primarily in the business of manufacture and sale of Steel Products and generation of Power. The Company has its manufacturing facilities in India and sells products in India.

The financial statements for the year ended March 31, 2021 were approved for issue in accordance with a resolution of the Board of Directors of the Company 31st May, 2021.

2. a) Recent accounting pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

3. Significant Accounting policies

3.1 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 as amended, and presentation requirements of Schedule III to the Act under the historical cost convention on 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.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated. All assets and liabilities, other than deferred tax assets and liabilities, have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for current and non-current classification of assets and liabilities.

3.2 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 financial statements

liabilities and disclosures as at the 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 3.7, 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.

3.3 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 realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

3.4 Revenue recognition

Revenue

The Company manufactures and sells a range of steel products. The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided below.

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

Sale of products

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated trade discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

No element of financing is deemed present as the sales are generally made with a credit term of 30-60 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

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.

3.5 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 - one operational segment i.e. "Iron & Steel".

The entire power generated by its power plant at Champa is captively used by the Company in its production processes of iron & steel. Therefore, in terms of Para 12 of Ind AS 108, the management has decided to aggregate it into primary business operating segment i.e., "Iron & Steel". Hence, the figure of captive power generation has been included in one reportable segment "Iron & Steel".

Moreover, Wind Power Business does not meet any of the quantitative thresholds as defined in the Para 13 of Ind AS 108 and the management judges that Wind Power Business identified as a reportable segment in the immediately preceding period is not significant. Hence, the information about that segment is not being continued to be reported separately in the current period.

3.6 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.

Foreign exchange difference regarded as borrowing taken for non-monetary items, an adjustment to borrowing costs are presented/reported as part of non-monetary item.

3.7 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

Notes on financial statements

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.

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.

The estimated useful lives for main categories of property, plant and equipment and intangible assets are:

PARTICULARS	Estimated Useful Life in years
Buildings	30,60
Roads	10
Plant & Machinery	15,25,40
Vehicles	8,10
Furniture and fixtures	10
Office Equipments	5
Computers	3

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

Freehold land is not depreciated.

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.

3.8 i. Exploration for and evaluation of mineral resources

Expenditures associated with search for specific mineral resources are recognised as exploration and evaluation assets. The following expenditure comprises cost of exploration and evaluation assets:

- obtaining of the rights to explore and evaluate mineral reserves and resources including costs directly related to this acquisition.
- researching and analysing existing exploration data.
- conducting geological studies, exploratorydrilling and sampling
- examining and testing extraction and treatment methods
- compiling pre-feasibility and feasibility studies

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Administration and other overhead costs are charged to the cost of exploration and evaluation assets only if directly related to an exploration and evaluation project.

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the statement of profit and loss.

The Company measures its exploration and evaluation assets at cost and classifies as property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

As the asset is not available for use, it is not depreciated. All exploration and evaluation assets are monitored for indications of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and the development of the deposit is sanctioned by the management. The carrying value of such exploration and evaluation asset is reclassified to mining assets.

ii. Development expenditure for mineral reserves

Development is the establishment of access to mineral reserves and other preparations for commercial production. Development activities often continue during production and include:

- sinking shafts and underground drifts (often called mine development)
- making permanent excavations
- developing passageways and rooms or galleries
- building roads and tunnels and
- advance removal of overburden and waste rock

Development (or construction) also includes the installation of infrastructure (e.g., roads, utilities and housing), machinery, equipment and facilities.

Development expenditure is capitalised and presented as part of mining assets. No depreciation is charged on the development expenditure before the start of commercial production.

iii. Provision for restoration and environmental costs

The Company has liabilities related to restoration of soil and other related works, which are due upon the closure of certain of its mining sites.

Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using an appropriate discount rate where the effect of time value of money is material.

Future restoration and environmental costs, discounted to net present value, are capitalised and the corresponding restoration liability is raised as soon as the obligation to incur such costs arises. Future restoration and environmental costs are capitalized in property, plant and equipment or mining assets as appropriate and are depreciated over the life of the related asset. The effect of time value of money on the restoration and environmental costs liability is recognised in the statement of profit and loss.

3.9 Capital work-in-progress

Capital work-in-progress 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).

Notes on financial statements

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 Impairment of 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 recognized in the Statement of Profit and Loss.

3.12 Investment in subsidiary/joint ventures (JV)

Investments in subsidiary/JV 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 subsidiary/JV, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

3.13 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 recognized 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 utilized. The carrying amount of a deferred tax asset is reviewed 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 utilized.

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 realized 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.

3.14 Operating Leases Including Investment Properties

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes

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the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to note 3.11 for accounting policies on impairment of non-financial assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c) Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income

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.

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

Notes on financial statements

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**Classification**

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

For assets classified as 'measured at fair value', gains and losses will either be recorded in profit or loss or other comprehensive income, as elected. For assets classified as 'measured at amortized cost', this will depend on the business model and contractual terms of the cash flows.

Initial Measurement and Recognition

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 amortized 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.

Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g., debt securities, deposits, trade receivables and bank balances; and lease receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and all lease receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

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For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 offset 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.

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.

Foreign exchange difference regarded as borrowing taken for non-monetary items, an adjustment to borrowing costs are presented/reported as part of non-monetary item.

Notes on financial statements

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 expenses 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. Statement of Property, Plant and Equipment and Capital Work-in-Progress as at 31st March, 2021

₹ in lakhs

PARTICULARS	Property, Plant and Equipment									Intangible Assets	
	Land (Right-of-use Assets)	Land (Free Hold)	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office Equipment	Total	Capital Work-in-Progress	Mining Assets	
Gross carrying value as at 1st April, 2020	840	3,569	42,259	3,82,641	578	6,583	604	4,37,074	17,070	11,043	
Additions/(Transfers)*	965	3	4,521	7,185	55	28	24	12,781	12,498	(1046)	
Disposals/Written off	-	31	-	-	1	17	-	49	17,350	-	
Capitalisation During the year	-	-	-	-	-	-	-	-	-	-	
Gross carrying value as at 31st March, 2021	1,805	3,541	46,780	3,89,826	632	6,594	628	4,49,806	12,218	9,997	
Accumulated depreciation as at 1st April, 2020	118	-	15,703	1,26,691	446	3,355	459	1,46,772	-	92	
Depreciation	7	-	1,694	12,689	26	725	36	15,177	-	200	
Depreciation charged to Capital Work in Progress	2	-	-	-	-	-	-	2	-	-	
Accumulated depreciation on disposals	-	-	-	-	-	11	-	11	-	-	
Accumulated depreciation as at 31st March, 2021	127	-	17,397	1,39,380	472	4,069	495	1,61,940	-	292	
Carrying value as at 31st March, 2020	722	3,569	26,556	2,55,950	132	3,228	145	2,90,302	17,070	10,951	
Carrying value as at 31st March, 2021	1,678	3,541	29,383	2,50,446	160	2,525	133	2,87,866	12,218	9,705	

1) Lease hold land is 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, 2021.

3) Certain property, plant and equipment are mortgaged against borrowings, the details relating to which have been described in Note 17.

4) PPE at cost, except leasehold land which is at cost, less adjustment towards amortisation.

5) Mining assets represent expenditure incurred in relation to acquisition of mines, mine development expenditure post establishment of technical and commercial feasibility and restoration obligations as per applicable regulations.

6) *Identification and re grouping of Tangible Assets.

Notes on financial statements
₹ in lakhs

5. Other Financial Assets	As at	As at
Non-Current Financial Assets	31st March, 2021	31st March, 2020
Bank Deposits with more than 12 months maturity(refer note 45)	4,191	3,946
Security Deposits	2,411	2,410
Interest accrued	20	16
	<u>6,622</u>	<u>6,372</u>

6. Non-Current Tax Assets (Net)	As at	As at
	31st March, 2021	31st March, 2020
Tax Deducted/Collected at Source (Net)	117	-
	<u>117</u>	<u>-</u>

7. Other Non-Current Assets	As at	As at
	31st March, 2021	31st March, 2020
(unsecured, considered good, unless otherwise stated)		
Capital Advances	1,946	6,302
	<u>1,946</u>	<u>6,302</u>

8. Inventories	As at	As at
	31st March, 2021	31st March, 2020
(As taken, valued and certified by the Management)		
Finished Goods	3,524	3,254
Stores, Spares & Fuels	2,083	2,251
Scrap & Waste	3,976	2,719
Raw Materials	16,467	5,265
Work In Progress	481	199
Raw Materials in transit	2,867	3
	<u>29,398</u>	<u>13,691</u>

9. Trade Receivables	As at	As at
Current Financial Assets	31st March, 2021	31st March, 2020
(unsecured, considered good, unless otherwise stated)		
Trade Receivables considered good - Unsecured	14,566	19,835
Trade Receivables which have significant increase in Credit Risk	-	-
	<u>14,566</u>	<u>19,835</u>
Trade Receivables-Credit impaired	(278)	(351)
	<u>14,288</u>	<u>19,484</u>
The movement in allowance for doubtful trade receivables		
Balance as at beginning of the year	351	278
Allowance for bad and doubtful debts during the year*	-	73
Trade receivables written off during the year	(73)	-
*net of recovery of bad and doubtful debts	<u>278</u>	<u>351</u>

Trade Receivables

Allowance for doubtful trade receivables is made on the basis of expected credit loss allowance, taking into account the estimated credit loss experience with adjustment for forward looking information.

