

ANNUAL REPORT 2018 - 2019



Prakash Industries Limited

People.. Prosperity.. Progress..

PRAKASH INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Shri Ashwini Kumar

STATUTORY AUDITORS

Chaturvedi & Co.
Chartered Accountants

BANKERS

Corporation Bank
Kotak Mahindra Bank

PRAKASH INDUSTRIES LIMITED

REGISTERED OFFICE

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

CORPORATE OFFICE

SRIVAN

Bijwasan,

New Delhi - 110 061

WORKS

Champa (Chhattisgarh)

Raipur (Chhattisgarh)

Koira, Distt. Koenjhar (Odisha)

Muppandal (Tamil Nadu)

WEBSITE

www.prakash.com

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 38th Annual Report on the business & operations of the Company together with the Audited Statement of Financial Accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS

	(₹ in Crores)	
	For the year ended 31st March, 2019	For the year ended 31 st March, 2018
Net Sales	3587.51	2934.81
Other Income	7.57	14.81
Total Income	3595.08	2949.62
EBITDA	793.65	595.89
Depreciation	133.98	120.94
Financial Expenses	100.53	86.61
Profit before exceptional item and tax	559.14	388.34
Exceptional Items	389.05	-
Less: Transferred from		
General Reserve	(382.56) 6.49	-
Provision for Taxes	13.43	2.09
Profit after tax	539.22	386.25
Other Comprehensive Income	(4.09)	(2.39)
Total Comprehensive Income	535.13	383.86

PERFORMANCE

During the year under review, the Company's Net Sales registered growth of 22% to ₹3588 crores as against ₹2935 crores in the previous year. The EBITDA for the year was ₹794 crores in comparison to ₹596 crores in the previous year reflecting a growth of 33%. After providing for interest, depreciation and tax, the profit after tax of the Company grew by more than 39% to ₹535 crores as against ₹384 crores in the previous year, which resulted in EPS of ₹33.41 in the current year as against ₹25.58 in the previous year. Your Directors have immense pleasure in informing that subsequent to the sanction by the Hon'ble National Company Law Tribunal, Chandigarh vide order dated 14th March, 2019, the PVC Pipe Undertaking had been demerged from your Company into the resulting Company i.e. Prakash Pipes Limited (PPL) with effect from the appointed date i.e. 1st April, 2018. This is expected to provide better focused strategy for both steel and PVC pipe business. In view of this Demerger, the figures of the year under review are exclusive of PVC Pipe Undertaking and are not comparable

with those of the previous year. During the year under review, the PVC pipe Undertaking, which now forms part of Prakash Pipes Limited had achieved Net Sales of ₹341 crores, EBITDA of ₹43 crores and PAT of ₹28 crores.

OPERATIONAL REVIEW

Your Directors are pleased to inform that the performance of the Company, both financial and operational, has attained significant growth during the year under review. As a result of capacity addition and buoyant steel demand, the sales volumes have grown by more than 20% as compared to the previous year. The average sales realization has also improved by over 12% over last year. The operating margins have improved to more than 22% against 20% in the previous year. During the last quarter of the year under review, the Company modernized its fourth Rolling Mill at Raipur, Chhattisgarh with a vision to improve the production of value added products i.e. wire rods. Also, the Company continued to improve the operational efficiencies in the Steel Melting Shop by setting up new energy efficient furnaces and also modernizing some of the existing furnaces. Further, the Long term supply arrangements entered into by the Company with its suppliers for the key inputs i.e. coal and iron ore, ensured uninterrupted supplies at stable prices, thereby insulating its margins against the vagaries arising out of the volatility of their prices.

