

ANNUAL REPORT
2010-11



PRAKASH INDUSTRIES LIMITED

PRAKASH INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri V. P. Agarwal	Chairman & Managing Director
Shri Vikram Agarwal	Joint Managing Director
Dr. S. L. Keswani	
Shri K. C. Mehra	
Dr. Ram K. Vepa	
Shri Manish Bahl	
Shri Piyooash Goyal	
Shri G. L. Mohta	Whole - time Director
Shri Vipul Agarwal	Whole - time Director

COMPANY SECRETARY

Shri Manoj Agarwal

STATUTORY AUDITORS

Chaturvedi & Partners
Chartered Accountants

BANKER

Corporation Bank
Kotak Mahindra Bank

PRAKASH INDUSTRIES LIMITED

REGISTERED OFFICE

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

CORPORATE OFFICE

SRIVAN
Bijwasan,
New Delhi-110 061

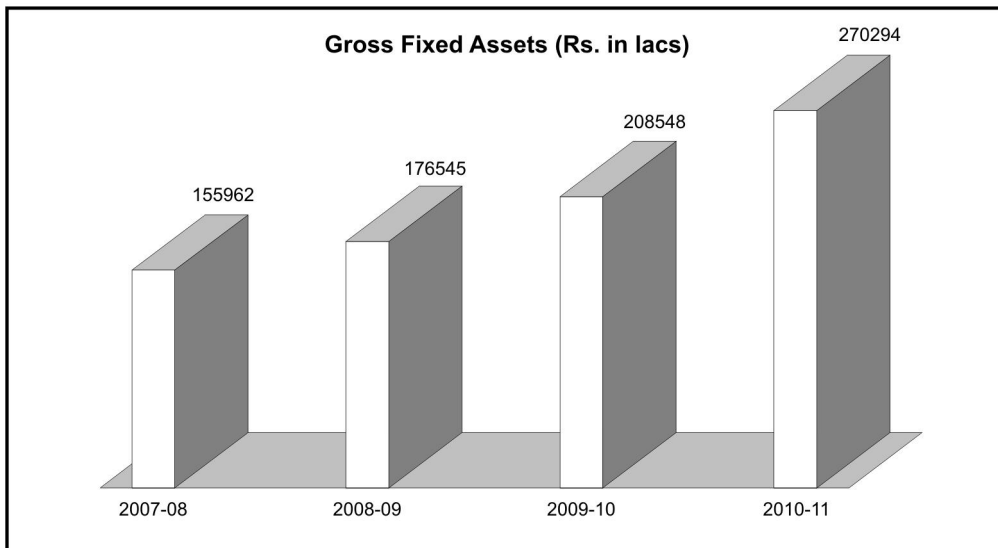
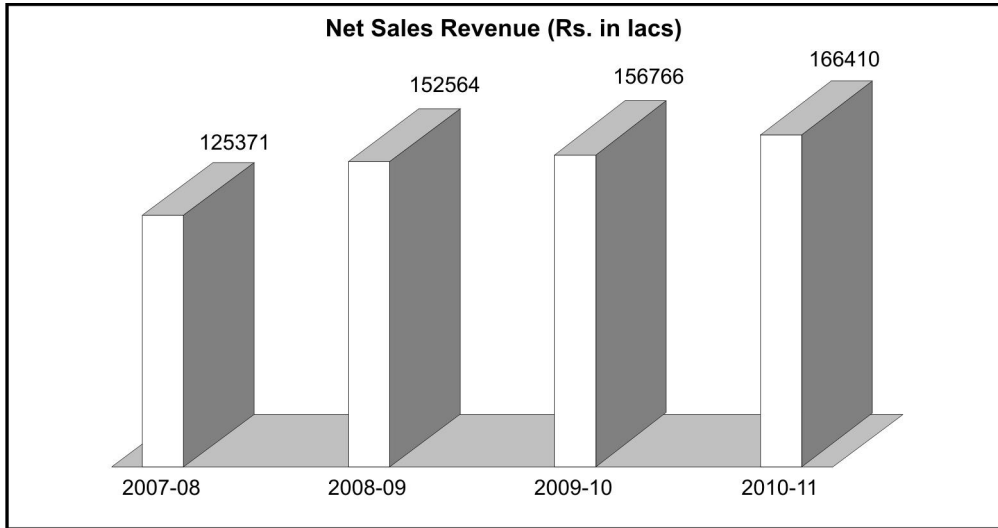
WORKS

Champa (Chhattisgarh)
Chotia (Chhattisgarh)
Raipur (Chhattisgarh)
Kashipur (Uttarakhand)
Koirā, Distt. Koenjhar (Orissa)
Muppandal (Tamil Nadu)

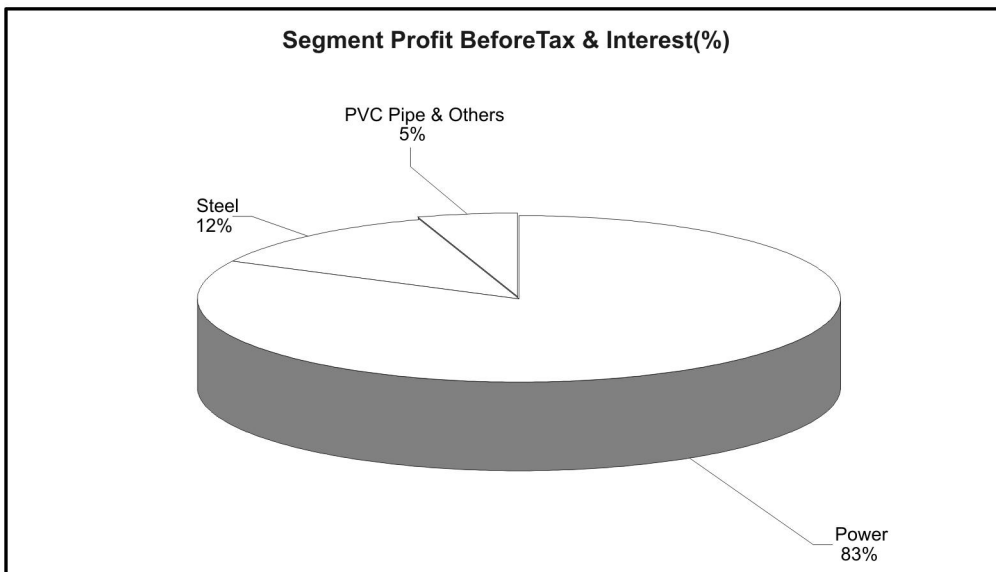
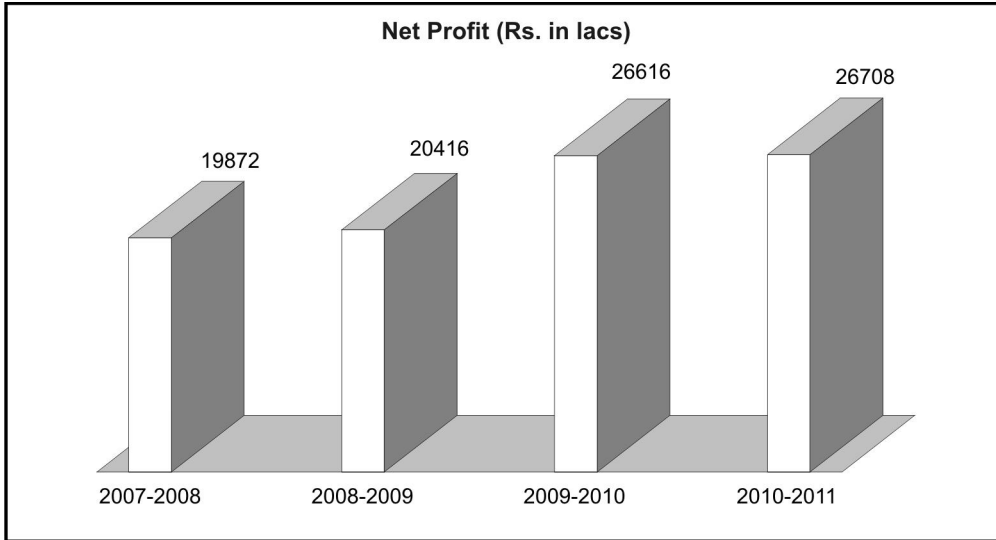
WEBSITE

www.prakash.com

PRAKASH INDUSTRIES LIMITED



PRAKASH INDUSTRIES LIMITED



PRAKASH INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of Prakash Industries Limited will be held on Thursday, the 29th September, 2011 at 12.30 p.m. at the registered office of the Company at 15 Km. Stone, Delhi Road, Hissar-125044 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Manish Bahl, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Piyooch Goyal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration. The term of appointment of M/s Chaturvedi & Partners, Chartered Accountants (Registration No.307068E) expire at the conclusion of this general meeting and being eligible offer themselves for re-appointment to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 267, 269, 309, 310, 311, 317 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), and conditions stipulated in schedule XIII of the said Act, Shri V.P. Agarwal be and is hereby re-appointed as Chairman and Managing Director of the Company for a period of three years with effect from 1st April 2011 to 31st March, 2014 subject to the approval of shareholders and other appropriate authorities, if required, on the following terms and conditions:-

- 1 Salary: Rs.15,00,000/- p.m.
(in the grade of Rs.15,00,000 - 3,00,000 - 21,00,000)
- 2 Commission: Payment of a sum not exceeding 1% of the net profit of the Company for the financial year calculated in the manner laid down in Sections 349 and 350 of the Companies Act, 1956.
- 3 Perquisites: In addition to the aforesaid Salary the following perquisites would be allowed.

Category 'A'

- i) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- ii) Leave Travel Concession : For self and family to and fro to any place once in a year subject to ceiling of one month's salary.
- iii) Club Fees : Fees and subscription of maximum two clubs. This will not include admission and life membership fees.

Category 'B'

The following perquisites will not be included in the computation of the ceiling on remuneration as per Para 2 of Part II of Section II of Schedule XIII of the Companies Act, 1956.

- i) Company's contribution towards Provident Fund - As per rules of the Company but not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.
- ii) Gratuity - In accordance with the provisions of the Payment of Gratuity Act but shall not exceed half month's salary for each completed year of service.
- 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.

Category 'C'

- i) Free use of Company's Car with driver for Company's business.
- ii) Free mobile and telephone facility. Personal long distance calls shall be billed by the Company.
- iii) Reimbursement of all entertainment and traveling expenses actually incurred by the Managing Director for the business of the Company.

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 authorized to accept any modification(s) in the terms and conditions of the remuneration in such manner as may be suggested by any authority and acceptable to Shri V.P. Agarwal.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enter into necessary agreement on behalf of the Company with Shri V. P. Agarwal, Chairman and Managing Director of the Company on the terms and conditions as mentioned herein above or any modifications thereof as may be agreed to by the Board of Directors and acceptable to Shri V. P. Agarwal.

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

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 267, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) the conditions stipulated in schedule XIII of the said Act Shri G.L. Mohta be and is hereby re-appointed as a Whole-time Director of the Company for a period of three years w.e.f. 1st April, 2011 to 31st March, 2014 subject to the approval of Shareholders and other appropriate authorities, if any, on the following terms and conditions:-

1. Salary : Rs.2,50,000/- p.m.
(in the grade of Rs.2,50,000 - 50,000 - 3,50,000)

PRAKASH INDUSTRIES LIMITED

2. Ex-gratia in lieu of Bonus : 20% of Salary or as per rules of the Company.
3. Perquisites : In addition to the aforesaid Salary, the following perquisites would be allowed:

Category 'A'

- 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 ceiling of one month's salary.

Category 'B'

The following perquisites will not be included in the computation of the ceiling on remuneration as per Part II of Section II of Schedule XIII of the Companies Act, 1956.

- i) Company's contribution towards Provident Fund - As per rules of the Company but not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.
- 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 but not exceeding one month's leave for every completed year of service.

Category 'C'

- i) Free use of Company's Car with driver for Company's business.
- ii) Free mobile and telephone facility. Personal long distance calls shall be billed by the Company.
- iii) Reimbursement of traveling expenses actually incurred for the business of the Company.

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 any authority and acceptable to Shri G.L. Mohta.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enter into necessary agreement on behalf of the Company with Shri G.L. Mohta, Whole-time Director of the Company on the terms and conditions as mentioned herein above or any modifications thereof as may be agreed by the Board of Directors and acceptable to Shri G.L. Mohta.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take all necessary steps to implement this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 267, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956

(including any statutory modifications or re-enactment thereof, for the time being in force) the conditions stipulated in schedule XIII of the said Act Shri Vipul Agarwal be and is hereby re-appointed as a Whole-time Director of the Company for a period of three years w.e.f. 1st April, 2011 to 31st March, 2014 subject to the approval of Shareholders and other appropriate authorities, if any, on the following terms and conditions:-

1. Salary : Rs.2,50,000/- p.m.
(in the grade of Rs.2,50,000 - 50,000 - 3,50,000)
2. Ex-gratia in lieu of Bonus : 20% of Salary or as per rules of the Company.
3. Perquisites : In addition to the aforesaid Salary, the following perquisites would be allowed:

Category 'A'

- 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 ceiling of one month's salary.