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₹ in lakhs

10. Cash and Cash Equivalents	As at 31 st March, 2021	As at 31 st March, 2020
Balances with banks:		
In Current Accounts	1,534	2,941
Cheques, drafts on hand	93	1
Cash on hand	26	26
	<u>1,653</u>	<u>2,968</u>
11. Bank Balances Other Than Cash and Cash Equivalents	As at	As at
Current Financial Assets	31 st March, 2021	31 st March, 2020
Earmarked balances with banks		
Unpaid Dividend	18	36
Term Deposits (refer note 45)	2,808	2,898
	<u>2,826</u>	<u>2,934</u>
12. Loans	As at	As at
	31 st March, 2021	31 st March, 2020
Loans to related Parties		
Loan Receivable good-unsecured	—	467
Loan Receivable which have significant increase in credit risk	—	—
	—	467
Less: Loan Receivable-credit impaired	—	—
	<u>—</u>	<u>467</u>
13. Other Financial Assets	As at	As at
Current Financial Assets	31 st March, 2021	31 st March, 2020
(Unsecured, considered, unless otherwise stated)		
Security Deposits	257	271
Interest accrued	205	152
Claims Recoverable (refer note.39)	6,985	6,985
Interest Recoverable	54	—
Doubtful Claims Recoverable	384	384
Allowance for Claims Recoverable	(384)	(384)
	<u>7,501</u>	<u>7,408</u>
The movement in allowance for doubtful claim recoverable		
Balance as at beginning of the year	384	384
Allowance for doubtful claim recoverable during the year	—	—
	<u>384</u>	<u>384</u>
14. Other Current Assets	As at	As at
	31 st March, 2021	31 st March, 2020
Balances with Customs, Central Excise, VAT, GST etc.	1,505	1,446
Advances to vendors (unsecured)		
Considered Good	12,333	6,744
Considered Doubtful	670	535
Allowance for Doubtful Advances	(670)	(535)
	<u>13,838</u>	<u>8,190</u>
Other advances (including prepaid expenses etc.)	435	418
	<u>14,273</u>	<u>8,608</u>
The movement in allowance for doubtful advances:		
Balance as at beginning of the year	535	351
Allowance for doubtful advances during the year*	135	184
Advances receivables written of during the year	—	—
*net of recovery of doubtful advances	<u>670</u>	<u>535</u>

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

₹ in lakhs

15. Equity Share Capital	As at 31 st March, 2021	As at 31 st March, 2020
Authorised		
20,00,00,000 (31 st March, 2020: 20,00,00,000) Equity Shares of ₹ 10 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Issued, Subscribed & Paid up		
Equity		
17,90,81,839 (31 st March, 2020: 17,12,63,853) Equity Shares of ₹ 10 each	17,908	17,126
	<u>17,908</u>	<u>17,126</u>

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

Equity Shares	As at 31 st March, 2021 Nos. ₹ in lakhs	As at 31 st March, 2020 Nos. ₹ in lakhs
Balance at the beginning of the year	17,12,63,853 17,126	16,33,46,830 16,335
Issued/converted during the year	78,17,986 782	79,17,023 791
Balance at the end of the year	17,90,81,839 17,908	17,12,63,853 17,126

- 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 Shareholder 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 st March, 2021 Nos. % of holding	As at 31 st March, 2020 Nos. % of holding
Shri Ved Prakash Agarwal	1,62,68,907 9.08%	84,43,907 4.93%

- d) The company had allotted 75,00,000 equity shares to promoter at a premium of ₹ 34.10 per share on conversion of share warrants and 3,17,986 Equity Shares at a premium of ₹ 90 per shares to FCCB holder during the year ended 31st March, 2021.
- e) Foreign Currency Convertible Bond (FCCB) holders of US\$ 10.80mn (₹ 7,938 lakhs) have an option to get their bonds converted into equity shares of the Company (refer note 17 (c))

16. Other Equity	As at 31 st March, 2021	As at 31 st March, 2020
Equity component of foreign currency convertible bond	1,937	2,050
Securities Premium Reserve	49,922	50,338
Capital Redemption Reserve	800	800
General Reserve	1,12,037	1,22,404
Retained Earnings	1,09,372	1,00,643
Other Comprehensive Income		
Remeasurement of defined benefit plans	(2,052)	(2,942)
	<u>2,72,016</u>	<u>2,73,293</u>

(Refer Statement of Changes in Equity)

PRAKASH INDUSTRIES LIMITED

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₹ in lakhs

17. Borrowings	As at	As at
Non-Current Financial Liabilities	31 st March, 2021	31 st March, 2020
Secured		
Term Loans		
From Banks	2,042	2,173
From Others	25,069	25,092
	27,111	27,265
Funded Interest Term Loans		
From Banks	627	662
Unsecured		
Term Loans from Others	1,557	2,395
Liability Component of Foreign Currency Convertible Bonds	6,001	6,582
	7,558	8,977
Finance Lease Obligations	161	172
	35,457	37,076

- (a) Following 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.

₹ in lakhs

Lender	Loan Amount	Balance as at		Rate of Interest	Repayment Terms
		31.3.2021	31.03.2020		
Term Loan from bank					
Union Bank of India	5,902	3,401	3,657	11.65%	96 monthly instalments from December, 2016
Term Loans from others					
REC Limited	28,977	19,897	20,284	12.25%-12.65%	120 monthly instalments from March, 2017
Indo Star Capital Finance Limited	18,360	6,431	6,154	11.55%	69 monthly instalments from June, 2018

- (b) Term Loans from banks and others include ₹ 62 lakhs (₹ 85 lakhs) and ₹ 2,760 lakhs (₹ 2,824 lakhs) respectively secured against the vehicles financed by the concerned lenders.

Lender	0-1 Year	1-3 years	4-5 Years	6-10 Years	Rate of Interest
Term Loans from banks	25	34	3	—	7.65% to 10.40%
Term Loans from Others	1,122	1,531	107	—	9% to 13%

- (c) The Company has outstanding FCCB of US\$ 10.80 mn, which are convertible into shares on the exercise of the conversion option by the bondholders. The FCCB have maturity date of 15th January, 2023 and carry interest @5.95% p.a subject to condition in the subscription agreement. Interest of ₹1539 is outstanding on account of non furnishing of correct bank account details by the bondholders. The Company has complied with all the financial covenants and undertakings with respect to the outstanding FCCB.

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(d) 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
		31.3.2021	31.03.2020		
Rattan India Ltd.	4,000	2,222	3,000	14.45%	36 monthly instalments from June, 2019
IIFL Home Finance Ltd.	1,000	840	989	14.50%	60 monthly instalments from February, 2020

The non current borrowings shown above are net of current maturities ₹ 6,318 lakhs (March 31,2020 ₹ 6,671 lakhs) which are shown under note no.22

18. Non-Current Provisions	As at 31 st March, 2021	As at 31 st March, 2020
For Employee Benefits (refer note 40)	4,266	4,691
	<u>4,266</u>	<u>4,691</u>

19. Deferred Tax Liabilities	As at 31 st March, 2021	As at 31 st March, 2020
Deductible Temporary Difference		
Provision for employees benefits	(2,304)	(2,427)
Loss allowance on Financial and Contract Assets	(466)	(444)
Unused Tax Credits	<u>(16,370)</u>	<u>(18,739)</u>
	(19,140)	(21,610)
Deferred Tax Liabilities		
Property, plant and equipment and Intangible assets	<u>24,149</u>	<u>21,117</u>
Deferred Tax Liabilities (refer note 42)	<u>5,009</u>	<u>(493)</u>

20. Borrowings	As at 31 st March, 2021	As at 31 st March, 2020
Current Financial Liabilities		
Secured		
Working Capital Loan From Bank	2,414	3,180
Unsecured		
From Others	<u>11,253</u>	<u>10,250</u>
	<u>13,667</u>	<u>13,430</u>

20.1 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, the working capital loan is also secured by way of pari passu first charge on all the immovable properties of the Company.