FUTURE PROSPECTS

The Indian steel industry is expected to grow by 7-8% annually in the coming years at the back of strong demand from vital sectors like construction, infrastructure, automobile among others. In order to benefit from the continuing favorable scenario in the industry, the Company has taken up capacity addition with higher focus on backward integration. In this direction, the Company has completed the installation of another 0.2 mn tpa Sponge Iron kiln along with 15 MW power co-generation and the commercial production is expected from the end of July, 2019. This will almost fully integrate the present steel operations and eliminate the Company's dependence on market sponge iron for its steel making. Further, the Company's iron ore mine in the state of Odisha has now largely received all statutory approvals and the Company is making all out efforts to operationalize the same very soon. All these steps for backward integration are expected to give a boost to the profitability margins of the Company in future years.

DIVIDEND

Based on Company's performance, the Directors have recommended a dividend of ₹1.20 per share for financial year

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2018-19. If approved by the members, would involve a cash outflow of ₹2,363 lakhs including dividend distribution tax.

ENVIRONMENT

Company has always emphasised on installation of the effective Pollution Control Systems with latest technology alongwith the production units as well as other Environmental measures to ensure a healthy Environment for its employees as well as people in the surroundings. The Pollution Control equipments installed by the Company includes Bag Filters, Electro Static Precipitators (ESP), Ventury Scrubber, Dust Suppression Systems etc. Company has also installed latest Online Pollution Monitoring Systems in the Stacks as per the Statutory Guidelines. Company has always complied with all statutory norms which has resulted in providing a safe & healthy work places to its employees. Various production units of the Company has been certified with Integrated Management Systems consisting of ISO - 14001 Environment Management System, ISO - 9001 Quality Management System & OHSAS - 18001 Occupational Health & Safety Management System which shows commitment of the Company towards its Environmental Protection Responsibility as well as production of the quality products with safety. Company has taken all required steps to control Pollution in the Plant. Extensive Plantation has been carried out alongwith Plant Boundary, in open areas in the plant premises and also at the road side near the plant. Company has also made Corporate Environmental Policy and has trained all employees to contribute towards making the Environment Healthy, Green & Safe. Company has maintained Zero Discharge of waste by recycling. No water is allowed to flow outside the factory premises, as per statutory guidelines. No water is allowed to be discharged outside the factory premises. All waste water is treated in the Effluent Treatment Plant before reusing it. A well equipped Environmental Laboratory is also set up in the Plant alongwith experienced Environmental team to ensure timely implementation of Environmental measures.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

The Hon'ble National Company Law Tribunal, at Chandigarh vide its order dated 14th March, 2019, sanctioned the

Scheme of Demerger between Shareholders, Secured Creditors and Unsecured Creditors of Prakash Industries Limited and Prakash Pipes Limited. Accordingly the Scheme becomes effective w.e.f. 15th April, 2019. The appointed date of Scheme is 1st April, 2018.

CHANGE IN NATURE OF BUSINESS, IF ANY.

During the year the Company had started PVC flexible packaging business under its PVC business segment which is now transferred to Prakash Pipes Limited consequent upon demerger of the Company.

DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Prakash Pipes Ltd. has ceased to be subsidiary Company of Prakash Industries Ltd. consequent upon demerger order dated 14th March, 2019 of National Company Law Tribunal during the Financial Year Ended 31st March, 2019

The Company's policy for determining material subsidiaries is available at www.prakash.com.

AMOUNT CARRIED TO ANY RESERVE (IF ANY)

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

CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

The Company recognizes the need and importance of a focused and inclusive social and economic development, especially of the industries and communities within which it operates. A Board level Committee of CSR has been constituted. The details of membership of the Committee & the meetings held are detailed in the Corporate Governance Report, forming part of this Report. The Corporate Social Responsibility Policy is available on the website of the Company at the link http://prakash.com/pdfs/CSR_Policy.pdf

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

BOARD EVALUATION

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

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

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NUMBER OF MEETINGS OF THE BOARD

The details of the Board Meetings and other Committee Meetings held during the financial year 2018-19 are given in the separate section of Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS

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

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

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

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

Dr.Satish Chander Gosain has joined as an Independent Director of the Company with effect from 13th August, 2018. Shri K.C.Mehra, Independent Director on the Board of the Company since 1985 left for his heavenly abode on 4th June, 2018. The Board would like to place on record the invaluable contribution made by him during his tenure on the Board.