Category 'B'

The following perquisites will not be included in the computation of the ceiling on remuneration as per Part II of Section II of Schedule XIII of the Companies Act, 1956.

- i) Company's contribution towards Provident Fund - As per rules of the Company but not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.
- 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 but not exceeding one month's leave for every completed year of service.

Category 'C'

- i) Free use of Company's Car with driver for Company's business.
- ii) Free mobile and telephone facility. Personal long distance calls shall be billed by the Company.
- iii) Reimbursement of traveling expenses actually incurred for the business of the Company.

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 any authority and acceptable to Shri Vipul Agarwal.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enter into necessary agreement on behalf of the Company with Shri Vipul Agarwal, Whole-time Director of the Company on the terms and

PRAKASH INDUSTRIES LIMITED

conditions as mentioned herein above or any modifications thereof as may be agreed by the Board of Directors and acceptable to Shri Vipul Agarwal."

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take all necessary steps to implement this resolution."

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

"RESOLVED THAT consent of the Company be and is hereby given in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors to mortgage/ hypothecate and/ or create charge/ pledge, etc. in addition to the mortgages/ hypothecations/ charges/ pledges created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/ or immoveable properties of the Company, both present and future and/ or the whole or any part of the undertaking(s) of the Company in favour of the Banks, Financial Institutions, Bodies Corporate, Persons or any other Lending Institutions whether situated in India or abroad, Agents and/ or Trustees for securing any loans, advances, working capital facilities, bill discounting, or any other financial assistance, fully/ partly convertible debentures and/ or secured non convertible debentures with or without detachable or non-detachable warrants or secured premium notes, floating rate notes/ bonds or any other secured debt instruments or external commercial borrowings in any form together with interest, further interest thereon, compound interest in case of default, accumulated interest, all other costs, charges and expenses payable by the Company upto a limit of Rs.3,000 Crores (Rupees Three Thousand Crores Only) in terms of Section 293(1)(d) of the Companies Act, 1956 and the documents be finalised and executed by the Company in their favour containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders/ Trustees.

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

By order of the Board
For Prakash Industries Limited

Registered Office:
15 Km. Stone,
Delhi Road,
Hissar – 125044 (Haryana)
Dated : 30th May, 2011

Manoj Agarwal
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be received by the Company at its Registered/Corporate Office not less than 48 hours before commencement of the meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
4. Register of Members and Share Transfer Books will remain closed from 27th September, 2011 to 29th September, 2011 (both days inclusive).
5. Members are requested to:
 - i) Quote their Folio/ DP and Client ID number(s) in all correspondence with the Company.
 - ii) Notify/send immediately to the Company's Registered/Corporate Office:
 - a) Change, if any, in their registered address alongwith Pin Code No.
 - b) For consolidation of their shareholding, if registered in identical names(s) or joint names in identical order in more than one folio, by sending a request letter alongwith relative share certificates.
6. The shares of the Company w.e.f. 26th February, 2001 are being traded in DEMAT form only. Those shareholders of the Company who may like to have their shares in demat form may send their shares through their respective DPs for demat.
7. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under section 109A of the Companies Act, 1956 are requested to send the prescribed Form 2B to the Corporate / Registered Office of the Company. The form 2B for the purpose would be available on demand and can be down loaded from the Company's website www.prakash.com.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members who are holding shares in demat form are therefore, requested to submit the self attested copy of the PAN card to their Depository Participants with whom they are maintaining their demat account(s). Members who are holding shares in physical form can submit their self attested copy of PAN card to the Company.
9. **Payment of dividend :**

To enable the Company to make payment of dividend through National Electronic Clearing Service (NECS)/ Electronic Clearance Service (ECS) and to provide protection against fraudulent encashment of Dividend Warrants, shareholders holding shares in physical form are requested to submit particulars of their bank account viz. name and address of the branch of the bank, 9 digit MICR code of branch, type of account and account number to the Company's office at SRIVAN, Najafgarh - Bijwasan Road, Bijwasan, New Delhi- 110061. NECS / ECS form for providing bank details is available on the Company's website www.prakash.com

PRAKASH INDUSTRIES LIMITED

Shareholders holding shares in electronic form are requested to submit particulars of their bank account to their respective depositories for payment of dividend. The Company cannot act on any request received directly from any shareholders holding shares in electronic form for bank mandates or any change of bank particulars.

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

a) **Information regarding Shri Manish Bahl proposed for re-appointment as Director:**

Shri Bahl retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Shri Bahl has been allotted Director Identification No.00054196.

Shri Bahl joined the Board of the Company in the year 1993.

Shri Bahl is a retired IAS officer having worked in various capacities in the States and Central Government. Shri Bahl was serving as Secretary to the Government of India, in the Ministry of Tourism at the time of his retirement. He has vast experience of administration.

Because of his vast experience, his re-appointment would be beneficial to the Company.

Shri Bahl is not holding Directorship in any other Company.

As on 31st March, 2011 Shri Bahl is holding 1750 equity shares of Rs.10/- each of Prakash Industries Ltd.

b) **Information regarding Shri Piyooch Goyal proposed for re-appointment as Director:**

Shri Goyal retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Shri Goyal has been allotted Director Identification No.00113772.

Shri Goyal joined the Board of the Company in the year 2009.

Shri Goyal is a young and dynamic businessman and by virtue of his experience his re-appointment would be beneficial to the Company.

Shri Goyal is holding Directorship in the following other Companies:

Directorship(s) held in other Companies

Worlds Window Impex India Pvt. Ltd.

Worlds Window Infrastructure and Logistics Pvt. Ltd.

Wone Management Systems Pvt. Ltd.

MAM Home Solutions Pvt. Ltd.

As on 31st March, 2011 Shri Goyal is not holding any equity shares of Prakash Industries Ltd.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.6

Shri V. P. Agarwal born on 24th March, 1956 is an experienced Industrialist hailing from a reputed business house. He has been the Managing Director of the Company

w.e.f. 31st July, 1980 and is thus conversant with all the facets of the working of the Company.

Under the management control and guidance of Shri V. P. Agarwal, the Company has consistently made substantial growth and improved upon its performance in all fields.

The Shareholders of the Company at the Extra-ordinary General Meeting held on 25th April, 2008 had re-appointed Shri V. P. Agarwal as a Chairman & Managing Director for a period of three years from 1st April, 2008 to 31st March, 2011 and also further revised the remuneration w.e.f. 1st April, 2009. Under the management control and guidance of Shri V. P. Agarwal, Chairman & Managing Director, the Company has consistently improved upon its performance. Considering the inflationary trend and increase in the business activities of the Company which resulted in increase in work and responsibility of Chairman & Managing Director and also the amount of remuneration being paid to the Managing Directors of similar Industries, the Board of Director of the Company deemed fit to revise the remuneration payable to Shri V.P. Agarwal, Chairman & Managing Director and re-appoint him as Chairman & Managing Director for a period of three years commencing from 1st April, 2011 to 31st March, 2014 on the terms & conditions as mentioned in the resolution.

The matter had been discussed and approved by the Managerial Remuneration Committee in its meetings held on 10th February, 2011 and 28th May, 2011 which recommended the same for the approval of the Board. The Board of Directors in their meetings held on 10th February, 2011 and 30th May, 2011 discussed, approved and recommended the re-appointment and remuneration payable as mentioned in the resolution for the approval of shareholders.

A copy of the resolution passed by the Board of Directors and draft agreement relating to re-appointment and payment of remuneration and other relevant documents are open for inspection of the members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting and also at the meeting. The above terms and conditions as set out in the said Resolution may be treated as an abstract under Section 302 of the Companies Act, 1956.

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

Your Directors recommend the resolution for your approval.

Item No.7

Shri G. L. Mohta is a Chartered Accountant by profession having experience of more than 43 years in Finance and Accounts and steel industry operations. He has been with the Company for more than 13 years and is currently a Whole time Director.

The Shareholders of the Company at the Extra-ordinary General Meeting held on 25th April, 2008 had re-appointed Shri G.L. Mohta as a Whole-time Director for a period of three years from 1st April, 2008 to 31st March, 2011. Having regard to the long experience in the working of the Company and wide knowledge and qualifications, the Board of Directors feels that the re-appointment of Shri G.L. Mohta as a Whole-time Director would be beneficial to the Company.

The matter had been discussed and approved by the Managerial Remuneration Committee in its meeting held on 10th February, 2011 which recommended the same for the approval of the Board. The Board of Directors in their meeting held on 10th February, 2011 discussed, approved and recommended the re-appointment of Shri G.L. Mohta as a Whole-time Director for a period of three years w.e.f. 1st April, 2011 on the terms & conditions as mentioned in the resolution for the approval of shareholders.

PRAKASH INDUSTRIES LIMITED

A copy of the resolution passed by the Board of Directors and draft agreement relating to re-appointment and payment of remuneration and other relevant documents are open for inspection of the members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting and also at the meeting. The above terms and conditions as set out in the said Resolution may be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors except Shri G.L. Mohta is interested in the resolution.

Your Directors recommend the resolution for your approval.

Item No.8

Shri Vipul Agarwal is a Chartered Accountant by profession having experience of more than 30 years in Finance and Accounts and commercial operations. He has been with the Company for more than 13 years and is currently a Whole-time Director.

The Shareholders of the Company at the Extra-ordinary General Meeting held on 25th April, 2008 had re-appointed Shri Vipul Agarwal as a Whole-time Director for a period of three years from 1st April, 2008 to 31st March, 2011. Having regard to the long experience of the working of the Company and wide knowledge and qualifications, the Board of Directors feels that the re-appointment of Shri Vipul Agarwal as a Whole-time Director would be beneficial to the Company.

The matter had been discussed and approved by the Managerial Remuneration Committee in its meeting held on 10th February, 2011 which recommended the same for the approval of the Board. The Board of Directors in their meeting held on 10th February, 2011 discussed, approved and recommended the re-appointment of Shri Vipul Agarwal as a Whole-time Director for a period of three years w.e.f. 1st April, 2011 on the terms & conditions as mentioned in the resolution for the approval of shareholders.

A copy of the resolution passed by the Board of Directors and draft agreement relating to re-appointment and payment of remuneration and other relevant documents are open for inspection of the members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting and also

at the meeting. The above terms and conditions as set out in the said Resolution may be treated as an abstract under Section 302 of the Companies Act, 1956.

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

Your Directors recommend the resolution for your approval.

Item No.9

The shareholders of the Company had, in their meeting held on 28th April, 2008, approved borrowings upto an amount of Rs.3,000 Crores (Rupees Three Thousand Crores Only) and authorised the Board to borrow funds from time to time, for the business of the Company.

The Company has to secure the borrowings by way of mortgage, hypothecation, charge, etc. as may be required by the lenders. Since the Company had already increased the borrowing limit to Rs.3,000 Crores (Rupees Three Thousand Crores Only), approval is sought from the shareholders in terms of Section 293(1)(a) of the Companies Act, 1956, for securing the borrowed funds upto Rs.3,000 Crores (Rupees Three Thousand Crores Only) by way of hypothecation, mortgages, charges etc. on the movable and immovable properties of the Company. The Board considered this matter in its meeting held on 30th May, 2011.

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

Your Directors recommend the resolution for your approval.

By order of the Board
For Prakash Industries Limited

Registered Office:
15 Km. Stone,
Delhi Road,
Hissar – 125044 (Haryana)
Dated : 30th May, 2011

Manoj Agarwal
Company Secretary

PRAKASH INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 30th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

	(Rs. in Crores)	
	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Net Sales & Other Income	1,672.82	1,570.70
EBIDTA	349.26	360.15
Depreciation	67.25	56.79
Financial Expenses	5.70	25.49
Expenses Amortised	2.70	2.69
	<u>273.61</u>	<u>275.18</u>
Liabilities written back	-	21.38
Exceptional items	-	(23.31)
Profit before tax	<u>273.61</u>	<u>273.25</u>
Provision for Taxes	6.53	7.09
Profit after tax	<u>267.08</u>	<u>266.16</u>
Balance brought forward	13.16	7.00
	<u>280.24</u>	<u>273.16</u>
Transfer to General Reserve	250.00	260.00
Proposed Dividend	13.45	-
Tax on Dividend	2.18	-
Carried over to next year	<u>14.61</u>	<u>13.16</u>

PERFORMANCE

During the year under review, the Company has achieved net revenue of Rs. 1,673 crores as against Rs.1,571 crores in the previous year. After providing for interest, depreciation and tax, the net profit of the Company stands at Rs. 267 crores during the year under review as against Rs. 266 crores in the previous year.