21. Trade Payables	As at 31 st March, 2021	As at 31 st March, 2020
Current Financial Liabilities		
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (refer note.35)	1,011	3,090
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	<u>14,708</u>	<u>11,315</u>
	<u>15,719</u>	<u>14,405</u>

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₹ in lakhs

22. Other Current Financial Liabilities	As at 31 st March, 2021	As at 31 st March, 2020
Current Maturity of long term debts	6,318	6,671
Current Maturity of Finance lease obligations	12	12
Unclaimed Matured Foreign Currency Bond*	257	-
Interest accrued but not due on borrowings	7	7
Interest accrued and due on borrowings	1,539	1,331
Unpaid Dividends	41	58
Others		
Trade/Security deposits	1,249	1,472
Salary, wages and benefits payable	4,162	4,038
Capital Creditors	485	1,090
Other expenses payables	1,451	1,944
	<u>15,521</u>	<u>16,623</u>

*The Company has outstanding 5.35% US\$ 0.35 mn Foreign Currency Bonds, which have matured and become payable on 1st October, 2020. Since the company has not received any claim from the bondholder, the principal amount along with interest accrued thereon till the date of maturity has been shown under Current Liabilities.

23. Other Current Liabilities	As at 31 st March, 2021	As at 31 st March, 2020
Statutory dues payable	5,878	6,108
Advances from Customers	145	84
	<u>6,023</u>	<u>6,192</u>

24. Current Provisions	As at 31 st March, 2021	As at 31 st March, 2020
For Employee Benefits (refer note 40)	2,328	2,257
	<u>2,328</u>	<u>2,257</u>

25. Current Tax Liabilities (Net)	As at 31 st March, 2021	As at 31 st March, 2020
Provision for Tax	499	1,957
	<u>499</u>	<u>1,957</u>

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

₹ in lakhs

26. Revenue From Operations	For the year ended 31 st March, 2021		For the year ended 31 st March, 2020	
Sales of products	3,21,586		2,97,364	
	<u>3,21,586</u>		<u>2,97,364</u>	
27. Other Income	For the year ended 31 st March, 2021		For the year ended 31 st March, 2020	
Interest Income	622		660	
Miscellaneous income	89		12	
Business support service	18		21	
Profit on sale of Fixed Assets (Net)	77		2	
	<u>806</u>		<u>695</u>	
28. Change In Inventories Of Finished Goods and Work In Progress	For the year ended 31 st March, 2021		For the year ended 31 st March, 2020	
Closing Inventories				
Finished products	3,524		3,254	
Work in process	481		199	
Scrap and waste	<u>3,976</u>		<u>2,719</u>	
	7,981		6,172	
Opening Inventories				
Finished products	3,254		2,960	
Work in process	199		409	
Scrap and waste	<u>2,719</u>		<u>4,371</u>	
	6,172		7,740	
	<u>(1,809)</u>		<u>1,568</u>	
29. Employees Benefits Expenses	For the year ended 31 st March, 2021		For the year ended 31 st March, 2020	
Salaries, wages & other benefits	21,429		22,565	
Contribution to provident & other funds	1,084		1,083	
Employee's welfare expenses	457		531	
	<u>22,970</u>		<u>24,179</u>	
30. Finance Cost	For the year ended 31 st March, 2021		For the year ended 31 st March, 2020	
Interest on borrowings	6,678		7,496	
Finance Procurement Charges	24		74	
Interest Cost on employee benefit obligation	474		408	
Interest on Foreign Currency Convertible bonds	421		584	
Exchange difference regarded as an adjustment to borrowing Cost	<u>(245)</u>		<u>712</u>	
	176		1,296	
	<u>7,352</u>		<u>9,274</u>	

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

₹ in lakhs

31. Depreciation and Amortization Expenses	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Depreciation of Tangible assets	15,177	14,395
Amortization of Intangible assets	200	92
	<u>15,377</u>	<u>14,487</u>
32. Other Expenses	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Power & fuel	14,589	18,728
Stores & spares	6,303	6,231
Processing Charges	1,194	-
Repairs to:		
Machinery	7,816	8,408
Building	497	504
Others	<u>95</u>	<u>20</u>
	8,408	8,932
Insurance	14	27
Rates & taxes	2,544	1,515
Auditor's remuneration		
Audit fees	56	56
Tax audit fees	12	12
Reimbursement of expenses	<u>1</u>	<u>1</u>
	69	69
Miscellaneous expenses	2,312	3,143
CSR expenditure (refer note 47)	722	702
Allowance for doubtful Debts & Advances	62	257
Rent	24	39
Director's sitting fees	15	13
Selling & Distribution expenses	<u>1,233</u>	<u>1,434</u>
	<u>37,489</u>	<u>41,090</u>

Notes on financial statements

		₹ in lakhs
33. Contingent Liabilities not provided for in respect of:	As at	As at
	31st March, 2021	31st March, 2020
(a) Guarantees/Unexpired Letter of credits issued by banks on behalf of the company	4,358	4,356
(b) Disputed demands of Excise Duty/Income Tax/Electricity dues and others. (Amount paid there against ₹ Nil (Previous year ₹ Nil))	3,838	10,330
34. Capital Commitments	As at	₹ in lakhs
	31st March, 2021	As at
		31st March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	2,115	24,865

35. Dues to Micro and Small Enterprises:

The disclosures regarding dues to the suppliers registered under MSMED Act 2006 are as follows:

₹ in lakhs			
	Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
(a)	The Principal amount and the interest amount due thereon remaining unpaid to any supplier as at 31 st March,2021 -Principal amount -Interest amount	1,011 —	3,090 —
(b)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending 31 st March,2021	—	—
(c)	The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	—	—
(d)	The amount of interest accrued and remaining unpaid for the year ending 31 st March,2021	—	6
(e)	The amount of further interest remaining due and payable for the earlier years.	—	—

The above information is as compiled by the Management and relied upon by the Auditor.

- 36.** 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 higher by ₹ 3,133 lakhs (previous year ₹ 5,326 lakhs).
- 37.** Exceptional items amounting to ₹ 10,367 lakhs in respect of capital expenditure incurred including capital advances given for various projects, implementation of which is abandoned, have been adjusted by withdrawing an equivalent amount from general reserve.
- 38.** 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. 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 Earnings. The Company has adjusted ₹ 804 lakhs on this account in the Retained Earnings during the year ended 31st March, 2021 (previous year ₹ 4,146 lakhs) for the net increased tax liability of previous financial year, determined at the time of filing of return of income.
- 39.** The assets pertaining to Chotia 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.

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

40. Details of Employees Benefits as required by the Ind AS 19 "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

Benefit (Contribution to)	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Contribution to Provident Fund	1,002	987
Contribution to Employees' State Insurance	82	96

B) Defined Benefit Plan:

Reconciliation of opening and closing balances of Defined Benefit obligation

Particulars	For the year ended 31 st March, 2021		For the year ended 31 st March, 2020	
	Gratuity (Unfunded)	Compensated Leave (Unfunded)	Gratuity (Unfunded)	Compensated Leave (Unfunded)
Defined Benefits obligation at the beginning of the year	4,570	2,378	3,857	1,968
Current Service Cost	289	138	300	196
Interest Cost	314	160	270	138
Actuarial gain/(loss)	(224)	(666)	271	143
Benefit paid	(244)	(21)	(128)	(67)
Defined Benefit obligation at the year end	4,705	1,889	4,570	2,378
Reconciliation of fair value of assets and obligations				
Present value of obligation at year end	4,705	1,889	4,570	2,378
Amount recognized in Balance Sheet	4,705	1,889	4,570	2,378
Expenses recognized during the year				
Current Service Cost	289	138	300	196
Interest Cost	314	160	270	138
Actuarial gain/(loss)	(224)	(666)	271	143
Total Cost recognized in the Profit & Loss A/c	379	(360)	841	477
Actuarial assumption				
Mortality Table	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Discount rate (per annum)	6.50%	6.50%	7.00%	7.00%
Rate of escalation in salary (per annum)	4.5%	4.5%	4.5%	4.5%

The estimate of rate of escalation in salary considered in actuarial valuation, has 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.