Further, the Board of Directors has reappointed Shri Y.N. Chugh, Shri Mamraj Agarwal and Smt Purnima Gupta for the second term of 5 (Five) consecutive years on the Board of the Company with effect from 1st April, 2019.

BOARD COMMITTEES

All Committees of the Board of Directors are constituted in line with the provisions of the Companies Act, 2013 and

applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DEPOSITS

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

TRANSFERS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

The Company had sent individual notices and also advertised in the newspapers seeking action from the members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred such unpaid or unclaimed dividends and corresponding shares to IEPF, up to the financial year ended 31st March, 2011.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- I. in the preparation of the annual accounts, the applicable standards have been followed and there are no material departures,
- II. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true

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and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period,

- III. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- IV. they have prepared the accounts on a going concern basis,
- V. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- VI. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STANDALONE ACCOUNTS

The Standalone financial statements for the year ended 31st March, 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at and for the previous year ended 31st March, 2018.

AUDITORS & AUDITORS REPORTS

i) Statutory Auditors

The Company's Auditors, M/s Chaturvedi & Co., Chartered Accountants, (FRN:302137E), were appointed as the Statutory Auditors of the Company for a period of five years at the 35th Annual General Meeting of the Company, upto the conclusion of the 40th Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting of the Company, if so required under the Companies Act, 2013. The requirement to place the matter related to appointment of auditors for ratification by the members at every AGM has been done away by the Companies (Amendment) Act, 2017 w.e.f. 7th May, 2018.

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

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

- a) The net deferred tax liability computed in terms of Ind AS-12 "Income Tax" amounting to ₹ 1,446 Lakhs has been adjusted against Securities

Premium Account. This has been in terms of Hon'ble Punjab & Haryana High Court order dated 23rd August, 2007. In case the Company is not able to utilise Minimum Alternate Tax (MAT) credit within the time limit prescribed under the Income Tax Act, the same is set off against the retained earning as Tax credit pertains to an earlier year..

- b) The expenditure amounting to ₹ 38,256 Lakhs incurred on a power project which is on hold, has been written off by withdrawing an equivalent amount from General Reserve.

Observations other than above made by the Statutory Auditors in their report for the Financial year ended 31st March, 2019 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act, 2013.

ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Pradip Kumar Muduli, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Reports are annexed herewith as Annexure 2 in prescribed format MR-3 as per Companies Act, 2013 and as Annexure 2A as per prescribed format under SEBI Listing Regulations. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

iii) Cost Auditors

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

Accordingly the Board of Directors in its meeting held on 21st May, 2019 has appointed M/s. Rakshit & Associates, (FRN : 101951) Cost & Management Accountants, on the recommendation of the Audit Committee, for auditing the cost records of the Company for the Financial Year 2019-20. Appropriate resolution seeking your ratification of the remuneration of Cost Auditors, is included in the Notice convening the 38th AGM of the Company.

CHANGES IN CAPITAL STRUCTURE

During the financial year 2018-19, the Company had allotted 1979255 Equity Shares fully paid-up of the face value of ₹ 10 per share at a premium of ₹ 200.18 per share on conversion of convertible equity warrants and 4484039 equity shares fully paid up value of ₹ 10 per share at a

PRAKASH INDUSTRIES LIMITED

premium of ₹ 90 per share after receiving of Conversion Notices from various FCCB holders. Accordingly, the paid-up Equity Share Capital of the Company increased from ₹ 156.88 crores to ₹ 163.35 crores.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS [RPT]

All the related party transactions that were entered during the financial year were in the ordinary course of the business of the Company. There were no materially significant related party transactions entered by the Company with its promoters, Directors, Key Management Personnel and other persons which may have a potential conflict with the interest of the Company.