OPERATIONAL REVIEW

Your Directors have pleasure to inform you that during the year under review the performance of the Integrated Steel Plant of the Company with capacities for Sponge Iron, Steel Melting, Ferro Alloys and Power Generation has been satisfactory. The Sponge iron production has registered an impressive growth largely due to capacity expansion which was completed in the later part of the previous financial year

The Wire Rod Division of the Company has continued to give impressive performance primarily due to strong positioning of the Company's product in the market. The Captive Coal mining operations have also performed exceedingly well during the year resulting into substantial cost reduction. Rigid PVC Pipes Division has further improved upon the performance and has achieved highest ever production during the year.

FUTURE PROSPECTS

The Company is further enhancing its sponge iron capacity by commissioning an additional module during the current financial year. The Company is in the midst of a major expansion in the Power generation capacity and is implementing a total capacity of 625 MW in a phased manner. The first phase of the project is getting

completed and is expected to be commissioned by the next quarter. The subsequent phases have been taken for implementation and will be completed in due course of time.

The Company has been making continuous efforts to become self-reliant in iron ore supplies. In this direction, various steps have been taken so that the Company's iron ore mines may get started soon. The Company has firmed up plans to improve upon the capacity utilization in the Heavy Structural and TMT Divisions of the Company in the current financial year. These steps along with capacity addition in the Sponge Iron and Power generation are expected to improve upon the operating margins of the Company substantially in the current financial year.

ENVIRONMENT AND SOCIAL RESPONSIBILITY

Company has always been committed towards its employees and the society by providing them a green and clean environment. It is focussed to reduce the pollutants and their impact on the environment on a continuous basis through controls on process, resource consumption, technology and adoption of environmental safe practises in addition to compliance of all relevant and applicable environmental legislations and regulations. With safety, health and environment protection high on its corporate agenda, the company is committed to conducting business with a strong environment conscience, so as to ensure sustainable development, safe work places and improve the quality of life of its employees, customers and the community.

The Company believes in being proactive in achieving a balance between growth and social needs. The company has been continually supporting innumerable social and community initiatives, which has touched the lives of number of people positively in the surrounding areas by supporting environmental and health-care activities, family welfare, social, cultural and educational programmes, providing employment opportunities and recreational facilities.

SHARE CAPITAL

During the year under review, the equity share capital of the Company has increased by 1,27,94,800 equity shares of Rs. 10 each pursuant to conversion of Foreign Currency Convertible Bonds and equity warrants.

DIRECTORS

In accordance with the provisions of section 256 of the Companies Act, 1956, Shri Manish Bahl and Shri Piyoosh Goyal are liable to retire by rotation at the ensuing Annual General Meeting. They are eligible for re-appointment and offer themselves for re-appointment.

The terms of appointment of Shri V.P. Agarwal, Chairman and Managing Director and Shri G.L. Mohta and Shri Vipul Agarwal, Whole-time Directors is expiring and they are being re-appointed.

Appropriate resolutions for the re-appointment of the aforesaid Directors are being moved at the ensuing Annual General Meeting which the Board recommends for your approval.

DIVIDEND

The Board has recommended dividend @ 10% per Equity Share on the 13,44,88,514 Equity Shares of Rs.10 each of the Company for the year ended 31st March, 2011, subject to the approval of the Members at the ensuing Annual General Meeting.

FIXED DEPOSITS

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

PRAKASH INDUSTRIES LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i). That in the preparation of the annual accounts for the financial year ended 31st March, 2011 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

AUDITORS

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

AUDITORS' OBSERVATIONS

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

PARTICULARS OF EMPLOYEES

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

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

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

CORPORATE GOVERNANCE

The significance of Corporate Governance has always been recognized by the Company. A separate report on Corporate Governance and Management Discussion and Analysis alongwith a certificate from the Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is attached and forms part of this Report.

ACKNOWLEDGEMENT

Your Directors take this opportunity to offer their sincere thanks to shareholders, various departments of Central and State Governments, Financial Institutions, Banks, Customers and Suppliers for their continued support and look forward to having the same support in all our future endeavours.

Your Directors place on record their sincere appreciation of the dedicated and significant contribution made by officers, staff and workers of the Company at all levels and look forward to their continued support.

By Order of the Board

Place : New Delhi
Dated : 30th May, 2011

V. P. Agarwal
Chairman & Managing Director

PRAKASH INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Developments

The Steel Industry has entered into the current fiscal on a promising note. Based on the estimates and studies, the India's steel industry will record a compound annual growth rate (CAGR) of close to 10% during 2010-13 in view of government proactive incentive plans to boost economic growth by injecting funds in various industries, such as construction, infrastructure, automobile, and power. Further, Steel consumption in India is expected to grow significantly in coming years as per capita finished steel consumption is far less than its regional counterparts. India has already stepped up to be the fourth largest producer of steel in the world with its total steel production of close to 78 Million MT in 2011 and is aiming for the number two position by 2015. In the recent times, the Indian Steel industry has earned a central position in the global steel market with global acquisitions, continuous modernization, improving energy efficiency, and backward integration into global raw material sources. On the whole, the outlook for the domestic operating environment is positive, driven by robust growth in infrastructure, power, autos and construction.

Opportunities and Threats

Although the Indian Steel Industry has stepped up to 4th position in the tally of the steel producers across the globe, the per capita steel consumption in the country still continues to be as low as 40 kgs in urban India and 2 kgs in rural India as against average consumption of close to 350 kgs in developing countries. Government policies have been framed to more than double the steel consumption by 2020. The outlook for the Indian Steel Industry appears to be bright in the coming years due to its strong domestic economy, massive infrastructure needs and expansion of industrial production. However, the only area of concern are the impediments in the growth potential on account of rising input cost, which may impact the cost structure of the infrastructure projects and other major users of steel.

In the present industry scenario, the key to the success and growth of steel players lie in the level of integration, which is achieved by them in their operations. Power, Iron ore and coal are the three key inputs for manufacturing steel. Your Company has been making concerted efforts to become self reliant with respect to these inputs. In this direction, significant success has been achieved by procuring coal mines to meet its requirement of coal. Also, it is operating captive power plant to meet the power requirement of its steel operations. Further, the Company is in the process of implementing additional power capacities to take care of its existing gap in the power requirement. However, the only concern for the Company continues to be the sourcing of iron ore, which is another major input in steel making and constitutes significant portion of the cost. The iron ore prices have continued to spiral during the year under review, which affected the steel margins. In order to mitigate the impact of iron ore on the working of the Company, the Company has got itself sanctioned captive iron ore mines, however, the inordinate delays in regulatory approvals is a major concern before the mines become operational.

Segment Wise / Product Wise Performance / Outlook

Steel, Power and Mining are the core areas of operations for the Company. The performance of the integrated steel and power operations of the Company were satisfactory during the year. The sponge iron has shown impressive growth in production contributing substantially to cost reduction in the steel operations. Power generation has also gone up and the division has achieved highest ever generation during the year. The Wire Rod Division of the Company continued to witness strong market demand, and has contributed significantly to the bottom line. Captive coal mining operations continued at optimal level throughout the year. Company is also into manufacture of Rigid PVC Pipes which has further improved upon the performance and achieved highest ever production levels.

Risks and Concerns

Risks management is a structured and disciplined approach to identify and manage the risks the Company may face. The cyclic nature of the steel industry is one of the major concerns to the Company. In order to counteract this, the Company has made foray into power, where the cashflows and profits are steady. In view of the positive growth forecasts in the Power Sector and considering the huge gap in the existing demand supply situation, there are immense growth opportunities in the sector, as such no potential risk is envisaged.

In addition to this, managing uninterrupted supply of raw material is another major concern. In this direction, the Company has already insulated itself against the probable swings in prices of coal and power. Iron ore still continues to be an area of concern, since the iron ore prices have been witnessing highly volatile trend coupled with short supplies. The Company has been allotted captive mines in the states of Orissa and Chhattisgarh, which, once operational shall make the Company fully self reliant regarding raw materials.

Important factors that could make a difference to the Company's operations include, among others, raw material availability, economic conditions affecting demand and price conditions in the markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Internal Control System and their Adequacy

The Internal Control System is aimed at sound and efficient management and achieving Company's objectives by assuring the adequacy of the Company's processes with reference to their effectiveness and efficiency, ensuring the soundness, integrity and fairness of the accounting and financial reporting system, preserving the corporate assets, compliance of the applicable laws, rules and regulations, laying down policies, guidelines, authorities and approval procedures for all the important functions of the Company.

The Company has adequate internal control systems which is commensurate with its size and nature of business. The Company has Independent Internal auditors which regularly carry out comprehensive audit covering all the functional areas on a quarterly basis and verify and evaluate the effectiveness of the controls. The Internal Audit reports are placed before the Audit Committee of the Board of Directors to review and suggest improvements to strengthen the controls. Annual Budgets are prepared and the actual performance is evaluated and effective steps are taken to rectify the shortfalls. The Internal Control system is reported to be adequate by the Statutory Auditors also in their report.

Human Resources / Industrial Relations

The Company has aptly followed its approach to maintain cordial Industrial Relations at all the levels as it firmly believes that human resource plays a significant and vital role in the growth of an organisation. The Company has a full fledged team of core professional and technical experts which helps the employees to develop their skills, update their knowledge and promote job satisfaction by conducting training sessions and workshops on a regular basis. The Company ensures that good working environment and all necessary amenities are provided to the staff both at their work and residential premises. Company has set up recreational facilities, clubs, temples and medical aid at the townships to take care of the needs of the employees. Company ensures compliance of all regulatory and statutory laws applicable to the factories. All possible safety measures are followed to ensure the safety of the work force. The Company believes in creating a warm and friendly atmosphere in future also which shall help it to retain its employees and nurture their career growth.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance has been a continuous journey and the business goals of the Company are aimed at overall well being and welfare of all the constituents. The Company has always believed in adopting best practices of Corporate Governance to maximize the interest of the shareholders with those of other stakeholders viz. customers, investors, business associates, employees, financiers as well as society at large. The Company is fully committed and continues to follow the procedures and practices in conformity with the Code of Corporate Governance contained in the listing agreements. The adoption of such corporate practice ensures accountability of the persons incharge of the Company and the endeavours are to improve on these aspects on an ongoing basis.

2. BOARD OF DIRECTORS

i) a) Composition

The Company Board is broad based consisting of nine Directors headed by an Executive Chairman who is also the Managing Director of the Company. There is one Joint Managing Director also and two Whole-time Directors besides five Non-Executive Independent Directors. The size and composition of the Board therefore conforms with the requirements of Corporate Governance Report under the Listing Agreement with the Stock Exchanges. The Board comprises of eminent persons with considerable professional experience in varied fields.

b) Board Functioning and Procedures

The Board plays a crucial role in ensuring good governance. The decisions are taken on the basis of consensus arrived at after detailed discussion. The Board members are free to bring up any matter for discussion at the Board Meetings.

The Board continued its pursuit by adopting appropriate corporate strategies and prudent business plans. Adequate monitoring system was followed to safeguard against major risk and to ensure implementation of policies and procedures to satisfy its legal, social and ethical responsibilities.

ii) Attendance of each Director at the Board meetings & last Annual General Meeting during the year 2010-11 and number of other Directorships and committee memberships/ chairmanships held in other Companies:

S.No.	Name of Directors and their DIN No.	Category	No.of Board Meetings Attended	Last AGM Attended	No. of Directorships held in other Companies		No. of Committee positions held in others Companies	
					Chairman	Director	Chairman	Member
1.	Sh.V.P.Agarwal Chairman & Managing Director DIN No.00048907	Executive & Promoter	5	No	-	-	-	-
2.	Sh. Vikram Agarwal Joint Managing Director DIN No.00054125	Executive & Promoter	5	Yes	-	2	-	-
3.	Dr. S.L. Keswani DIN No.00190790	Non-executive & Independent	5	Yes	-	9	1	2
4.	Dr. Ram K. Vepa DIN No.00054160	Non-executive & Independent	4	No	-	-	-	-
5.	Sh.K.C. Mehra DIN No.00128733	Non-executive & Independent	5	No	-	2	2	-
6.	Sh.Manish Bahl DIN No.00054196	Non-executive & Independent	5	No	-	-	-	-
7.	Sh.Piyooosh Goyal DIN No.00113772	Non-executive & Independent	1	No	-	4	-	-
8.	Sh.G.L.Mohta DIN No.00054171	Executive	5	Yes	-	-	-	-
9.	Sh. Vipul Agarwal DIN No.00010147	Executive	5	Yes	-	2	-	-

PRAKASH INDUSTRIES LIMITED

iii) Pecuniary Relationship

Independent Directors viz. Dr. S. L. Keswani, Dr. Ram K. Vepa, Sh. K. C. Mehra, Sh. Manish Bahl and Shri Piyoosh Goyal do not have any pecuniary relationships or transactions with the Company except for the sitting fees drawn for attending the meetings of the Board and Committee(s) thereof.

iv) No. of Board Meetings

During the year 2010-2011 five Board Meetings were held on 23rd April, 2010, 28th May, 2010, 6th August, 2010, 12th November, 2010 and 10th February, 2011. The maximum gap between any two meetings was not more than four months.