Notes on financial statements
41. Income tax expense:
₹ in lakhs

(A)	Components of Income Tax Expense	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
	Current Tax	8	1,574
	Deferred Tax on account of temporary differences	3,133	5,326
	Reversal of Minimum Alternate Tax(MAT) credit	804	4,146
	Income tax expense	3,945	11,046
	Income tax adjusted against securities premium	(3,133)	(5,326)
	Reversal of MAT credit against retained earning	(804)	(4,146)
	MAT credit entitlement	(8)	(1,574)
	Tax expense recognised in the Statement of Profit and Loss	–	–

(B)	Reconciliation of Income tax expense to the accounting profit for the year	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
	Profit before tax	9,533	11,819
	Income tax expense at normal rate	3,331 28.19%	4,130 34.94%
	Effect of income exempt from income tax	– –	(943) (7.98%)
	Effect of temporary differences	(3,331) (28.19%)	(3,187) (26.96%)
	Tax expenses	– –	– –
	MAT (Minimum Alternate Tax)	8 0.07%	1,574 13.32%
	Reversal of MAT credit	804 6.80%	4,146 35.08%
	Reversal of MAT credit against retained earnings	(804) (6.80%)	(4,146) (35.08%)
	MAT credit entitlement	(8) (0.07%)	(1,574) (13.32%)
	Tax expense recognised in the Statement of Profit and Loss	– –	– –

(C)	Tax Assets and Liabilities	As at 01 st April, 2021	As at 01 st April, 2020
	Current tax Assets (net)	117	–
	Current tax Liabilities (net)	499	1,957

42. Movement in Deferred Tax Assets and Liabilities
₹ in lakhs

	For the year ended 31 st March, 2021					For the year ended 31 st March, 2020				
	As at 1 st April, 2020	Adjusted in the Securities Premium reserve	Addition During the Year	Adjusted in the Retained Earning/ Others	As at 31 st March, 2021	As at 1 st April, 2019	Adjusted in the Securities Premium reserve	Addition During the Year	Adjusted in the Retained Earning/ Others	As at 31 st March, 2020
Provision for employee benefits	2,427	(123)	–	–	2,304	2,035	392	–	–	2,427
Provision for doubtful debts and advances	444	22	–	–	466	354	90	–	–	444
Unused Tax Credits	18,739	–	8	(2,377)	16,370	25,424	–	1,574	(8,259)	18,739
Deferred tax assets	21,610	(101)	8	(2,377)	19,140	27,813	482	1,574	(8,259)	21,610
Depreciation-Property, plant and equipment	(21,117)	(3,032)	–	–	(24,149)	(15,309)	(5,808)	–	–	(21,117)
Deferred tax assets/ (liabilities) (net)	493	(3,133)	8	(2,377)*	(5,009)	12,504	(5,326)	1,574	(8,259)	493

*Includes amount charged to Retained Earnings ₹ 804 lakhs.

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

43. Related party disclosure as required by Ind As -24 issued by Ministry of Corporate Affairs(MCA) are as under :-

A) Enterprise on which key management personnel and/or their relatives exercise significant influence.

1. Prakash Pipes Limited (PPL)

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 P.L. Gupta, Whole-time Director
5. Shri Ashwini Kumar, Company Secretary

(C) Transactions with related parties

₹ in lakhs

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Key Management Personnel		
Short-term employee benefits	1,031	1,837
Post-employment benefits	165	117
Enterprises		
Interest Paid	50	79
Interest Received	13	3
Loan given	–	467

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.

44. Earning per share (EPS)

₹ in lakhs

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Net Profit for the period (before OCI) (₹ in lakhs)	9,533	11,819
Face Value of each Share (₹)	10	10
Weighted average no. of Equity Shares (In lakhs)	1,717	1,697
Diluted average no. of Equity Shares (In lakhs)	1,810	1,836
Basic Earning per Share (₹)	5.55	6.97
Diluted Earning per Share (₹)	5.27	6.44

45. Deposits (FD's) are lien marked with various Banks/Govt. Departments for availing LC/Bank Guarantee etc.

46. Segment Information:

The entire power generated by its power plant at Champa is captively used by the Company in its production processes of iron & steel. Therefore, in terms of Para 12 of Ind AS 108, the management has decided to aggregate it into primary business operating segment i.e., "Iron & Steel". Hence, the figure of captive power generation has been included in one reportable segment "Iron & Steel".

Moreover, Wind Power Business does not meet any of the quantitative thresholds as defined in the Para 13 of Ind AS 108 and the management judges that Wind Power Business identified as a reportable segment in the immediately preceding period is not significant. Hence, the information about that segment is not being continued to be reported separately in the current period.

Notes on financial statements

47. 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 ₹ 722.11 lakhs (previous year ₹ 698.51 lakh).
b) The amount spent during the year on CSR activities is as follows:

₹ in lakhs

Sl. No.	Particulars	For the year ended 31 st March, 2021			For the year ended 31 st March, 2020		
		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	722	–	722	702	–	702

48. a) Fair Value Measurements

₹ in lakhs

Particulars	For the year ended 31 st March, 2021			For the year ended 31 st March, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Non Current Assets						
Financial assets						
Other financial assets	–	–	6,622	–	–	6,372
Current assets						
Financial assets						
Trade receivable	–	–	14,288	–	–	19,484
Cash and cash equivalents	–	–	1,653	–	–	2,968
Bank Balance	–	–	2,826	–	–	2,934
Loan	–	–	–	–	–	467
Other financial assets	–	–	7,501	–	–	7,408
Total financial assets	–	–	32,890	–	–	39,633
Non-current Liabilities						
Financial liabilities						
Borrowings	8,195	–	29,456	8,632	–	30,494
Current liabilities						
Financial liabilities						
Borrowings	–	–	13,667	–	–	13,430
Trade payable	–	–	15,719	–	–	14,405
Other financial liabilities	–	–	15,521	–	–	16,623
Total financial liabilities	8,195	–	74,363	8,632	–	74,952

b). Fair value hierarchy

This section explains the judgments and estimates made in determining the fair value of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

₹ in lakhs

(a)	Financial Assets and liabilities which are measured at fair value: recurring fair value measurement as at 31st March 2021	Level 1	Level 2	Level 3	Total
	Financial liabilities				
	Foreign currency convertible bond	8,195	–	–	8,195
	Financial Assets and liabilities which are measured at fair value: recurring fair value measurement as at 31st March 2020				
	Financial liabilities				
	Foreign currency convertible bond	8,632	–	–	8,632

(b)	Financial Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2021	Level 1	Level 2	Level 3	Total
	Financial liabilities				
	Financial Lease obligation	–	–	173	173
	Financial Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2020				
	Financial liabilities				
	Financial Lease obligation	–	–	184	184

(i) Valuation technique used to determine fair value:-

- The fair value of foreign currency convertible bonds and interest thereon are valued using respective currency conversion rate available on the reporting date with the Reserve Bank of India.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(ii) Fair value of financial assets and liabilities measured at amortised cost:-

₹ in lakhs

Financial liabilities	2021		2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Lease obligation	–	173	–	184

(iii) The carrying amount of trade receivable, trade payable, capital creditors and cash and cash equivalents are considered to be the same as their fair value; due to their short-term nature.

49. Financial risk management

49.1 Capital 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 16, 17, 20 & 22 less cash and bank balances as detailed in note 10 & 11) 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.

Notes on financial statements

(a) Capital risk management

The company objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The company strategy is to optimize gearing ratio. The gearing ratios were as follows:

Particulars	₹ in lakhs	
	As at 31 st March, 2021	As at 31 st March, 2020
Net debt	53,014	53,189
Total equity	2,89,924	2,90,419
Net debt to equity ratio (in times)	0.18	0.18

49.2 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.

Interest-rate risk exposure: the exposure of the company borrowing to interest-rate changes at the end of the reporting period	₹ in lakhs	
	As at 31 st March, 2021	As at 31 st March, 2020
Variable rate borrowings	35,205	39,314
Fixed rate borrowings	22,270	19,741

Sensitivity: Profit or loss is sensitive to higher/lower interest expense from borrowing as a result of change in interest rate. Other components of equity change as a result of an increase/decrease in the fair value of cash flow.