All the related party transactions are placed before the Audit Committee for approval review on a quarterly basis. For the business transactions with the related parties which are of repetitive nature as well as for the normal business transactions which cannot be foreseen prior omnibus approval from the Audit Committee are obtained and accordingly required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee. The Company, during the financial year, entered into contracts or arrangements with related parties, which were in the ordinary course of business and on arm's length basis.

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

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has adopted a 'Whistle Blower Policy'. The details of the Vigil Mechanism and Whistle Blower Policy are available on the website of the Company.

NOMINATION AND REMUNERATION POLICY

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

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

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has set up a Risk Management Committee. Risk Assessment is also discussed in the Management Discussion and Analysis attached to this report. The Company maintains an adequate and effective internal control system commensurate with its size and complexity. These internal control systems provide, among other things, a reasonable assurance that transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of the Company are adequately safe-guarded against significant misuse or loss. An independent internal audit function is an important element of your Company's internal control system. The internal control system is supplemented through an extensive internal audit programme and periodic review by management and Audit Committee. The Company has in place, adequate internal financial controls with reference to financial statements.

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Annual Report and is attached as Annexure 4.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at work place and matters connected therewith. During the year ended 31st March, 2019, no complaint was received under the policy.

PRAKASH INDUSTRIES LIMITED

CORPORATE GOVERNANCE

The Company is in compliance with the Corporate Governance guidelines, as laid out in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Report on Corporate Governance and Certificate of Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, 2015 with the Stock Exchanges, are enclosed with report as Annexure 5.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34 (3) of the Listing Regulations, 2015 is provided in a separate section and annexed as Annexure 6.

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

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

ACKNOWLEDGMENTS

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

By Order of the Board

Place :New Delhi	P. L. Gupta	Kanha Agarwal
Dated :21 st May, 2019	Whole-time Director	Jt.Managing Director
	DIN:00048868	DIN:06885529

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

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

Your Company has been actively involved in activities for the betterment of the community. The Company has identified health, education & livelihood, environment awareness, water management, promotion of rural sports, rural development projects and social causes as the areas where assistance is provided on a need-based and case-to-case basis. Your Company persisted with participation in such activities at the local, grass root level during the year. The Company's CSR Policy is available on company website link at http://prakash.com/pdfs/CSR_Policy.pdf

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

1. The Composition of the CSR Committee

- i) Shri Vikram Agarwal
- II) Shri Kanha Agarwal
- iii) Smt. Purnima Gupta

2. Average net profit (after tax) of the Company for last three financial years ₹ 16978.33 Lakhs

3. Prescribed CSR Expenditure (two percent of the amount as in item 2 above) ₹ 339.57 Lakhs

4. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year. ₹ 339.57 Lakhs

(b) Amount unspent , if any; Nil

(c) Manner in which the amount spent during the financial year is detailed below: (₹.in Lakhs)

(1) Sl No	(2) CSR Project or Activity identified	(3) Sector in which the Project is covered	(4) Projects or Programs (1) Local Area or others (2) specify the states and district where projects or programmes were undertaken	(5) Amount outlay (Budget) Project or programmewise	(6) Amount spent on Projects or programs	(7) Cumulative expenditure upto the reporting period	(8) Amount Spent direct or through implementing agency
1	Drinking Water Facility	Making available Safe Drinking Water Schedule VII (i)	Champa, Chhattisgarh	4.33	4.33	4.33	Direct, 4.33
2	Training Programme & Promotion of Education	Promoting Education Including Special Education and Employment Enhancing Vocational Skills Schedule VII (ii)	Champa, Chhattisgarh Raipur, Chhattisgarh	69.30 0.43	69.30 0.43	69.30 0.43	Direct, 69.30 Direct, 0.43
3	Health Care	Promoting Health Care Schedule VII (i)	Champa, Chhattisgarh Raipur, Chhattisgarh	152.82 2.50	152.82 2.50	152.82 2.50	Direct, 152.82 Direct 2.50
4	Environment Awareness	Ensuring Environment Sustainability Schedule VII (iv)	Champa, Chhattisgarh Raipur, Chhattisgarh	24.03 1.44	24.03 1.44	24.03 1.44	Direct, 24.03 Direct, 1.44
5	Social Causes	Measures for reducing inequalities, Schedule VII (iii)	Champa, Chhattisgarh Raipur, Chhattisgarh	46.60 2.00	46.60 2.00	46.60 2.00	Direct, 46.60 Direct, 2.00
6	Poverty & malnutrition	Mid day meal scheme, Schedule VII(i)	Delhi NCR	107.97	107.97	107.97	Through implementing agency, 107.97
	Total			411.42	411.42	411.42	411.42