Details of the Board meetings are as under:

S.No.	Date of Board Meeting	Board Strength	No. of Directors present
1	23.04.2010	9	9
2	28.05.2010	9	8
3	06.08.2010	9	7
4	12.11.2010	9	8
5	10.02.2011	9	8

3. COMMITTEES OF THE BOARD OF DIRECTORS:

a) AUDIT COMMITTEE

i) Terms, composition, names of members and chairman

The terms of reference of the Committee cover the matters specified for the Audit Committee under clause 49 of the Listing Agreement as well as those mentioned in section 292A of the Companies Act, 1956.

The Committee comprises of five members and majority of them are Independent Directors. Dr. S.L. Keswani (independent / non-executive Director) is the Chairman of the Audit Committee, Dr. Ram K. Vepa, Shri K. C. Mehra, Shri Manish Bahl (all independent Directors) and Shri Vikram Agarwal (Joint Managing Director) are the members of the Audit Committee.

ii) No. of Audit Committee Meetings

The Audit Committee met four times during the year 2010-11 on 28th May, 2010, 6th August, 2010, 12th November, 2010 and 10th February, 2011 and attendance was as under:-

S. No.	Name of Director	Status	Meetings Attended
1.	Dr. S.L. Keswani	Chairman	4
2.	Dr. Ram K. Vepa	Member	3
3.	Sh. K.C. Mehra	Member	4
4.	Sh. Manish Bahl	Member	4
5.	Sh. Vikram Agarwal	Member	4

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

b) REMUNERATION COMMITTEE

i) Terms, composition, names of members and chairman

The Board of Directors had constituted a Remuneration Committee in the year 2002.

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

The Committee comprises of Dr. S.L. Keswani (independent / non-executive Director) as the Chairman of the Managerial Remuneration Committee and Shri K. C. Mehra and Shri Manish Bahl (both independent / non-executive Directors) are members of the Managerial Remuneration Committee of the Board of Directors.

During the year two meetings of the Committee were held on 10th February, 2011 and 28th May, 2011 wherein the remunerations of Shri V.P. Agarwal, Chairman and Managing Director, Shri G.L. Mohta, and Shri Vipul Agarwal, Whole-time Directors were considered and recommended to the Board.

ii) Details of remuneration / sitting fee paid to Directors for the period from 1st April, 2010 to 31st March, 2011:

(Rs. in Lacs)

S.No.	Name of Director	Salary	Perquisites	Sitting Fee
1.	Sh.V.P. Agarwal (Managing Director)	144.00	17.28	N.A.
2.	Sh.Vikram Agarwal (Joint Managing Director)	10.05	1.21	N.A.
3.	Dr.S.L.Keswani	Nil	Nil	2.55
4.	Dr.Ram K.Vepa	Nil	Nil	2.10
5.	Sh.K.C.Mehra	Nil	Nil	1.95
6.	Sh.Manish Bahl	Nil	Nil	1.95
7.	Sh.Piyoosh Goyal	Nil	Nil	0.15
8.	Sh.G.L.Mohta (Whole time Director)	24.00	7.83	N.A.
9.	Sh.Vipul Agarwal (Whole time Director)	24.00	7.82	N.A.

iii) Details of Service Contracts of Directors:

S. No.	Name of Director	Period of Contract	Date of Re-appointment	Notice Period
1.	Shri V.P. Agarwal	3 years	01.04.2011	Nil
2.	Shri G.L. Mohta	3 years	01.04.2011	One month
3.	Shri Vipul Agarwal	3 years	01.04.2011	One month
4.	Shri Vikram Agarwal	3 years	01.02.2009	Nil

PRAKASH INDUSTRIES LIMITED

iv) **Details of shareholding of non-executive Directors in the Company as on 31st March, 2011 :**

S.No.	Name of Director	No. of shares held
1.	Dr. S.L. Keswani	12000
2.	Dr. Ram K. Vepa	3281
3.	Shri K.C. Mehra	Nil
4.	Shri Manish Bahl	1750
5.	Shri Piyoosh Goyal	Nil

c) **SHARE-CUM-DEBENTURE TRANSFER COMMITTEE**

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

The Committee consists of Shri V.P. Agarwal, Chairman and Managing Director of the Company as Chairman and Shri Vipul Agarwal, Whole-time Director as member of the Committee.

The Company complies with requirements of the listing agreements and those of Depositories with respect to transfer of shares. The requisite certificates are sent to the transferees within the prescribed time.

Compliance Officer:

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

d) **SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE**

The Board has also constituted a shareholders/investors grievances Committee. The Committee has the mandate to review and redress the grievances of shareholders/investors. The Committee met four times during the year 2010-11 on 23rd April, 2010, 24th July, 2010, 30th October, 2010 and 29th January, 2011 and attendance of members at the meeting was as follows:

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

Compliance Officer : Shri Manoj Agarwal
Company Secretary

No. of shareholders/ investors complaints received upto 31st March, 2011 : 34

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

No. of pending complaints : Nil

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

e) **ALLOTMENT COMMITTEE**

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

The Committee met three times during the year 2010-11 on 17th April, 2010, 29th April, 2010 and 1st January, 2011 and attendance of members at the meeting was as follows:

S.No.	Name of Director	Status	Meetings Attended
1.	Dr. S.L.Keswani	Chairman	3
2.	Dr. Ram K. Vepa	Member	3
3.	Sh K.C. Mehra	Member	3
4.	Sh. Manish Bahl	Member	3

4. **CODE OF CONDUCT**

The Company has adopted a Code of Conduct for all Directors and Senior Management personnel including functional heads of the Company. The essence of the code is to conduct the business of the Company in honest and ethical manner in compliance with applicable laws. The Code of Conduct has been posted on 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 Chairman and Managing Director is given below:

"In terms of Clause 49-I(D) of the Listing Agreement it is hereby declared that all the Directors and Senior Management personnel including functional heads have affirmed compliance of the Code of Conduct of the Company for the financial year 2010-11"

Place : New Delhi

Date : 30th May, 2011

V.P. Agarwal

Chairman and Managing Director

5. **GENERAL BODY MEETINGS**

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

Year	Date & Time	Details of Special Resolution
2009-2010	14.08.2010 at 12.30 p.m.	- Amendment in Authorised Share Capital clause of the Memorandum and Articles of Association of the Company
2008-2009	01.08.2009 at 12.30 p.m.	- Issue of ADRs /GDRs, FCCBs and other equity linked instruments

PRAKASH INDUSTRIES LIMITED

- Increasing the limit of shareholding of FII's
- Revising the remuneration of Chairman and Managing Director

2007-2008 27.09.2008 at 12.30 p.m. Nil

6. DISCLOSURES

- i) 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.
- ii) During the last three years, there were no strictures made or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authorities on any matter relating to the capital market.
- iii) There is a proper policy to look into the grievances of the personnel of the Company and no person has been denied access to the Audit Committee.
- iv) The Company has generally complied with all mandatory requirements of Clause 49 of the Listing Agreement to the extent these apply to the Company. The Company has also adopted non-mandatory requirements relating to Remuneration Committee and Whistle Blower Policy.

7. MEANS OF COMMUNICATIONS

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

8. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting:

Date & Time 29th September, 2011 at 12.30 p.m.
Venue 15 Km. Stone, Delhi Road, Hissar-125044

b) Financial Calendar for 2011-12:

- i) First quarter results upto 14th August, 2011
- ii) Second quarter results upto 15th November, 2011
- iii) Third quarter results upto 15th February, 2012
- iv) Fourth quarter / Annual results upto 15th / 30th May, 2012

c) **Book Closure :** 27th September, 2011 to 29th September, 2011
(both days inclusive)

d) Payment of Dividend:

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

e) Stock Exchanges where listed:

i) Equity Shares

S.No.	Name of the Stock Exchange	Stock Code
1.	Bombay Stock Exchange 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

ii) Foreign Currency Convertible Bonds (FCCBs):

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

ISIN No. for FCCBs : XS0458122602 and XS0505342864

f) Market Price Data :

Market price of Company's Equity Share of Rs.10 each during the year from April, 2010 to March, 2011 at Bombay Stock Exchange (BSE) and National Stock Exchanges (NSE) are given below:

(Rs.)

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April, 2010	243.95	217.55	243.55	216.15
May, 2010	236.00	156.00	228.00	158.20
June, 2010	175.90	139.00	176.05	147.10
July, 2010	193.40	161.50	193.40	161.20
August, 2010	191.85	169.10	192.00	169.20
September, 2010	185.20	153.70	185.00	154.20
October, 2010	175.05	140.80	175.50	140.15
November, 2010	155.00	99.25	155.30	99.55
December, 2010	124.30	97.05	124.80	97.25
January, 2011	132.40	90.10	133.00	90.60
February, 2011	105.30	70.65	105.80	70.10
March, 2011	87.50	72.50	87.50	72.40

PRAKASH INDUSTRIES LIMITED

g) Distribution of Shareholding (as on 31st March, 2011)

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Upto 5000	49595	88.31	7939827	5.90
5001 - 10000	3454	6.15	2709732	2.01
10001 - 20000	1501	2.67	2279935	1.70
20001 - 30000	473	0.84	1200886	0.89
30001 - 40000	230	0.41	829771	0.62
40001 - 50000	170	0.30	801214	0.60
50001 - 100000	319	0.57	2292602	1.70
100001 – above	419	0.75	116434547	86.58
Total	56161	100.00	134488514	100.00

h) Shareholding Pattern (as on 31st March, 2011)

Category	No. of Shares	% of Shares Holding
Promoters & Promoter Group	61740503	45.91
Mutual Fund / UTI	4348864	3.23
Financial Institutions / Banks	3785	0.00
Insurance Companies	739666	0.55
Foreign Institutional Investors	16457315	12.24
Bodies Corporate	28740691	21.37
NRIs/OBCs	715527	0.53
Public (Individuals)	21742163	16.17
Total	134488514	100.00

i) Registrar and Transfer Agents

The Company is doing transfer / split / consolidate / 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 pertaining to shares in physical form are registered and returned within the stipulated time, if documents are clear in all respects.

k) Dematerialisation of Shares :

The Company has arrangements with both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and established electronic connectivity of shares for scripless trading. As on 31st March, 2011; 83.58% of Equity Shares of the Company were held in dematerialized form.

l) Listing Fee :

The Company has paid the listing fees upto the year 2011-12 of Bombay and National Stock Exchanges where the shares of the Company are being traded.

m) Outstanding Warrants Convertible in to equity shares

There is no outstanding Convertible Warrants.

n) Outstanding Foreign Currency Convertible Bonds (FCCBs)

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

The position of outstanding FCCBs as on 31st March 2011 is as under :

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

* If converted fully the equity capital is likely to increase by Rs.4.69 crores

** If converted fully the equity capital is likely to increase by Rs.11.32 crores

o) Plant Locations :

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

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

Prakash Industries Ltd.

SRIVAN,
Bijwasan,
New Delhi – 110061.

Ph. : (011) - 28062115, 28063838

Fax. : (011) - 28062119

Website : www.prakash.com

E-mail : investorshelpline@prakash.com

q) Whistle Blower Policy

The Company has placed locked boxes at appropriate places in the plant wherein complaints / suggestions can be dropped by any employee which are properly considered by the Management.

PRAKASH INDUSTRIES LIMITED

Compliance Certificate from the Practising Company Secretary on Corporate Governance

To
The Members of
Prakash Industries Limited

We have examined the compliance of conditions of corporate governance by Prakash Industries Limited, for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said clause of the Listing Agreement.

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

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

**For I.D. Sharma & Associates
Company Secretaries**

Place : New Delhi
Dated : 30th May, 2011

**I.D. Sharma
Proprietor
C.P. No.7369**

PRAKASH INDUSTRIES LIMITED

ANNEXURES OF THE DIRECTORS' REPORT

ANNEXURE "A" FORMING PART OF THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

Sr. No.	Name	Age (Years)	Qualifications	Experience (Years)	Designation/ Nature of Duties	Remuneration (Rs.)	Date of Commencement of Employment	Particulars of last Employment
A. Employed throughout the financial year under review and were in receipt of remuneration for the year in aggregate not less than Rs 60,00,000/- per annum :								
1.	Sh.V.P.Agarwal	55	B.Com.	32	Chairman & Managing Director	1,61,28,000	01.01.1981	Surya Roshini Limited

ANNEXURE "B" FORMING PART OF THE DIRECTORS' REPORT

PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED 31ST MARCH, 2011.