Impact on profit after tax	₹ in lakhs	
	As at 31 st March, 2021	As at 31 st March, 2020
Interest rate - increased by 50 basis points (Previous Year 50 bps)	176	186
Interest rate - decreased by 50 basis points (Previous Year 50 bps)	(176)	(186)

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

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

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.

a) Particulars of unhedged foreign currency exposure as at the reporting date:

USD in lakhs

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
FCCB Borrowings	111	115
Interest	6	8
Total	117	123

(b) Sensitivity: the sensitivity of profit or loss to change in the exchange rate arise mainly from foreign currency denominated financial instruments

₹ in lakhs

IMPACT ON PROFIT OR LOSS	As at 31 st March, 2021	As at 31 st March, 2020
INR/USD-increased by 6% (Previous Year 6%)	490	520
INR/USD-decreased by 6% (Previous Year 6%)	(490)	(520)

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, 2021, 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, represent the maximum exposure to credit risk.

(i) Expected credit loss for trade receivables under simplified approach

₹ in lakhs

Particulars	Not due	0-30 days	31-60 days	more than 60 days	Total
Gross carrying amount - trade receivable	14,288	–	–	278	14,566
Expected credit losses	–	–	–	278	278
Carrying amount of trade receivables (net of impairment)	14,288	–	–	–	14,288

(ii) Expected credit loss for loans and advances, security deposit and claims receivable as at March 31, 2021

₹ in lakhs

		Total	Allowance for doubtful		Net
			%	Amount	
Loss allowance measured at 12 month expected credit loss	Loan & Advances	13,003	5.15%	670	12,333
	Security Deposit	257	-	-	257
	Claim Recoverable	7,369	5.21%	384	6,985

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.

Notes on financial statements

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
As at 31st March, 2021				
Borrowings and interest thereon	21,531	27,008	8,545	57,084
Trade and other payables	23,066	–	–	23,066
Other financial liabilities	12	48	113	173
As at 31st March, 2020				
Borrowings and interest thereon	21,439	28,469	8,435	58,343
Trade and other payables	22,949	–	–	22,949
Other financial liabilities	12	48	124	184

50. 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
As at 31st March, 2021					
Lease hold land (Assets)	1,678	–	–	–	1,678
Minimum lease payment	1,409	12	48	1,349	1,409
Present value of minimum lease payment	173	12	48	113	173
As at 31st March, 2020					
Lease hold land (Assets)	722	–	–	–	722
Minimum lease payment	1,420	12	48	1,360	1,420
Present value of minimum lease payment	184	12	48	122	184

- 51** The Company has taken land on lease for its plants from different Govt. /Govt. Agencies for long term period, with terms of further renewal.
- 52.** Balances of some of the Trade Receivable, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations. However, Management does not expect to have any material financial impact of such pending confirmation/reconciliations.
- 53.** 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 lakh rupees unless otherwise stated.

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
31st May, 2021

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Vikram Agarwal
Managing Director
DIN:00054125

Kanha Agarwal
Jt. Managing Director
DIN: 06885529

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

PRAKASH INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the Members of Prakash Industries Limited will be held through Video Conferencing (VC)/Other Audio Visual Means (OAVM) on Thursday, the 29th July, 2021 at 12:30 p.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2021, 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 P.L. Gupta (DIN: 00048868), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Approval for re-appointment of Statutory Auditors of the Company for further five years

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, M/s. Chaturvedi & Co., Chartered Accountants, (FRN No.302137E), retiring auditor of the Company be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of Forty (40th) Annual General Meeting until the conclusion of the Forty Five (45th) Annual General Meeting of the Company, subject to approval of the Members of the Company at ensuing Annual General Meeting as per the provisions of the Companies Act, 2013, at such remuneration plus service tax, out-of-pocket, travelling and boarding expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

4. Approval for re-appointment of Shri Vikram Agarwal (DIN:00054125) as Managing Director of the Company

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

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors 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 for the re-appointment of Shri Vikram Agarwal (DIN : 00054125) as Managing Director of the Company for a period of three years with effect from 1st April, 2021 to 31st March, 2024 subject to approval of appropriate authorities, if required, on the following terms and conditions:

- 1) Salary : ₹24,50,000 p.m.
(in the grade of ₹24,50,000 - 2,50,000 - 29,50,000)
- 2) Perquisites : In addition to the afore said salary, the following perquisites would be allowed:

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

- i) Company's contribution towards Provident Fund equivalent to 12% of the salary if he is member of provident fund or in case of he is non-member of provident fund, ex-gratia in lieu of contribution to provident fund equivalent to 12% of the salary.
- ii) 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.
- iii) 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.
- iv) Free use of Company's Car with driver for Company's business.
- v) Free mobile and telephone facility.
- vi) Reimbursement of expenses on actual basis which are incurred for business of the Company.

No sitting fee is to be paid for attending the meetings of Board of Directors or Committees thereof.

Provided that the total remuneration shall not exceed 5% of the net profit of the Company.

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 shareholders / authority and acceptable to Shri Vikram 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 as amended from time to time shall be paid to Shri Vikram Agarwal, Managing Director as minimum remuneration with the approval of the Central Government, if required, for the period from 1st April, 2021 to 31st March, 2024.

RESOLVED FURTHER THAT Shri P.L. Gupta, Whole-time Director and Shri Ashwini Kumar, Company Secretary of the Company be and are hereby severally 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."

5. Approval for re-appointment of Shri P. L. Gupta (DIN:00048868) as Whole-time Director of the Company

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

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee of the Company and as per 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 for the re-appointment of Shri P.L. Gupta (DIN : 00048868) as Whole-time Director designated as Director (Finance) and Chief Financial Officer (CFO) of the Company for a period of three years with effect from 1st April 2021 to 31st March, 2024 subject to the approval of appropriate authorities, if required, on the following terms and conditions:

- 1) Salary : ₹4,90,000 p.m.
(in the grade of ₹4,90,000 - 50,000 - 5,90,000)
- 2) Ex-gratia in lieu of Bonus : 20% of salary as per rules of the Company.
- 3) Perquisites : In addition to the aforesaid salary, the following perquisites would be allowed:
 - i) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year.
 - ii) Leave Travel Concession : For self and family to and fro to any place in India once in a year subject to a ceiling of one month's salary.
 - iii) Company's contribution towards Provident Fund equivalent to 12% of the salary if he is member of provident fund or in case of he is non-member of provident fund, ex-gratia in lieu of contribution to provident fund equivalent to 12% of the salary.
 - iv) 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.
 - v) Leave on full pay and allowances as per rules of the Company. Leave accumulated but not availed may be allowed to encash as per rules of the Company.
 - vi) Free use of Company's Car with driver for Company's business.
 - vii) He shall also be entitled to reimbursement of expenses on actual basis which are incurred for business of the Company.

No sitting fee is to be paid for attending the meetings of Board of Directors or Committees thereof.

Provided that the total remuneration shall not exceed 5% of the net profit of the Company.

RESOLVED FURTHER THAT the services of the Whole-time Director would be subject to termination by one month's notice from either side or payment of salary in lieu thereof.

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

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 and other applicable provisions of the Companies Act, 2013 as amended from time to time shall be paid to Shri P.L. Gupta, Whole-time Director as minimum remuneration with the approval of the Central Government, if required, for the period from 1st April, 2021 to 31st March, 2024.

RESOLVED FURTHER THAT Shri Vikram Agarwal, Managing Director and Shri Ashwini Kumar, Company Secretary of the Company, be and are hereby severally authorised for obtaining necessary approvals - statutory, contractual or otherwise and 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."

6. Consider and ratify the re-appointment of Shri P. L. Gupta (DIN: 00048868), Whole-time Director designated as Director (Finance) and Chief Financial Officer (CFO) of the Company

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

"RESOLVED THAT pursuant to Sections 196, 197 and 203 of the Companies Act, 2013 read with Schedule V Part I (c) the consent of the members be and is hereby accorded for continuation of Shri P. L. Gupta (DIN :00048868), Whole time Director designated as Director (Finance) and Chief Financial Officer (CFO) of the Company as per terms and conditions specified in this special resolution proposed to be passed by the members at its ensuing Annual General Meeting of the Company, even though he has attained the age of seventy years and shall be entitled to the remuneration as passed in the above stated resolution.