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

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

Vikram Agarwal
Chairman-CSR Committee
DIN:00054125

**FORM No. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019****[Pursuant to section 204(1) of Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

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

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

Based on my verification of the Prakash Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Prakash Industries Limited ("the Company") for the financial year ended on 31st March 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under and the applicable provisions of the Companies Act, 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

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

- i. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

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

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

PRAKASH INDUSTRIES LIMITED

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

There was delay in filing CHG-4 by 6 days & the delay was condoned by the Regional Director and the Company has filed the said CHG-4 after paying requisite penalty/fees.

The Company has spent an amount of ₹ 411.42 Lakhs against the amount of ₹ 339.57 Lakhs to be spent during the year towards Corporate Social Responsibility.

I further report that:

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

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

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

I further report that as per the explanations given to me and the representation made by the Management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the

company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

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

I further report that during the audit period there were following other specific events/actions in pursuance of the above referred laws, rules, regulations and guidelines etc, having a major bearing on the Company's affairs:

Pursuant to Scheme of Arrangement (Demerger) under Section 230 to 232 of the Companies Act 2013 between Prakash Industries Limited -PIL (Demerged Company) and Prakash Pipes Limited -PPL (Resulting Company), the NCLT, Chandigarh on 14/03/2019 approved the said Scheme of Arrangement (Demerger) with appointed date of 1st April 2018.

The business, undertaking, activities, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of PIL pertaining to PVC pipes business as on the appointed date (1st April, 2018) have been transferred to the PPL at their respective book values. As consideration for the value of net assets transferred, PPL has issued 2,04,18,354 equity shares of ₹ 10 each fully paid-up aggregating to ₹ 2,042 lakhs to the existing shareholders of PIL as on the record date in the ratio of 8:1.

PRADIP KUMAR MUDULI
(Practicing Company Secretary)
FCS No. 6170
C P No. 5730

Place: New Delhi

Date : 21/05/2019

Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report

Annexure-A

To,
The Members,
Prakash Industries Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including compliance of applicable Direct and Indirect tax

laws since the same have been subject to review by Statutory Auditor and other designated professionals.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

PRADIP KUMAR MUDULI
(Practicing Company Secretary)
FCS No. 6170
C P No. 5730
Place: New Delhi
Date : 21/05/2019

PRAKASH INDUSTRIES LIMITED

To,
Prakash Industries Limited
15 Km stone, Delhi Road
Hisar, Haryana - 125044

Secretarial compliance report of Prakash Industries Limited (CIN: L27109HR1980PLC010724) for the Financial year ended 31st March, 2019.

I Pradip Kumar Muduli, Practicing Company Secretary have examined:

- all the documents and records made available to me and explanation provided by Prakash Industries Limited ("the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2019 ("Review Period") in respect of compliance with the provisions of :
 - the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not attracted during the period under review.**
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not attracted during the period under review.**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not attracted during the period under review.
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not attracted during the period under review.**

ANNEXURE-2A

- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not attracted during the period under review.**
- Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **Not attracted during the period under review;** and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/circulars/ guideline including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
	NIL	NIL	NIL

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- The following are the details of actions taken against the listed entity/ its promoters/ directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder: NIL

Sr. No.	Action taken by	Detail of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
	During the year under report no action was taken.			