CONSERVATION OF ENERGY

Your Company is committed to conserve the energy by using cost effective and energy efficient equipments, by waste heat recovery from waste gases wherever possible, by benchmarking the energy consumption norms , by carrying out regular energy audits to identify new areas, where further energy conservation is possible, by promoting use of usable solid waste as fuel in various operations and by optimizing energy consumption in operations using effective operation and maintenance practices, setting energy norms for every stage of operation and regular training of employees in energy conservation practices.

In line with the energy policy of the Company, energy audit is carried out by the Company every year through best energy auditors like Confederation of Indian Industry (CII) with following objectives -

- * To compare the existing energy efficiency levels in the plant with available national standards in similar industry.
- * To identify the areas requiring efforts to be put to improve the energy efficiency in various operations.
- * To cultivate energy saving habits among the employees through regular energy auditing.

Your Company has always believed in maximum energy conservation through the participation of its employees at every level and to ensure this Company has already taken substantial steps for certification of its energy management system as per standard EN-16001 of BSI.

INFORMATION AS PER PRESCRIBED FORM 'A' :

	Billets Division		Rolling Mills Division		Wire Rod Mill Division	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
(A) Power and Fuel Consumption						
1. Electricity Purchased*						
Units in Lacs	729	704	46	69	531	521
Total Amount (Rs./Lacs)	2,124	2,621	173	281	1774	1652
Rate/Unit (Rs.)	2.91	3.72	3.71	4.07	3.34	3.17
* excluding transfer of power from the Power plant of the Company.						
2. Furnace Oil						
Quantity (K.Ltrs.)	295	288	576	1,773	3,722	3,786
Total Amount (Rs./Lacs)	85	73	168	390	1,005	871
Average Rate (Rs.)	28,922	25,329	29,171	24,977	27,002	25,004

PRAKASH INDUSTRIES LIMITED

(B) Consumption per unit of production

Product		Steel Ingot/Billets Division		Steel Rolling Mill Division		Wire Rod Mill Division	
		2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Electricity (KWH)	Units	894	857	117	97	112	129
Furnace Oil	Ltrs.	0.60	0.57	15	25	11	9

TECHNOLOGY ABSORPTION

A) Research & Development (R&D)

a) **Specific areas in which R&D carried out by the Company:** The Company has always emphasized on Research and Development in various areas to make the products cost effective as well as to develop a system for identifying areas where continual improvement can lead to over all improvement particularly lower cost of production, better productivity, better efficiencies and optimum human resource utilization.

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

- (i) waste water recycling and reutilization to achieve the over all target of zero discharge from the plant boundary by utilizing the unutilized waste water for water spraying on roads and for recharge of the ground levels through Rain water harvesting.
- (ii) improvement in energy management using energy efficient techniques.
- (iii) raw material /Fuel mix of various products
- (iv) plantation of variety of species e.g. Saal in reclaimed land at Chotia Coal Mines
- (v) overall cost effectiveness through WCM projects planned and executed in house

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

Company has experienced multiple benefits through various R&D activities including cost reduction, higher productivity, improved efficiency and optimum utilization of human resources.

c) **Future Plan of Action :**

Company has initiated many WCM Projects which are developed in house to achieve cost reduction and higher productivity in various manufacturing units which is a continual process. The company has also planned to Six Sigma projects for further improvement in the cost effectiveness and increase in productivity. Apart from this we have also strengthened our R&D cell which will lead to more R&D projects in the company with participation of all employees on concept of "5 S".

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

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

B) Technology Absorption, Adaption & Innovation :

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

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

c) **Particulars of Technology Imported during last 5 years :**

Technology Imported	Year of Import	Has Technology been fully absorbed.
Nil	Nil	Nil

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 (Rs. in lacs)	Previous Year (Rs. in lacs)
i) Foreign exchange used	2,817	1,667
ii) Foreign exchange earned	-	-

AUDITORS' REPORT

To,
The Members of
PRAKASH INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Prakash Industries Ltd. as at 31st March, 2011 and the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted audit in accordance with Auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Government of India in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we annex here to a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. *As stated in Note No.6, in terms of a Court order, the deferred tax liability for the year has been adjusted against Securities Premium account. Had the deferred tax liabilities for the year been accounted for pursuant to Accounting Standard-22'Accounting for Taxes on Income', profit after tax for the year would have been lower by Rs. 302.30 lacs;*
5. *As stated in Note No.1(i), the provision of tax made by the Company is subject to assessment by the tax authorities and set off of MAT credit entitlement is subject to availability of taxable income of the Company in future, as per the provisions of the Income Tax Act, 1961.*
6. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) *Subject to our comments in para 4 above, in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the mandatory Accounting Standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.*
 - e) On the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Subject to our comments in para 4 above and their consequential impact on the profit for the year, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

for CHATURVEDI & PARTNERS
Chartered Accountants
Registration No. 307068E

New Delhi
30th May, 2011

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

PRAKASH INDUSTRIES LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PRAKASH INDUSTRIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011.

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

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

Nature of the dues	Amount (Rs. in lacs)	Forum where the dispute is pending
Excise Duty	189.93	Appellate Authority- Commissioner
	6.29	Appellate Authority- Dy. Commissioner
	0.11	Appellate Authority- Asst. Commissioner
	33.95	CESTAT, New Delhi
	5.09	Appellate Authority- Jt. Commissioner
	28.56	Appellate Authority- Commissioner
Energy Cess	531.00	Supreme Court of India

10. The Company has no accumulated losses as at 31st March, 2011. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank during the year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.

PRAKASH INDUSTRIES LIMITED

14. In our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made in respect of Company's dealings in its investments. The investments held by the Company as at 31st March, 2011 are in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans taken by the Company during the year have been applied for the purpose for which they were obtained, other than temporary deployment pending application.
17. According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we are of the opinion that the Company has not raised any funds on short-term basis, which have been used for long-term investments.
18. The Company has not made any preferential allotment of shares during the year to the parties and companies covered in the Register maintained under Section 301 of the Company Act, 1956.
19. The Company has not issued any debentures during the year under review.
20. The Company has not raised any money by way of public issue during the year under review.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

for CHATURVEDI & PARTNERS
Chartered Accountants
Registration No. 307068E

New Delhi
30th May, 2011

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

PRAKASH INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31st March, 2011		As at 31st March, 2010	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds :					
Share Capital	1	1,34,48,85,140		1,21,69,37,140	
Equity Share Warrants		-		65,18,35,000	
Reserves & Surplus	2	<u>15,84,29,85,106</u>	<u>17,18,78,70,246</u>	<u>12,43,92,33,163</u>	14,30,80,05,303
Loan Funds :					
Secured Loans		3,29,05,64,500		1,02,97,58,020	
Unsecured Loans		<u>3,47,55,18,000</u>	<u>6,76,60,82,500</u>	<u>1,27,16,34,000</u>	2,30,13,92,020
Deferred Tax Liabilities (Net)			<u>80,20,64,513</u>		<u>77,18,34,432</u>
			<u>24,75,60,17,259</u>		<u>17,38,12,31,755</u>
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		18,26,41,05,332		17,82,85,15,313	
Less : Depreciation		<u>7,80,19,03,866</u>		<u>7,08,18,36,666</u>	
		10,46,22,01,466		10,74,66,78,647	
Add : Capital work in progress		<u>8,76,53,02,532</u>	<u>19,22,75,03,998</u>	<u>3,02,62,58,049</u>	13,77,29,36,696
Investments	5		27,02,31,670		2,21,83,230
Current Assets, Loans & Advances	6				
Inventories		1,62,38,75,030		1,01,89,16,405	
Sundry Debtors		86,43,36,660		82,00,93,189	
Cash & Bank Balances		63,00,40,490		1,01,78,47,554	
Loans and Advances		<u>3,98,37,87,408</u>		<u>2,36,95,96,877</u>	
		<u>7,10,20,39,588</u>		<u>5,22,64,54,025</u>	
Less : Current Liabilities & Provisions	7				
Current Liabilities		1,04,69,54,542		1,02,32,63,562	
Provisions		<u>1,29,20,04,216</u>		<u>78,10,82,602</u>	
		<u>2,33,89,58,758</u>		<u>1,80,43,46,164</u>	
Net Current Assets			4,76,30,80,830		3,42,21,07,861
Miscellaneous Expenditure	8		49,52,00,761		16,40,03,968
(To the extent not written off or adjusted)					
			<u>24,75,60,17,259</u>		<u>17,38,12,31,755</u>
Significant Accounting Policies and Notes on Accounts	16				

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

(L.N. Jain)
Partner

For and on behalf of the Board

NEW DELHI
30th May, 2011

Manoj Agarwal
Company Secretary

Vipul Agarwal
Whole - time Director

G.L.Mohta
Whole - time Director

V.P. Agarwal
Chairman & Managing Director

PRAKASH INDUSTRIES LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	This Year Rs.	Previous Year Rs.
INCOME			
Sales		18,21,14,86,407	16,90,76,41,994
Less:Excise duty		1,57,05,31,843	1,23,10,74,185
Net Sales		16,64,09,54,564	15,67,65,67,809
Other income	9	8,73,27,843	3,04,83,996
Liabilities written back		-	21,37,50,000
		<u>16,72,82,82,407</u>	<u>15,92,08,01,805</u>
EXPENDITURE			
Raw Material consumed		10,08,86,31,331	8,95,10,35,446
(Increase)/Decrease in stocks	10	(2,04,61,808)	(4,49,28,442)
Manufacturing and operating expenses	11	1,88,17,85,986	1,95,12,25,599
Personnel expenses	12	77,79,31,825	68,07,15,476
Administrative expenses	13	20,91,08,525	20,07,83,729
Selling and distribution expenses	14	29,87,38,095	36,67,23,941
Financial expenses	15	5,69,64,481	25,48,00,153
Depreciation		67,25,02,246	56,78,66,582
Exceptional items		-	23,30,58,236
Expenses amortised		2,69,61,268	2,69,61,268
		<u>13,99,21,61,949</u>	<u>13,18,82,41,988</u>
Profit before Tax		2,73,61,20,458	2,73,25,59,817
Provision for Tax			
- Current Tax		54,53,22,488	46,43,98,541
- Wealth Tax		62,428	41,120
- Tax for earlier years		36,36,974	81,82,037
- Minimum Alternate Tax Credit Adjustment		(48,36,89,824)	(40,16,78,342)
Net Profit for the year		2,67,07,88,392	2,66,16,16,461
Balance brought forward		13,16,42,057	7,00,25,596
Profit available for appropriation		<u>2,80,24,30,449</u>	<u>2,73,16,42,057</u>
APPROPRIATIONS			
Transfer to General Reserve		2,50,00,00,000	2,60,00,00,000
Proposed Dividend on Equity Shares		13,44,88,514	-
Tax on Dividend		2,18,17,400	-
Balance Carried to Balance Sheet		<u>14,61,24,535</u>	<u>13,16,42,057</u>
		<u>2,80,24,30,449</u>	<u>2,73,16,42,057</u>

Significant Accounting Policies and

Notes on Accounts

16

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

For and on behalf of the Board

(L.N. Jain)
Partner

NEW DELHI
30th May, 2011

Manoj Agarwal
Company Secretary

Vipul Agarwal
Whole - time Director

G.L.Mohta
Whole - time Director

V.P. Agarwal
Chairman & Managing Director

PRAKASH INDUSTRIES LIMITED

SCHEDULES

SCHEDULE 1 - SHARE CAPITAL

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
Authorised :		
170000000 (150000000) Equity Shares of Rs. 10 each	1,70,00,00,000	1,50,00,00,000
Nil (2000000) Preference Shares of Rs. 100 each	-	20,00,00,000
	<u>1,70,00,00,000</u>	<u>1,70,00,00,000</u>
Issued , Subscribed & Paid-up :		
Equity		
134488514 (121693714) Equity Shares of Rs. 10 each fully paid up	1,34,48,85,140	1,21,69,37,140
(Refer Note no. 11)	<u>1,34,48,85,140</u>	<u>1,21,69,37,140</u>