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

7. Approval for Issue of Convertible Equity Warrants on preferential basis to Promoter(s)

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

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"RESOLVED THAT pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act 2013 read with the rules made thereunder (including any statutory modifications) or the re-enactment thereof for the time being in force ("Act") and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations") and Securities and Exchange Board of India (Substantial Acquisitions and Takeovers) Regulations, 2018, as amended (the "Takeover Regulations") and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the "LODR Regulations") and other rules, regulations, guidelines notifications and circulars issued there under from time to time by the Government of India, the Reserve Bank of India, Securities and Exchange Board of India (SEBI) and any other guidelines and clarifications issued by any other appropriate authorities whether in India or abroad, from time to time, to the extent applicable including the enabling provisions of the Memorandum and Articles of Association of the Company, and subject to such approvals, concerns, permissions and sanctions as may be necessary or required, from regulatory or other appropriate authorities, including but not limited to SEBI and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "The Board") which term shall be deemed to include any exiting Committee(s) constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this resolution, subject to any other alterations, modifications, conditions, corrections and changes and variations that may be decided by the Board absolute discretion), the consent of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches 3,60,00,000 (Three Crores Sixty Lakhs) Convertible Equity Warrants ("Warrants") on preferential basis to Shri Ved Prakash Agrawal, Promoter ("Warrant Holder/ Proposed Allottee") at a price of ₹ 77.50 (Rupees Seventy Seven and Fifty Paise) each aggregating to ₹ 279,00,00,000 (Rupees Two Hundred Seventy Nine Crores Only) or such higher price as may be arrived at in accordance with the ICDR Regulations, 2018, on preferential allotment basis to the Promoter(s) for cash consideration in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT the Equity Shares allotted on exercise of the Warrants shall upon conversion rank pari passu with the existing shares of the Company and in such form and manner and upon such terms and conditions as may be determined by the Board in accordance with the ICDR Regulations or other applicable laws as may be prevailing at that time.

RESOLVED FURTHER THAT in accordance with the provisions of Chapter V and Regulation 164 of ICDR

Regulations, 2018, the Relevant Date for the purpose of calculating the price for the issue of warrants is 29th June, 2021, being the date 30 days prior to the date of Annual General Meeting.

RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company to the allottee within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- I) The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company. The Warrants may be exercised into Equity Shares as aforesaid by the Warrant holder(s) in one or more tranches at any time before the expiry of 18 months from the date of allotment of the Warrants.
- II) A Warrant subscription price equivalent to 25% (i.e. the upfront amount) of the issue price will be payable at the time of subscription to the Warrants, as prescribed by Regulation 169 of the ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. A Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Warrant holder(s) on or before the due date for exercising the Warrants.
- III) The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- IV) In the event the Warrant holder(s) does not exercise the Warrants within 18 months from the date of allotment, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- V) The Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter V of ICDR Regulations, 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the Warrant holder(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may

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in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilisation of proceeds of the Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT Board be and is hereby authorized to delegate all or any of the powers herein conferred to Committee of Directors/ any Director(s)/ Company Secretary / any Officer(s) of the Company to give effect to the aforesaid resolution."

8. Approval for increase in authorised share capital of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the present ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only) consisting of 20,00,00,000 (Twenty Crores) Equity Shares of ₹10/- (Rupees Ten) each to ₹ 2,25,00,00,000/- (Rupees Two Hundred Twenty Five Crores only) consisting of 22,50,00,000 (Twenty Two Crore Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each."

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V The Authorised Share Capital of the Company is ₹ 2,25,00,00,000/- (Rupees Two Hundred Twenty Five Crores only) divided into 22,50,00,000 (Twenty Two Crore Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorised to do all such act(s), deed(s) and things including all forms, documents filing with Registrar of Companies as may be necessary and incidental to give effect to the aforesaid Resolution."

9. To ratify the remuneration of Cost Auditors

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **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 2021-22 amounting to ₹ 1,50,000/- (Rupees One Lakh 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."

By order of the Board
For Prakash Industries Limited

Registered Office:

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

Dated : 30th June, 2021

CIN : L27109HR1980PLC010724

Ashwini Kumar
Company Secretary

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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. Register of Members and Share Transfer Books will remain closed from 21st July, 2021 to 24th July, 2021 (both days inclusive).
3.
 - 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.
 - 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.

4. As per rules regarding unpaid / unclaimed dividend prescribed by MCA, Company has already given the details of unpaid/ unclaimed dividend for the financial year 2013-14 and 2018-19 on the website of Investor Education and Protection Fund (IEPF) viz. www.iepf.gov.in. Investors can also check their unpaid / unclaimed dividend details from the above said website.

Members who have not received / encashed their dividend warrants for the financial year 2013-14 and 2018-19 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.

Also pursuant to the provisions of the recently notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall also be transferred to the Investor Education and Protection Fund (IEPF).

Form for providing bank details is available on the Company's website www.prakash.com and also annexed with the Annual Report

5. Transfer of Unpaid / Unclaimed Amounts and Shares to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 16.85 Lakhs to the Investor Education and Protection Fund (IEPF) and also credited 86,294 equity shares of ₹ 10/- each to the IEPF Authority, in respect of which dividend had not been paid or claimed by the members for seven consecutive years or more as on the cut-off date pursuant to the provisions of the Companies Act, 2013. The Company has initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by the members consecutively since 2013-14.

The Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company as on date of last Annual General Meeting i.e. 28th September, 2020 and details of shares transferred to IEPF during the financial year 2019-20. The aforesaid details are put on the Company's website and can be accessed at <https://prakash.com/unclaimed-dividend/>.

The Company has also uploaded these details on the website of the IEPF Authority viz. www.iepf.gov.in.

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

6. Members holding shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.
7. 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 is available on the website of the Company.
8. 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, Bijwasan, New Delhi-110061.

9. Voting through electronic means :

- a) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and clarification Circular No.02/2021 dated January 13,2021. The forthcoming

AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

- b). Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- c) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- d) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- e) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- f) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.prakash.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com.

- g) The AGM shall be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

- h) In continuation of this Ministry's General Circular No. 20/2020, dated 5th May, 2020 and after due examination, it has been decided to allow Companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31st December, 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular No. 02/2021 dated 13th January, 2021.

10. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26th July, 2021 (09:00 a.m.) and ends on 28th July, 2021 (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 (record date) of 22nd July, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account

PRAKASH INDUSTRIES LIMITED

maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
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Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- (1) The members should log on to the e-voting website www.evotingindia.com.
- (2) Click on Shareholders / Members.
- (3) 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.
- (4) Next enter the Image Verification as displayed and Click on Login.

- (5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

- (6) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits client ID or folio number, if folio number is less than 8 digits enter the applicable number of 0's before folio number.
Dividend Bank Details OR Date of Birth (DOB)	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. 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 (3).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.
- (viii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant **Prakash Industries Limited** on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.

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- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the 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.
- (xvi) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xvii) Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.
 - Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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.
 - 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 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorshelpline@prakash.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- 1 The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- 2 The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- 3 Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

- 4 Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- 5 Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 6 Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches
- 7 Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company's email id viz. investorshelpline@prakash.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company's email id viz. investorshelpline@prakash.com. Queries that remain unanswered at the AGM will be appropriately responded by the Company.
- 8 Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
- 9 Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 10 If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES

- 1 For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's email id.
- 2 For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- 3 For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository

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Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Other information:

- A. Only those shareholders of the Company who are holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. Thursday, the 22nd July, 2021), shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- B. The Members who have cast their votes by remote-voting prior to the AGM may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again.
- C. The members can opt for only one mode of voting i.e. remote e-voting or venue voting through VC/OAVM at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and evoting through VC/OAVM at AGM will not be considered
- D. The Board of Directors has appointed M/s B.K. Bohra & Associates, Company Secretaries (Membership No.62344 & CP No.23511) as the Scrutinizer and Alternate scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- E. The results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.prakash.com and on the website of CDSL at www.evotingindia.com immediately.
- F. Since the AGM will be held through VC/OVAM, the routemap is not annexed to the notice. The deemed venue for AGM shall be the Registered Office of the Company.
- 11. Details of Directors seeking appointment/re-appointment at the forthcoming AGM pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5. of the SS-2 are as per Annexure -A

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.3 to 9 of the accompanying Notice:

Item No.3

The Board of Directors in its meeting held on 29th August, 2016 and members of the Company in their 35th Annual General Meeting (AGM) held on 29th September, 2016 had appointed M/s Chaturvedi & Co., Chartered Accountant (FRN : 302137E) as Statutory Auditors of the Company from the 35th AGM to till the conclusion of 40th AGM in terms of the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013. Thus, the re-appointment of Statutory Auditors for a period of five consecutive years has been put up for the approval of members at item No.3 of the Notice.

The Board recommends the Resolution set out at Item No.3 for your approval.

Item No.4

Shri Vikram Agarwal was reappointed as Managing Director of the Company w.e.f. 1st April, 2018 for three years. He has been associated with Company since 2005. He is actively involved in day to day affairs of the Company. The remuneration of Shri Vikram Agarwal has been approved by Nomination and Remuneration Committee.