- The listed entity has taken the following actions to comply with the observations made in previous reports:

This being the first reporting since the notification of the requirements to submit the report, reporting on actions to comply with the observations made in the previous reports do not arise;

Place: New Delhi
Date : 21/05/2019

Name: Pradip Kumar Muduli
FCS No: 6170, CP: 5730

PRAKASH INDUSTRIES LIMITED**ANNEXURE-3****DETAILS OF RELATED PARTY TRANSACTIONS**

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

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

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

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

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

By Order of the Board

Place : New Delhi
Dated : 21st May, 2019

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

Kanha Agarwal
Jt. Managing Director
DIN:06885529

PRAKASH INDUSTRIES LIMITED

ANNEXURE-4

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

No.	Requirement	Information																														
(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	<table><thead><tr><th>Director</th><th>Ratio</th></tr></thead><tbody><tr><td>Shri V.P. Agarwal, Chairman</td><td>164:1</td></tr><tr><td>Shri Vikram Agawal, Managing Director</td><td>82:1</td></tr><tr><td>Shri Kanha Agarwal, Joint Managing Director</td><td>37:1</td></tr><tr><td>Shri M.L. Pareek, Whole-time Director & CEO</td><td>23:1</td></tr><tr><td>Shri P.L. Gupta, Whole-time Director & CFO</td><td>18:1</td></tr><tr><td>Shri Y.N. Chugh, Director *</td><td></td></tr><tr><td>Shri Mamraj Agarwal, Director *</td><td></td></tr><tr><td>Smt. Purnima Gupta, Director *</td><td></td></tr><tr><td>Shri Sunil Kumar, Director*</td><td></td></tr><tr><td>Dr. S.C. Gosain, Director*</td><td></td></tr></tbody></table>	Director	Ratio	Shri V.P. Agarwal, Chairman	164:1	Shri Vikram Agawal, Managing Director	82:1	Shri Kanha Agarwal, Joint Managing Director	37:1	Shri M.L. Pareek, Whole-time Director & CEO	23:1	Shri P.L. Gupta, Whole-time Director & CFO	18:1	Shri Y.N. Chugh, Director *		Shri Mamraj Agarwal, Director *		Smt. Purnima Gupta, Director *		Shri Sunil Kumar, Director*		Dr. S.C. Gosain, Director*									
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Smt. Purnima Gupta, Director *																																
Shri Sunil Kumar, Director*																																
Dr. S.C. Gosain, Director*																																
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year	<table><thead><tr><th>Director</th><th>Ratio</th></tr></thead><tbody><tr><td>Shri V.P. Agarwal, Chairman</td><td>12.49%</td></tr><tr><td>Shri Vikram Agawal, Managing Director</td><td>33.27%</td></tr><tr><td>Shri Kanha Agarwal, Joint Managing Director</td><td>260.51%</td></tr><tr><td>Shri M.L. Pareek, Whole-time Director & CEO</td><td>12.43%</td></tr><tr><td>Shri P.L. Gupta, Whole-time Director & CFO</td><td>38.23%</td></tr><tr><td>Shri Y.N. Chugh, Director *</td><td></td></tr><tr><td>Shri Mamraj Agarwal, Director *</td><td></td></tr><tr><td>Smt. Purnima Gupta, Director *</td><td></td></tr><tr><td>Shri Sunil Kumar, Director*</td><td></td></tr><tr><td>Dr. S.C. Gosain, Director*</td><td></td></tr><tr><td colspan="2">Key Managerial Personnel</td></tr><tr><td>Shri M.L. Pareek, Whole-time Director & CEO</td><td>12.43%</td></tr><tr><td>Shri P.L. Gupta, Whole-time Director & CFO</td><td>38.23%</td></tr><tr><td>Shri Ashwini Kumar, Company Secretary</td><td>41.58%</td></tr></tbody></table>	Director	Ratio	Shri V.P. Agarwal, Chairman	12.49%	Shri Vikram Agawal, Managing Director	33.27%	Shri Kanha Agarwal, Joint Managing Director	260.51%	Shri M.L. Pareek, Whole-time Director & CEO	12.43%	Shri P.L. Gupta, Whole-time Director & CFO	38.23%	Shri Y.N. Chugh, Director *		Shri Mamraj Agarwal, Director *		Smt. Purnima Gupta, Director *		Shri Sunil Kumar, Director*		Dr. S.C. Gosain, Director*		Key Managerial Personnel		Shri M.L. Pareek, Whole-time Director & CEO	12.43%	Shri P.L. Gupta, Whole-time Director & CFO	38.23%	Shri Ashwini Kumar, Company Secretary	41.58%
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Shri Ashwini Kumar, Company Secretary	41.58%																															
(iii)	The percentage increase in the median remuneration of employees in the financial year	16.75%																														
(iv)	The number of permanent employees on the rolls of Company	2643 as on 31 st March, 2019																														
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Median remuneration of employees increased by 16.75% in FY 19 over previous year. The salary increase is based on compensation philosophy of the organisation which takes into account internal as well as external factors. Remuneration to managerial person were on lower side as compared to similar position held by others in steel sector Companies, hence increased.																														
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Affirmed																														