SCHEDULE 2 - RESERVES AND SURPLUS

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
General Reserve		
At Opening	9,10,00,00,000	6,50,00,00,000
Transfer from Profit & Loss Account	<u>2,50,00,00,000</u>	<u>2,60,00,00,000</u>
	11,60,00,00,000	9,10,00,00,000
Securities Premium Account		
At Opening	1,45,75,24,259	67,18,41,015
Received during the year	1,15,71,68,000	99,51,68,000
FCCB Issue expenses	(10,98,08,009)	(14,00,56,356)
Deferred Tax (Refer Note no. 6)	<u>(3,02,30,081)</u>	<u>(6,94,28,400)</u>
	2,47,46,54,169	1,45,75,24,259
Capital Redemption Reserve	8,00,00,000	8,00,00,000
Capital Reserve	2,78,58,845	2,78,58,845
Revaluation Reserve	1,51,43,47,557	1,64,22,08,002
Surplus in Profit & Loss Account	<u>14,61,24,535</u>	<u>13,16,42,057</u>
	15,84,29,85,106	12,43,92,33,163

PRAKASH INDUSTRIES LIMITED**SCHEDULE 3 - LOAN FUNDS**As at 31st March, 2011
Rs.As at 31st March, 2010
Rs.**SECURED****Term Loans:**

From Banks

50,42,31,652

49,70,409

From Others

2,58,78,67,979

1,02,47,87,611

Working Capital Loan from Bank

19,84,64,869

-

3,29,05,64,5001,02,97,58,020**UNSECURED**Foreign Currency Convertible Bonds
(Refer Note no. 19)

3,47,55,18,000

1,27,16,34,000

3,47,55,18,0001,27,16,34,000

1. Term loans are secured by mortgage of all immovable properties of the Company, both present and future and are also secured by way of hypothecation of the movable properties of the Company including movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future (save and except book debts), subject to prior charge of the Company's banker on specified movables for working capital requirements, ranking pari passu in all respects with existing charges and personal guarantee of Chairman & Managing Director.
2. Working Capital loan from bank is secured by hypothecation of raw materials, consumables stores and spare parts, stock in process, finished goods, book debts and by personal guarantees of Chairman & Managing Director and Joint Managing Director of the Company. Further they are also secured by way of pari passu first charge on all the immovable properties of the Company.
3. Term Loans from banks and others include **Rs 31,91,925** (Rs 49,70,409) and **Rs 78,67,979** (Rs 39,54,278) respectively secured against the vehicles financed by the concerned lenders.

PRAKASH INDUSTRIES LIMITED

SCHEDULE 4 - FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK										
	As at 31.03.2010		Additions		Sales/ Adjustment		As at 31.03.2011		Total upto 31.03.2010		For the year 31.03.2011		Adjustment Total upto 31.03.2011		As at 31.03.2010		As at 31.03.2011		
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
Land (Lease hold)	59858273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59858273	59858273	59858273
Land (Free hold)	369992597	144822423	2745910	2745910	512069110	512069110	-	-	-	-	-	-	-	-	-	-	512069110	512069110	369992597
Building	1789865133	134208779	12191858	12191858	1911882054	1911882054	482473592	51830182	2483274	531820500	482473592	51830182	2483274	531820500	1380061554	1307391541	1380061554	1307391541	1307391541
Plant & Machinery	15484489664	225051289	75086709	75086709	15634454244	15634454244	6535326349	738750610	74955758	7199121201	6535326349	738750610	74955758	7199121201	8435333043	8949163315	8435333043	8949163315	8949163315
Moulds & Dies	4106046	333504	-	-	4439550	4439550	3386403	405064	-	3791467	3386403	405064	-	3791467	648083	719643	648083	719643	719643
Furniture & Fixtures	42312658	6992888	21650	21650	49283896	49283896	22969358	1752654	3221	24718791	22969358	1752654	3221	24718791	24565105	19343300	24565105	19343300	19343300
Office Equipment	35121726	2988432	-	-	-38110158	-38110158	19376897	2896649	-	22273546	19376897	2896649	-	22273546	15836612	15744829	15836612	15744829	15744829
Vehicles	42523602	16363402	5124571	5124571	53762433	53762433	18072787	4725480	2853238	19945029	18072787	4725480	2853238	19945029	33817404	24450815	33817404	24450815	24450815
Miscellaneous Assets	245614	-	-	-	245614	245614	231280	2052	-	233332	231280	2052	-	233332	12282	14334	12282	14334	14334
Total	17828515313	530760717	95170698	95170698	18264105332	18264105332	7081836666	800362691	80295491	7801903866	7081836666	800362691	80295491	7801903866	10462201466	10746678647	10462201466	10746678647	10746678647
Capital Work-in-Progress (Including Pre operative expenses)	3026258049	6050410745	311366262	311366262	8765302532	8765302532											8765302532	8765302532	3026258049
Total	20854773362	6581171462	406536960	406536960	27029407864	27029407864	7081836666	800362691	80295491	7801903866	7081836666	800362691	80295491	7801903866	19227503998	13772936696	19227503998	13772936696	13772936696
Previous Year	17654536940	5636753457	2436517035	2436517035	20854773362	20854773362	6369729961	712593672	486967	7081836666	6369729961	712593672	486967	7081836666	13772936696	13772936696	13772936696	13772936696	13772936696

(Refer Note no. 12)

PRAKASH INDUSTRIES LIMITED

SCHEDULE 5 - INVESTMENTS

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
Long Term Investments, Non-Trade (At cost)		
Unquoted		
Investment in Joint Ventures		
Madanpur Coal Block Private Limited 19,71,323 (19,71,323) Equity Shares of Rs. 10 each fully paid up	1,97,13,230	1,97,13,230
Fatehpur Coal Mining Company Limited 46,150 (Nil) Equity Shares of Rs. 10 each fully paid up	4,61,500	-
Investment in Shares (Refer Note no. 13)	-	24,70,000
Current Investments, Non-Trade (At lower of cost and fair value)		
Investments in Units of Mutual Funds		
Templeton India Ultra Short Bond Fund 99,94,100 (Nil) Units of face value of Rs. 10 each	10,00,56,940	-
IDFC Cash Fund 86,18,708 (Nil) Units of face value of Rs. 10 each	<u>15,00,00,000</u>	<u>-</u>
	<u>27,02,31,670</u>	<u>2,21,83,230</u>
Aggregate Value of Investments		
-Unquoted	2,01,74,730	2,21,83,230
-Mutual Funds	<u>25,00,56,940</u>	<u>-</u>
	<u>27,02,31,670</u>	<u>2,21,83,230</u>

SCHEDULE 6 - CURRENT ASSETS, LOANS & ADVANCES

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
Inventories (As taken, valued and certified by the Management) (Refer Note no. 1(d))		
Stores, Spares & Fuels	22,77,44,795	22,85,09,132
Raw Materials	85,96,55,597	40,77,61,083
Raw Materials in transit	18,74,98,023	5,71,51,593
Finished Products	31,83,94,329	28,57,30,397
Work In Process	2,22,77,966	3,05,73,992
Scrap & Waste	<u>83,04,320</u>	<u>91,90,208</u>
	<u>1,62,38,75,030</u>	<u>1,01,89,16,405</u>
Sundry Debtors (Unsecured, considered good unless otherwise stated)		
Debts over six months	17,38,27,922	15,19,50,190
Less: Provision for doubtful debts	(29,62,315)	(28,38,850)
Others	<u>69,34,71,053</u>	<u>67,09,81,849</u>
	<u>86,43,36,660</u>	<u>82,00,93,189</u>
Cash & Bank Balances		
Cash in hand	62,51,673	46,46,001
Balances with scheduled banks in :		
Current accounts	50,10,67,464	16,37,06,481
Deposit accounts (Deposits of Rs. 12,19,72,905 pledged as security, previous year Rs. 5,04,93,985)	<u>12,27,21,353</u>	<u>84,94,95,072</u>
	<u>63,00,40,490</u>	<u>1,01,78,47,554</u>
Loans and Advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	1,80,18,73,439	91,10,94,476
Less: Provision for doubtful advances	(3,71,625)	(3,09,252)
Security deposits	11,01,29,301	11,23,96,193
Advance Income-tax (Refer Note no.9)	47,92,10,369	23,40,61,962
MAT credit entitlement (Refer Note no.1(I)(iii))	1,58,55,61,863	1,10,18,72,039
Claims recoverable	38,39,611	42,12,566
Interest accrued on deposits	<u>35,44,450</u>	<u>62,68,893</u>
	<u>3,98,37,87,408</u>	<u>2,36,95,96,877</u>

PRAKASH INDUSTRIES LIMITED**SCHEDULE 7- CURRENT LIABILITIES & PROVISIONS**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
Current Liabilities		
Sundry Creditors (Refer Note no. 5)	95,55,16,041	95,99,41,368
Trade/Security Deposits	8,24,01,720	6,33,22,194
Interest Accrued but not due	90,36,781	-
	<u>1,04,69,54,542</u>	<u>1,02,32,63,562</u>
Provisions		
For Taxation	1,01,79,03,066	69,57,09,930
For Gratuity and Leave Encashment	11,77,95,236	8,53,72,672
For Proposed Dividend on Equity Shares	13,44,88,514	-
For Tax on Dividend	2,18,17,400	-
	<u>1,29,20,04,216</u>	<u>78,10,82,602</u>
	<u>2,33,89,58,758</u>	<u>1,80,43,46,164</u>

SCHEDULE 8 - MISCELLANEOUS EXPENDITURE

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
Miscellaneous Expenditure (To the extent not written off or adjusted)		
Mine Development Expenditure (Refer Note no. 1(i))	49,52,00,761	16,40,03,968
	<u>49,52,00,761</u>	<u>16,40,03,968</u>

SCHEDULE 9 - OTHER INCOME

	This Year Rs.	Previous Year Rs.
Interest :		
On fixed deposits with banks(Tax deducted at source Rs. 36,46,693 (Rs. 14,23,964))	1,84,85,789	71,63,037
On others(Tax deducted at source Rs 8,72,716 (Rs.3,84,789))	57,21,272	1,22,93,492
Rent received	5,45,750	5,00,500
Miscellaneous income	7,88,918	8,41,079
Provisions no longer required written back	4,50,66,127	-
Profit on current investment(Non-Trade)	99,36,069	88,58,240
Profit on sale of fixed assets	67,83,918	8,27,648
	<u>8,73,27,843</u>	<u>3,04,83,996</u>

PRAKASH INDUSTRIES LIMITED**SCHEDULE 10 - (INCREASE) / DECREASE IN STOCKS**

	Rs.	This Year Rs.	Rs.	Previous Year Rs.
Stock in trade (At close)				
Finished products	31,83,94,329		28,57,30,397	
Work in process	2,22,77,966		3,05,73,992	
Scrap and waste	83,04,320	34,89,76,615	91,90,208	32,54,94,597
Stock in trade (At opening)				
Finished products	28,57,30,397		25,35,44,366	
Work in process	3,05,73,992		1,54,47,123	
Scrap and waste	91,90,208	32,54,94,597	41,13,307	27,31,04,796
		(2,34,82,018)		(5,23,89,801)
Excise Duty on Stock movement		30,20,210		74,61,359
		(2,04,61,808)		(4,49,28,442)

SCHEDULE 11 - MANUFACTURING AND OPERATING EXPENSES

Power & fuel		63,66,32,421		66,93,37,236
Mining expenses		49,10,92,316		43,75,03,745
Stores & spares		34,24,29,056		35,16,87,766
Repairs to :				
Machinery	38,01,37,899		45,66,38,352	
Building	3,00,25,585		3,46,29,664	
Others	14,68,709	41,16,32,193	14,28,836	49,26,96,852
		1,88,17,85,986		1,95,12,25,599

PRAKASH INDUSTRIES LIMITED

SCHEDULE 12 - PERSONNEL EXPENSES

	This Year Rs.	Previous Year Rs.
Salaries, wages & benefits	67,39,74,381	59,06,51,377
Contribution to provident & other funds	4,18,71,663	3,36,92,328
Directors' remuneration	2,88,58,089	2,82,92,029
Employees' welfare expenses	3,32,27,692	2,80,79,742
	<u>77,79,31,825</u>	<u>68,07,15,476</u>

SCHEDULE 13 - ADMINISTRATIVE EXPENSES

Insurance		38,43,287		28,84,163
Rates & taxes		2,09,82,796		1,63,86,417
Travelling & Conveyance		4,17,50,890		4,68,23,926
Vehicle maintenance		1,47,97,635		1,33,16,252
Auditors' remuneration :				
Audit fee	25,00,000		20,00,000	
Tax Audit fee	<u>7,00,000</u>	32,00,000	<u>6,00,000</u>	26,00,000
Legal & professional charges		4,10,70,474		5,02,15,899
Miscellaneous expenses		7,60,59,746		6,12,21,789
Provision for doubtful debts and advances		1,85,838		63,396
Rent		63,47,859		61,31,887
Directors' sitting fees		8,70,000		11,40,000
		<u>20,91,08,525</u>		<u>20,07,83,729</u>