Having regard to the knowledge and experience of Shri Vikram Agarwal, the Board of Director appointed Shri Vikram Agarwal as Managing Director of the Company for the period from 1st April, 2021 to 31st March, 2024 on the terms and conditions and remuneration as mentioned in the resolution as set out at item No.4 of notice subject to the approval of shareholders.

As on 31st March, 2021, Shri Vikram Agarwal holds 406500 equity shares of the Company.

Shri V.P. Agarwal, Chairman of the Company is father of Shri Vikram Agarwal, Managing Director, Shri Kanha Agarwal, Joint Managing Director of the Company is brother of Shri Vikram Agarwal.

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 AM. to 1.00 PM on any working day prior to the date of 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.

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

The Board recommends the Special Resolution set out at Item No.4 for your approval.

Item No.5

Shri P.L. Gupta is a Chartered Accountant having work experience of 42 years and has been associated with the Company for more than two decades and thus conversant with all the facets of the working of the Company. The remuneration of Shri P. L. Gupta has been approved by Nomination and Remuneration Committee.

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Having regard to the knowledge and professional experience of Shri P. L. Gupta, the Board of Director appointed Shri P.L. Gupta as Whole-time Director designated as Director (Finance) and Chief Financial Officer (CFO) of the Company for the period from 1st April, 2021 to 31st March, 2024 on the terms and conditions and remuneration as mentioned in the resolution as set out at item No.5 of notice subject to the approval of shareholders.

As on 31st March, 2021, Shri P.L. Gupta is not holding any equity shares of the Company.

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 AM. to 1.00 PM on any working day prior to the date of 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.

None of the Directors except Shri P.L. Gupta is interested in the Resolution.

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

Item No.6

As per requirements of Section 196 (3) and Schedule V Part I (c) of the Companies Act, 2013 if a Managing Director or Whole-time Director has attained the age of 70 years then his appointment/continuation needs to be approved by a special resolution passed by the Company in General Meeting.

Shri P.L. Gupta has attained the age of 70 years in April, 2021. The Board of Directors in its meeting held on 8th February, 2021 have approved and recommended his reappointment as Whole-time Director of the Company subject to approval of shareholders in the ensuing Annual General Meeting.

None of the Directors except Shri P.L. Gupta is interested in the Resolution.

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

Item No.7

As required under Rule 13(2) (d) of the (Share Capital and Debentures) Rules, 2014 of Companies Act 2013 and regulation 158 of Chapter V of the ICDR Regulations, 2018 and as per Companies Act, 2013.

i) Particulars of the Preferential Issue including date of passing of Board resolution

The Board of Directors at its meeting held on 30th June, 2021 had, subject to the approval of the Members and such other approvals as may be required, approved the issuance of Convertible Equity Warrants up to 3,60,00,000 (Three Crores Sixty Lakhs) at a price

of ₹ 77.50 (Rupees Seventy Seven and Fifty Paise) per warrant, aggregating to ₹ 279,00,00,000 (Rupees Two Hundred Seventy Nine Crores Only), for cash consideration, on a preferential basis.

ii) Kinds of securities offered and the price at which security is being offered

The Board of Directors in its meeting held on 30th June, 2021, has approved the proposal of making preferential allotment of 3,60,00,000 (Three Crores Sixty Lakhs) Warrants to Promoter(s) at a price of ₹ 77.50 (Rupees Seventy Seven and Fifty Paise) per warrant. The minimum price of ₹ 77.50 is arrived at in accordance with the Regulation 164 under chapter V of ICDR Regulations, 2018 ("Minimum Issue Price") and convertible at the option of warrant holders in one or more tranches, within 18 (Eighteen) months from the date of allotment, into equal number of fully paid up Equity Shares of the Company of ₹ 10/- (Rupees Ten) each.

iii) Objects of the Preferential Issue and aggregate amount proposed to be raised

The Company plans to issue Warrants to Promoter(s) and proceeds from preferential issue will be utilized to augment the working capital requirements of the Company, for acquisition and development of iron ore and coal mines and other corporate purposes. In view of this, it is proposed to raise ₹ 279,00,00,000 (Rupees Two Hundred Seventy Nine Crores Only) through issue of Warrants on preferential basis to the Promoter(s).

(iv) Relevant date : The Relevant date as per the ICDR Regulations, 2018 for the determination of the price per Equity Warrant pursuant to the preferential allotment is 29th June, 2021, ("Relevant Date") (i.e. 30 days prior to the date of Annual General Meeting which is 29th July, 2021), to approve the proposed preferential issue

(v) Basis on which the price has been arrived at and justification for the price (including premium, if any)

The Equity Shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as the "Stock Exchanges"). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and NSE, being the Stock Exchange with higher trading volumes for the said period, has been considered for determining the floor price in accordance with the SEBI ICDR Regulations.

The Company is listed on BSE and NSE and the price above is determined on the basis of the quotes available on the NSE wherein the Company shares are traded highest in volume, during the preceding 26 weeks prior to the relevant date.

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The minimum price as per the pricing formula prescribed under Regulation 164 of chapter V of ICDR Regulations, 2018 for the preferential issue of Warrants is ₹ 77.50 (Rupees Seventy Seven and Fifty Paise), being higher of

- the average of the high and low of the volume weighted average price at the National Stock exchange of India Limited for 26 weeks prior to the relevant date viz. ₹ 70.42 (Rupees Seventy and Forty Two Paise Only) and
- the average of the high and low of the volume weighted average price at the National Stock exchange of India Limited for 2 weeks prior to the relevant date viz. ₹ 77.50 (Rupees Seventy seven and Fifty Paise).

The Issue price of the Warrants is ₹ 77.50 (Rupees Seventy Seven and Fifty Paise), per warrant which is the aforesaid minimum price.

- (vi) **Intent of the Promoters, Directors or Key Managerial Personnel of the Company to subscribe to the Preferential Issue; contribution being made by the Promoters or Directors either as part of the Preferential Issue or separately in furtherance of the objects**

The Convertible Equity Warrants shall be issued to Shri Ved Prakash Agarwal, the Promoter of the Company. Shri Ved Prakash Agarwal has indicated its intention to subscribe to the Convertible Equity Warrants on Preferential basis. None of the Directors or Key Managerial Personnel of the Company intends to subscribe to any of the Convertible Equity Warrants on conversion proposed to be issued under the Preferential Issue or otherwise contribute to the Preferential Issue or separately in furtherance of the objects specified herein above.

- (vii) **Timeframe within which the allotment shall be completed**

As required under the ICDR Regulations, 2018, the preferential issue/allotment of Warrants shall be completed within a period of 15 days of passing the special resolution or such extended time, as may be approved by the Regulatory Authorities, from the date of approval of the members to the preferential issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any Regulatory Authority, the allotment shall be completed within a period of 15 days from the date of receipt of such approval.

- (viii) **Equity Shareholding Pattern before and after the Preferential Issue:**

Sr. No.	Particulars	Pre-issue shareholding		* Post issue shareholding	
		No. of shares	Percentage to total shareholding	No. of shares	Percentage to total shareholding
A	Promoter & Promoter Group Shareholding				
	Shri Ved Prakash Agarwal	1,62,68,907	9.08	5,22,68,907	24.30
	Individual (Other than Shri Ved Prakash Agarwal)	36,53,540	2.04	36,53,540	1.70
	Body Corporate	4,80,12,405	26.81	4,80,12,405	22.32
	LLP	54,49,880	3.04	54,49,880	2.53
	Total (A)	7,33,84,732	40.98	10,93,84,732	50.86
B.	Non Promoter Shareholding				
1.	Institutional				
	Mutual Funds / UTI	46,904	0.03	46,904	0.02
	Venture Capital Funds	0	0.00	0	0.00
	Alternate Investment Funds	0	0.00	0	0.00
	Foreign Venture Capital Investors	0	0	0	0
	Foreign Portfolio Investors	57,54,140	3.21	57,54,140	2.68
	Financial Institutions/ Banks	2,335	0.00	2,335	0.00
	Insurance Companies	200	0.00	200	0.00
	Provident Funds/ Pension Funds	0	0.00	0	0.00
2.	Non- Institutions				
	Individuals-				
	Individual shareholders holding nominal share capital up to ₹ 2 lakhs	4,81,88,924	26.91	4,81,88,924	22.40
	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	2,20,71,373	12.32	2,20,71,373	10.26

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Sr. No.	Particulars	Pre-issue shareholding		* Post issue shareholding	
		No. of shares	Percentage to total shareholding	No. of shares	Percentage to total shareholding
	NBFCs registered with RBI/Bodies Corporate	850	0.00	850	0.00
	Any Others(Specify)				
	Trust	0	0.00	0	0.00
	NRIs etc.	28,12,515	1.57	28,12,515	1.31
	HUF	38,94,980	2.17	38,94,980	1.81
	Bodies Corporates	1,35,01,411	7.54	1,35,01,411	6.28
	IEPF	8,21,798	0.46	8,21,798	0.38
	Directors and their relatives	0	0	0	0
	LLP	75,18,607	4.20	75,18,607	3.50
	Clearing Members	10,83,070	0.60	10,83,070	0.50
	Total (B)	10,56,97,107	59.02	10,56,97,107	49.14
	Total (A) + (B)	17,90,81,839	100.00	21,50,81,839	100.00

* The post issue paid-up capital is arrived after considering all the preferential allotment, proposed to be made under this notice.