SCHEDULE 14 - SELLING AND DISTRIBUTION EXPENSES

Advertisement		42,80,634		59,05,006
Packing & forwarding charges		11,15,05,264		15,60,11,282
Sales promotion		13,13,907		9,86,639
Discount & rebate		6,46,39,339		4,64,55,070
Commission		11,69,98,951		15,73,65,944
		<u>29,87,38,095</u>		<u>36,67,23,941</u>

SCHEDULE 15 - FINANCIAL EXPENSES

Interest :				
On fixed loans	3,24,13,158		22,36,64,284	
On others	<u>2,03,43,544</u>	5,27,56,702	<u>2,66,88,477</u>	25,03,52,761
Bank charges		42,07,779		44,47,392
		<u>5,69,64,481</u>		<u>25,48,00,153</u>

PRAKASH INDUSTRIES LIMITED**CASH FLOW STATEMENT**

	This Year	(Rs. in lacs)	
		Previous Year	
A. Cash Flow From Operating Activities :			
Net Profit as per Profit & Loss Account	26708		26616
Adjustments for			
Exceptional items	-	2331	
Provisions/Liabilities Written Back	(451)	(2138)	
Provision for tax	653	709	
Provision for gratuity and leave encashment	324	102	
Provision for doubtful debts and advances	2	1	
Depreciation	6725	5679	
Expenses amortised	269	269	
Interest & Other Income	(255)	(208)	
Profit on sale of fixed assets	(68)	(8)	
Profit on Investments	(99)	89	
Financial expenses	<u>570</u>	<u>7670</u>	<u>2548</u>
Operating Profit before working Capital changes	<u>34378</u>		<u>9196</u>
Adjustments for			
Trade & Other receivables	(9325)	547	
Inventories	(6050)	(1986)	
Trade payables & provisions	<u>597</u>	<u>(14778)</u>	<u>1080</u>
Cash generated from operations	<u>19600</u>		<u>35453</u>
Taxes Paid	4720		2367
Financial expenses paid	570		6078
Net Cash from operating activities	<u>14310</u>		<u>27008</u>
B. Cash Flow From Investing Activities:			
Sale of fixed assets	217		19
Purchase of fixed assets	(62414)		(32018)
Mine development expenditure	(3582)		-
Interest & other Income received	382		264
Investment in Group companies & Joint venture	20		-
Purchase/sale of investment	(2501)		-
Net cash used in investing activities	<u>(67878)</u>		<u>(31735)</u>

PRAKASH INDUSTRIES LIMITED

C. Cash Flow From Financing Activities :

Proceeds from issue of FCCBs (Net of Expenses)	25500	21889
Proceeds from issue of shares/warrants	1582	6518
Proceeds from loans (Net)	22608	(16633)
Net Cash from financing activities	<u>49690</u>	<u>11774</u>
Net Changes in Cash & bank equivalents (A+B+C)	(3878)	7047
Opening balance of Cash & bank equivalents	10178	3131
Closing balance of Cash & bank equivalents	6300	10178

Notes :

- The Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard-3 'Cash Flow Statements'
- Cash and bank equivalents include balances with the banks on margin accounts, which are not available currently for use by the Company.
- Provision for tax is net of amount of MAT Credit entitlement.
- Purchase of fixed assets include movement of capital work in progress.
- Proceeds from issue of FCCBs are net of issue expenses.
- Previous year's figures have been regrouped/rearranged wherever considered necessary, to confirm to this year's presentation.

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

(L.N. Jain)
Partner

NEW DELHI
30th May, 2011

Manoj Agarwal
Company Secretary

Vipul Agarwal
Whole - time Director

G.L.Mohta
Whole - time Director

V.P. Agarwal
Chairman & Managing Director

For and on behalf of the Board

SCHEDULE 16- NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Fixed Assets

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

(c) Depreciation

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

(d) Inventory

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

(e) Foreign Currency Transactions

Foreign Currency Transactions are recorded in the accounts at the rates existing at the time of transaction and any exchange difference arising at the time of realisation is dealt within the Profit & Loss Account. Outstanding Foreign Currency monetary items are translated at the year end rates. The amount of Exchange rate difference credited to Capital work in progress during the year is Rs 280.50 lacs (Rs 22.06 lacs).

PRAKASH INDUSTRIES LIMITED

(f) Investments

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

(g) Employee Benefits

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

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

(h) Borrowing Costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised on that asset. Other borrowing costs are charged to revenue account. The amount of borrowing cost charged to Capital work in progress during the year is Rs 3,327.79 lacs (Rs 443.95 lacs)

(i) Miscellaneous Expenditure

Expenditure incurred on development of a Coal mine is being written off over a period of 10 years.

(j) Segment Reporting Policies

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

(k) Earnings Per Share (EPS)

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

(l) Taxes on Income

- i) Tax expense for the year comprise of current and deferred tax. Current Tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws. The Company has opted for tax exemption under section 80-I in respect of profits of Power and PVC divisions as per the provisions of the Income Tax Act, 1961. The amount of exempted profit considered by the Company while making provision for its tax liability is subject to assessment by the concerned tax authorities. Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between the taxable profit and the profit as per the accounts. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are not recognised unless in the opinion of the management there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The effect on deferred tax assets and liabilities of a change in tax rate is recognised in the year of change. Deferred tax assets/liabilities are reviewed at each balance sheet date. Pursuant to the approval of the shareholders and Hon'ble Punjab & Haryana High Court's order dated 23rd August 2007 Deferred tax liabilities (net) from the year 2007-08 and onwards are being met from Securities Premium Account. The taxable income of the Company being lower than the book profits under the provisions of the Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT) on its income. As per the legal opinion obtained by the Company and various court judgements, due date for submission of return has been considered as due date for payment of MAT by the Company.
- ii) Considering the future profitability and taxable position in the subsequent years, the Company has recognized Minimum Alternate Tax(MAT) credit as an asset by crediting the Profit & Loss Account and including the same under Loans & Advances in accordance with the Guidance note on "Accounting for credit available in respect of Minimum Alternate Tax under Income Tax Act 1961" issued by the Institute of Chartered Accountants of India.

PRAKASH INDUSTRIES LIMITED

(m) Impairment Of Assets

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

(n) Provisions and Contingencies

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

2. Contingent Liabilities not provided for in respect of:

	This year (Rs. in lacs)	Previous year (Rs. in lacs)
- Guarantees issued by banks on behalf of the company	2,620.49	996.84
- Disputed demands of Excise Duty /Sales Tax/Electricity dues/Lease rentals etc.	2,517.36	2,681.75
(Amount paid there against Rs.384.24 lacs (Rs.394.37 lacs))		

**3. Estimated amount of contracts remaining to be executed on capital account and not provided for
(Advances paid there against **Rs.7,686.05 lacs** (Rs.4,522.83 lacs))**

	53,399.64	38,992.38
--	------------------	-----------

4. In the opinion of the management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet. The provision for depreciation and all known liabilities is adequate, neither excess nor short than reasonably necessary.

5. The Company is in the process of identifying the Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been made.

6. In terms of the order dated 23rd August 2007 of the Hon'ble Punjab & Haryana High Court, the net deferred tax liability computed in terms of the Accounting Standard 22 'Accounting for Taxes on Income' amounting to Rs. 302.30 lacs has been adjusted against Securities Premium Account. Consequently, the profit after tax is higher by the said amount.

7. Advance recoverable in cash or in kind or for value to be received include

- i) A sum of **Rs. 3,161.33 lacs** (Rs. 2,386.20 lacs) from group companies in which directors are interested. Maximum amount outstanding during the year **Rs. 5087.95 lacs** (Rs. 2,583.93 lacs).
- ii) A sum of **Rs. 6.20 lacs** (Rs. 0.04 lacs) paid to Madanpur (North) Coal Co. Pvt. Ltd., a joint venture Company. Maximum amount outstanding during the year **Rs. 6.20 lacs** (Rs.0.04 lacs).
- iii) A sum of **Rs. 84.84 lacs** (Rs.Nil) paid to Fatehpur Coal Mining Co. Pvt. Ltd., a joint venture Company. Maximum amount outstanding during the year **Rs.84.84 lacs** (Rs.Nil).

8. The company has made investment in the share capital of following joint venture companies formed for the purpose of developing coal blocks allotted to the Company in consortium with others:

Particulars	As at 31st March, 2011 (Rs in lacs)					2010-2011	
	% Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitments	Income	Expenditure
Madanpur (North) Coal Co. Pvt. Ltd	20.67(20.67)	986(957)	986(957)	3312(3310)	Nil(Nil)	Nil(Nil)	Nil(Nil)
*Fatehpur Coal Mining Co. Pvt. Ltd	38.46(38.46)	*(17)	*(17)	*(Nil)	*(Nil)	*(Nil)	*(Nil)

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

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

PRAKASH INDUSTRIES LIMITED

9. Advance income tax is subject to set off with provision for corporate tax as and when assessed.
10. The company has taken certain plant and machinery under operating lease prior to the period 1st April, 2001. The company is having legal disputes with the concerned lessors and there are counter claims which are pending under arbitration/court, as such the future liability on this account, if any, is not ascertainable.
11. During the year 27,94,800 equity shares of Rs 10 each were allotted as fully paid up pursuant to the conversion of US\$ 10.2 mn Foreign Currency Convertible Bonds (FCCB) out of the US\$ 50 mn FCCB issued by the Company in October 2009. During the year 1,00,00,000 equity shares of Rs 10 each were allotted on 01.01.2011 as fully paid up pursuant to the conversion of 1,00,00,000 Convertible Share Warrants issued on 04.07.2009. Share capital includes 4,50,000 equity shares issued on conversion of term loan and 2,60,22,648 equity shares allotted as Bonus shares by capitalisation of Securities Premium Account in earlier years.
12. Gross Block of Land and Plant & Machinery includes Rs. 2,014.11 lacs and Rs. 19,823.69 lacs respectively added on revaluation of assets as at 31st March 2005. The depreciation as shown in the Profit & Loss Account is net of amount of Rs. 1,278.60 lacs adjusted against the Revaluation reserve.
13. Investment in Shares referred to in Schedule 5 :

	Current Year Rs.	Previous Year Rs.
Prakash Thermal Power Limited Nil(49,400)Equity Shares of 10 each fully paid up	-	4,94,000
Prakash Natural Resources Limited Nil(49,400)Equity Shares of 10 each fully paid up	-	4,94,000
Prakash Mega Power Limited Nil(49,400)Equity Shares of 10 each fully paid up	-	4,94,000
Prakash Urja Limited Nil(49,400)Equity Shares of 10 each fully paid up	-	4,94,000
Prakash Vidyut Limited Nil(49,400)Equity Shares of 10 each fully paid up	-	4,94,000
	-	4,94,000
	-	24,70,000

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

a) Defined Contribution Plans:

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

	Current Year	Previous Year
Contribution to Provident Fund	317.72	273.01
Contribution to Employees' State Insurance	100.99	63.91

b) Defined Benefit Plan:

Reconciliation of opening and closing balances of Defined Benefit obligation

	Current Year		Previous Year	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Defined Benefits obligation at the beginning of the year	594.71	259.02	546.85	204.81
Current Service Cost	90.12	90.73	66.11	32.82
Interest Cost	48.93	21.31	43.63	16.34
Actuarial gain/(loss)	120.73	37.87	(14.44)	19.39
Benefit paid	(23.74)	(11.12)	47.44	(14.34)
Defined Benefit obligation at the year end	830.75	347.21	594.71	259.02
Reconciliation of fair value of assets and obligations				
Present value of obligation at year end	830.75	347.21	594.71	259.02
Amount recognized in Balance Sheet	830.75	347.21	594.71	259.02
Expenses recognized during the year				
Current Service Cost	90.12	40.13	66.11	32.82
Interest Cost	48.93	21.31	43.63	16.34
Actuarial gain/(loss)	120.72	37.87	(14.44)	19.39
Total Cost recognized in the Profit & Loss A/c	259.77	99.31	95.30	68.55

PRAKASH INDUSTRIES LIMITED

Actuarial assumption

Mortality Table(L.I.C)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate(per annum)	8.25%	8.25%	8%	8%
Rate of escalation in salary(per annum)	5%	5%	5%	5%

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

15. During the year, the Company has earned gains on sale/purchase of following investments:

(Rs. in lacs)

Name of the Investments	Face Value Rs.	No.	Purchase Cost	Sale Proceeds
Units of Mutual Funds				
Reliance Liquid Fund - Growth Plan	10	17,09,00,189	37,202.58	37,256.50
Bonds of Public Financial Institutions				
IFCI Ltd.	10 Lacs	300	3,011.51	3,024.80
REC Ltd.	10 Lacs	950	9,511.25	9,540.15
IDFC Ltd.	10 Lacs	150	1,500.00	1,503.25

16. Excise duty relating to sales has been disclosed as a deduction from sales. Excise duty related to difference between closing stock and opening stock has been disclosed in Schedule 10 – Increase/Decrease in stocks.