- (ix) **Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed allottee; the percentage of post preferential issue that may be held by them and change in control, if any, in the Company, consequent to the preferential issue.**

There will be no change in the control of the Company consequent to the said preferential issue. The percentage shareholding in the Company by the proposed allottee, pre and post preferential issue is given below:

Sr. No.	Name of the Proposed Allottee	Category	Pre-Allotment Shareholding	* Pre Issue shareholding %	No. of Equity Shares proposed to be allotted	# Post Issue shareholding and %	Name of the Ultimate Beneficiaries/ Owners
1	Shri Ved Prakash Agarwal	Promoter-Individual	1,62,68,907	9.08	3,60,00,000	5,22,68,907 (24.30%)	Shri Ved Prakash Agarwal

* As per the Register of Members of the Company.

The post issue shareholding percentage is arrived after considering all the preferential allotment proposed to be made under this notice.

- (x) **Lock-in period:**

The securities issued and allotted on a preferential basis and pre-preferential shareholding of the Promoter(s) hereunder will be subject to lock-in as specified under Chapter V of the ICDR Regulations, 2018.

- (xi) **Auditor's Certificate**

A copy of the certificate of the Company's Statutory Auditor certifying that the issue is being made in accordance with the requirements of the ICDR Regulations, 2018 shall be available on website of the Company viz. www.prakash.com on all working days till the date of the Annual General Meeting.

- (xii) **Undertaking by the Company**

a) None of the Company, its Directors or Promoter have been declared as willful defaulter as defined under the ICDR Regulations. None of its Directors

or Promoter is a fugitive economic offender as defined under the ICDR Regulations.

- b) The Company is eligible to make the Preferential Allotment to its Promoter under Chapter V of the ICDR Regulations.
- c) As the Equity Shares have been listed for a period of more than twenty-six weeks as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable.
- d) The Company hereby undertakes that it shall re-compute the price of the Equity Shares in terms of the provisions of the ICDR where it is required to do so, until the amount so payable is not paid within the time stipulated under ICDR Regulations, the Warrants and Equity Shares shall continue to be locked -in till the time such amount is paid by the proposed allottee.

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- e) The Equity Shares held by the proposed allottee in the Company are in dematerialized form only.
- f) Shri Ved Prakash Agarwal, belonging to the promoters / promoter group has previously subscribed 75,00,000 (Seventy Five Lakhs) equity warrants of the Company during the last one year which are already converted into equity shares in the financial year 2020-21.
- g) The Company has complied with the applicable provisions of the Companies Act, 2013. The provisions of Section 62 of the Companies Act, 2013 (as amended from time to time) and the ICDR Regulations provide, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares are required to be first offered to the existing members of the Company for subscription unless the members decide otherwise through a Special Resolution.

(xiii) **SEBI Takeover code:**

In the present case none of the proposed allottee would attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchange.

(xiv) **Other disclosures**

- a) During the period from 1st July, 2020 until the date of Notice of this AGM, the Company has made preferential issue of 75,00,000 Convertible Equity Warrants which are converted into equity shares.
- b) Report of the registered valuer is not required under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Issue.
- c) Neither Shri Ved Prakash Agarwal nor any member of the promoter group of the Company have sold or transferred any Equity Shares during the six months preceding the Relevant Date.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the above referred resolution in item No.7 except to the Promoter/ Promoter Group entities.

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

Item No. 8

In view of proposed issue of new Convertible Equity Warrants and expected conversion of Warrants into Equity Shares, the Company proposes to increase the existing Authorised Share Capital of the Company of ₹ 2,00,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity

shares of ₹10/- (Rupees Ten) each to ₹ 2,25,00,00,000/- (Rupees Two Hundred Twenty Five Crores only) consisting of 22,50,00,000 (Twenty Two Crore Fifty Lakhs) 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 resolution is therefore proposed at Item No.8 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 this Resolution.

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

Item No.9

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

The Board on the recommendation of the Audit Committee has approved the remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2021-22 as mentioned in the resolution set out at Item No.9 of the notice.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at this item of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2021-22.

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. 9 for ratification by the shareholders.

By order of the Board

For Prakash Industries Limited

Registered Office:

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

Dated : 30th June, 2021
CIN : L27109HR1980PLC010724

Ashwini Kumar
Company Secretary

PRAKASH INDUSTRIES LIMITED

ANNEXURE-A

Details of Director(s) seeking appointment/reappointment at the forthcoming Annual General Meeting(AGM) 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 Director	Shri Vikram Agarwal
Date of Birth	04.12.1978
Date of First appointment on the Board	28.05.2005
Qualifications	Graduate
Experience / Expertise in specific function areas / Brief resume of the Director.	He has been associated with Company since 2005. He is actively involved in day to day affairs of the Company.
Terms and Conditions of appointment/re-appointment	Proposed re-appointment is for three years w.e.f. 01.04.2021 to 31.03.2024. Term and conditions of re-appointment as mentioned in the special resolution proposed to be passed in ensuing AGM.
Details of remuneration sought to be paid and remuneration last drawn	Remuneration as per term and conditions of re-appointment vide proposed special resolution to be passed in ensuing AGM.
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Shri V.P. Agarwal, Chairman of the Company is father of Shri Vikram Agarwal. Shri Kanha Agarwal, Joint Managing Director of the Company is brother of Shri Vikram Agarwal.
No. of Meeting of Board of Directors attended during the F.Y. 2020-21	5
Other Directorship held	7
Membership/Chairmanship of Committees of other Boards	4
Shareholding in the Company	4,06,500 Shares

Name of the Director	Shri P.L. Gupta
Date of Birth	05.04.1951
Date of First appointment on the Board	07.11.2011
Qualifications	Chartered Accountant
Experience / Expertise in specific function areas / Brief resume of the Director.	Shri P.L. Gupta is Chartered Accountant having experience of 42 years and has been associated with the Company for more than two decades and thus conversant with all facets of the working of the Company.
Terms and Conditions of appointment/re-appointment	Proposed re-appointment is for three years w.e.f. 01.04.2021 to 31.03.2024. Term and conditions of re-appointment as mentioned in the special resolution proposed to be passed in ensuing AGM.
Details of remuneration sought to be paid and remuneration last drawn	Remuneration as per term and conditions of re-appointment vide proposed special resolution to be passed in ensuing AGM.
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. 2020-21	5
Other Directorship held	1
Membership/Chairmanship of Committees of other Boards	Nil
Shareholding in the Company	Nil

PRAKASH INDUSTRIES LIMITED**NATIONAL ELECTRONIC CLEARING SERVICES (NECS)**

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

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

For Office OnlyRef. No. **Shares held in Physical Form**Folio No. **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	<input style="width: 100px;" type="text"/> (9 Digits Code number appearing on the MICR Band of the cheque supplied by the Bank). <i>Please attached a xerox copy of cancelled cheque for ensuring accuracy of the bank's name, branch name and code number etc.</i>

Account type (Please Tick (✓) wherever applicable)	Savings <input style="width: 40px;" type="checkbox"/>	Current <input style="width: 40px;" type="checkbox"/>	Cash Credit <input style="width: 40px;" type="checkbox"/>
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Account No. (as appearing in the cheque book)	<input style="width: 200px;" type="text"/>
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I, hereby declare that the particulars given above are correct and complete. I shall not hold the Company, responsible if any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, I agree to avail the NECS 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 :

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

NOTES

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[illegible]



Prakash
Industries Limited

Corporate Office:

Srivan, Bijwasan, New Delhi - 110061,

Tel : +91-11-25305800

Fax : +91-11-28062119

Email : pilho@prakash.com

www.prakash.com