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

(Rs. in lacs)

Particulars	As at 31.03.2011	As at 31.03.2010
Depreciation on Fixed Assets	(8,629)	(8,807)
Disallowances under Section 43B of Income Tax Act, 1961	206	799
Provisions	402	290
	<u>(8,021)</u>	<u>(7,718)</u>

18. Managerial remuneration:

Particulars	This Year Rs.	Previous Year Rs.
Salary & Allowances	2,02,05,000	1,71,15,000
Provident Fund Contributions	24,24,600	20,53,800
Other Perquisites	29,190	29,999
Exgratia Bonus	9,60,000	8,40,000
	<u>2,36,18,790</u>	<u>2,00,38,799</u>
Provision of Gratuity & Earned Leave	52,39,299	82,53,230
	<u>2,88,58,089</u>	<u>2,82,92,029</u>

19. The Company has raised amounts against issue of Foreign Currency Convertible Bonds (FCCBs). The outstanding amount of FCCBs as on 31st March, 2011 is Rs. 347.55 crore (US\$ 77.1 Million) out of which, FCCBs of Rs. 79.65 crore (US\$ 17.1 Million) and Rs.267.90 crore (US\$ 60.0 Million) will get matured in October, 2014 and April, 2015 respectively. However, the respective bond holders have an option to get their bonds converted into equity shares of the Company or on before the maturity date. The amount raised by way of FCCBs has been utilised towards Capital expenditure for expansion and modernisation plans of the Company. The Company has complied with all the financial and other covenants as mentioned in the Offering Circular with respect to the issue of FCCBs

The outstanding FCCBs as on 31st March,2011 are repayable in Foreign Currency amounting to US\$ Mn. 77.1 and same has not been hedged by any derivative instrument or otherwise by the Company.

PRAKASH INDUSTRIES LIMITED

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

(A) List of related parties and their relationship

- a) Enterprise on which key management personnel and/or their relatives exercise significant influence with whom transactions have taken place during the year.
 1. Primenet Global Limited
 2. Surya Roshni Limited
 3. Prakash Natural Resources Limited
 4. Vanshi Farms Private Limited
- b) Key Management Personnel :
 1. Shri V.P.Agarwal, Chairman & Managing Director
 2. Shri Vikram Agarwal, Joint Managing Director
 3. Shri G.L.Mohta, Whole Time Director
 4. Shri Vipul Agarwal, Whole Time Director
- c) Joint Venture Entities :
 1. Madanpur (North) Coal Co. Pvt. Ltd.
 2. Fatehpur Coal Mining Co. Pvt. Ltd.

(B) Transactions with related parties

		(Rs.in lacs)
<u>Key Management Personnel</u>	This Year	Previous Year
Remuneration	288.58	282.92
<u>Enterprises</u>		
Hire Charges paid	211.11	220.18
Amount paid for Services	70.12	3.89
Purchase of goods	34.40	-
Purchase of Vehicles	61.56	-
Sale of goods	0.93	-
Advances paid	3,582.40	1,184.83
Balances outstanding at year end	3,161.33	2,386.20
<u>Joint Venture Entities</u>		
Share Capital Contribution	4.61	-
Advances paid	91.04	-
Balances outstanding at year end	91.04	-

Notes:

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

21. Earning per share (EPS) :	This Year	Previous Year
Net Profit (Rs. in lacs)	26,708	26,616
Weighted average no. of Equity Shares (In lacs)	1,267.31	1166.26
Basic/Diluted Earning per Share (Rs.)	21.07	22.82
Nominal Value of each Share (Rs.)	10.00	10.00

Note : Outstanding FCCBs being anti dilutive have not been considered for the purpose of computing diluted earning per share.

22. Certain balances of Debtors, Advances and Creditors are subject to confirmations. In the opinion of the management, no major adjustment will be required to be made in the accounts on receipt of these confirmations and subsequent to their reconciliations.
23. Previous year's figures have been shown in brackets and are regrouped/rearranged wherever considered necessary to conform with current year's presentation. The figures have been rounded off to the nearest of Rupee.
24. Schedule 1 to 16 form an integral part of accounts and have been duly authenticated.

PRAKASH INDUSTRIES LIMITED

25. Segment wise Revenue, Results and Capital Employed

	(Rs. in lacs)	
Particulars	This Year	Previous Year
Segment Revenue		
a) Power	30,742	30,134
b) Steel	1,52,222	1,45,496
c) PVC Pipe & Others	13,110	10,963
Total	1,96,074	1,86,593
Less : Inter Segment Revenue (Power)	29,664	29,827
Net Sales/Income from Operations	1,66,410	1,56,766
Segment Results		
Profit before tax and interest		
a) Power	23,291	23,543
b) Steel	3,519	5,347
c) PVC Pipe & Others	1,391	1,446
Total	28,201	30,336
Less : Financial Expenses	570	2,548
Unallocable expenditure	270	462
Total Profit before tax	27,361	27,326
Capital Employed (Segment Assets-Segment Liabilities - Revaluation Reserve)		
a) Power	91,224	46,036
b) Steel	1,32,399	1,08,034
c) PVC Pipe & Others	3,842	3,321
Total	2,27,465	1,57,391

26. Additional information pursuant to para 3, 4C and 4D of Part - II of schedule VI to the Companies Act, 1956.

	This Year		Previous Year	
	Quantity MT	Value (Rs.)	Quantity MT	Value (Rs.)
Material Consumed/Purchased :				
Chargeable Metal	10,08,379	3,16,45,27,350	10,85,018	4,48,55,66,505
Coal	12,15,216	63,87,53,866	9,72,065	32,06,21,884
PVC Resin	14,179	83,37,78,516	13,037	69,89,08,492
Ores & Minerals	7,47,443	4,72,41,80,679	6,17,072	2,83,47,64,815
Others		<u>72,73,90,920</u>		<u>61,11,73,750</u>
		<u>10,08,86,31,331</u>		<u>8,95,10,35,446</u>

Quantities are inclusive of inter divisional transfers.

Installed Capacities and Production

(As certified by the Management & relied upon by the Auditors)

Class of Product	Unit	Installed Capacity		Production	
		This Year	Previous Year	This Year	Previous Year
Finished Steel	MT	7,50,000	7,50,000	4,26,532	4,74,386
Liquid Metal	MT	7,00,000	7,00,000	4,87,999	5,07,400
Sponge Iron	MT	6,00,000	6,00,000	4,06,092	3,35,286
Ferro Alloys	MT	48,000	48,000	40,529	43,842
Rigid PVC Pipes	MT	20,000	20,000	20,073	17,955
Power Generation	MW	96	96	635**	608**

** Unit in Millions

PRAKASH INDUSTRIES LIMITED

TURNOVER AND STOCKS :

CLASS OF PRODUCTS	UNIT	TURNOVER				CLOSING STOCK				OPENING STOCK			
		THIS YEAR		PREVIOUS YEAR		THIS YEAR		PREVIOUS YEAR		THIS YEAR		PREVIOUS YEAR	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
FINISHED STEEL	MT	426640	13352390816	471416	13018372884	5641	163100904	5749	133546244	5749	133546244	2779	76117040
LIQUID METAL	MT	488321	1223792681	507222	1014595619	1459	32331527	1781	32992852	1781	32992852	1603	33919823
SPONGE IRON	MT	406372	278219308	335097	-	182	2399762	462	4534362	462	4534362	273	3701468
FERRO ALLOYS	MT	40531	1904895669	43971	1739189822	1444	51744040	1446	40066113	1446	40066113	1575	61585233
RIGID PVC PIPE	MT	20076	1218112029	18024	1095453765	558	30784993	561	28131011	561	28131011	630	31593307
POWER GENERATION	MILLION UNITS	635	107814116	608	30660752	-	-	-	-	-	-	-	-
OTHERS			126261788		9369152	-	38033103	-	46459815	-	46459815	-	46627495
			18211486407		16907641994		318394329		285730397		285730397		253544366

Note: Turnover quantities include used for captive/inter divisional transfers and shortages.

PRAKASH INDUSTRIES LIMITED

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

	Rs.	This Year Percentage	Rs.	Previous Year Percentage
Raw Material/Components				
Imported	-	-	17,17,34,250	01.92%
Indigenous	<u>10,08,86,31,331</u>	<u>100.00%</u>	<u>8,77,93,01,196</u>	<u>98.08%</u>
	<u>10,08,86,31,331</u>	<u>100.00%</u>	<u>8,95,10,35,446</u>	<u>100.00%</u>
Stores & Spares				
Imported	31,36,558	0.92%	45,15,320	01.28%
Indigenous	<u>33,92,29,498</u>	<u>99.08%</u>	<u>34,71,72,446</u>	<u>98.72%</u>
	<u>34,24,29,056</u>	<u>100.00%</u>	<u>35,16,87,766</u>	<u>100.00%</u>

CIF value of imports :

Raw Materials	-	3,25,66,787
Stores & Spares	38,50,389	42,20,835
Plant & Machinery	63,01,450	98,90,819

Earning in foreign exchange :

FOB Value of Exports	-	-
----------------------	---	---

Expenditure in foreign currency :

Travelling	3,87,223	8,57,900
Interest on Bonds	17,30,43,659	3,15,92,243
Professional Charges	9,81,07,703	8,69,23,650

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I. Registration Details

Registration No.	10724
State Code	05
Balance Sheet Date	31.03.2011

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement/Preferential Issue	1,27.948

PRAKASH INDUSTRIES LIMITED

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousand)

Total Liabilities	:	2,47,56,017
Total Assets	:	2,47,56,017
Sources of Funds		
Paid-up Capital	:	13,44,885
Reserves & Surplus	:	1,58,42,985
Secured Loans	:	32,90,565
Unsecured Loans	:	34,75,518
Deferred Tax Liabilities (Net)	:	8,02,064
Application of Funds		
Net Fixed Assets	:	1,92,27,504
Investment	:	2,70,231
Net Current Assets	:	47,63,081
Miscellaneous Expenditure	:	4,95,201

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	:	1,82,11,486
Total Expenditure	:	1,55,40,698
Net Profit for the year	:	26,70,788
Earning per Share (in Rs.)	:	21.07
Dividend Rate %	:	10.00

V. Generic Names of Three Principal Products of Company (as per monetary terms)

Product Description	Item Code No. (ITC Code)
(a) MS Round in Coil	72131090
(b) MS Billet	72071920
(c) Ferro Alloys	72023000

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

(L.N. Jain)
Partner

For and on behalf of the Board

NEW DELHI
30th May, 2011

Manoj Agarwal
Company Secretary

Vipul Agarwal
Whole - time Director

G.L.Mohta
Whole - time Director

V.P. Agarwal
Chairman & Managing Director



Prakash Industries Limited

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

PROXY FORM

* DP ID No.....

Folio No.

* Client ID No.....

No. of shares held.....

I/We.....
of
being a member of Prakash Industries Limited, hereby appoint
of or
failing him/her of as my/our
Proxy to attend and vote for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held at the Registered Office of the Company at 15 Km. Stone, Delhi Road, Hissar-125044 (Haryana) on Thursday, the 29th September, 2011 or at any adjournment thereof.

Signed this..... day of2011

Signed by the Said.....

Affix
Re. 1/-
Revenue
Stamp

* Applicable for investors holding shares in demat form

Note : The proxy form signed across Re. 1/- Revenue Stamp must be returned so as to reach Registered/Corporate Office of the Company not less than 48 hours before the time of holding the aforesaid meeting. The proxy need not be a member of the Company.



Prakash Industries Limited

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

ATTENDANCE SLIP

* DP ID No.....

Folio No.

* Client ID No.....

No. of shares held.....

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company being held at the Regd. Office of the Company at 15 Km. Stone, Delhi Road, Hissar-125044 (Haryana) on 29th September, 2011.

.....

.....

** Member's/Proxy's Name in Block Letters

** Member's/Proxy's Signatures

* Applicable for investors holding shares in demat form

** Strike out whichever is not applicable

1. Members/Proxies are requested to bring the DULY SIGNED Attendance Slip to the Meeting and hand it over at the entrance.
2. For the convenience of Members, any person other than Member/Proxy WILL NOT BE ADMITTED



BOOK POST

To,

.....
.....
.....

If undelivered, please return to :

Prakash Industries Limited

Corporate Office

Srivan, Bijwasan, New Delhi-110061, Tel:- +91-011-28062115, 16

Fax:- +91-011-28062119. Email : pilho@prakash.com,

Web: www.prakash.com