* No remuneration, only sitting fees paid

PRAKASH INDUSTRIES LIMITED**ANNEXURE-4A**

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

FOR THE YEAR ENDED 31ST MARCH, 2019

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

Sr. No.	Name	Age (Years)	Qualifications	Experience (Years)	Designation/ Nature of Duties	Remuneration (₹) Lakhs	Date of Commencement of Employment	Particulars of last Employment
1.	Sh.V.P.Agarwal	63	B.Com.	40	Chairman	540	01.01.1981	Surya Roshini Limited
2.	Sh.Vikram Agarwal	41	B.Com.	17	Managing Director	269	28.05.2005	Primenet Global Limited
3.	Sh.Kanha Agarwal	26	B.Com.	5	Joint Managing Director	120	28.05.2014	Earnst & Young

NOTES :

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

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

Good governance practices stem from the value system and philosophy of the organization and at Prakash Industries Limited, your Company is committed to optimize shareholder returns, governance processes and an entrepreneurial, performance focused, conducive work environment.

The Board is collectively responsible to ensure that Corporate Governance processes are structured to direct the Company's actions to achieve this purpose, while complying with the Code of Governance.

2. BOARD OF DIRECTORS
a) Composition

As on 31st March, 2019, the Board of Prakash Industries Ltd. comprised 10 Directors represented by 5 Whole-time (Executive) Directors including Chairman, Managing Director & Joint Managing Director and 5 Independent Directors (Non-Executive)

b) Confirmation relating to independent Directors

It is confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and amendment made thereof and are Independent of the Management of the Company

c) Attendance of each Director at the Board meetings & last Annual General Meeting during the year 2018-19 and number of other Directorships and committee memberships/ chairmanships held in other Companies:

S. No.	Name of Directors and their DIN	Category	No. of Board Meetings Attended	Last AGM Attended	No. of Directorships held in other Companies		No. of Committee positions held in other Companies	
					Chairman	Director	Chairman	Member
1.	Shri V.P. Agarwal Chairman DIN:00048907	Executive & Promoter	4	No	1	7	–	–
2.	Shri Vikram Agarwal Managing Director DIN:00054125	Executive & Promoter	4	No	–	7	2	3
3.	Shri Kanha Agarwal Joint Managing Director DIN:06885529	Executive & Promoter	4	No	–	11	–	–
4.	Shri K.C. Mehra* DIN:00128733	Non-executive & Independent	1	No	–	2	2	–
5.	Shri Y.N. Chugh DIN:02225961	Non-executive & Independent	4	Yes	–	–	–	–
6.	Shri M.R. Agarwal DIN:00180671	Non-executive & Independent	4	No	–	–	–	–
7.	Smt. Purnima Gupta DIN:06885738	Non-executive & Independent	3	No	–	–	–	–
8.	Shri M.L. Pareek DIN:01795975	Executive	4	Yes	–	1	–	–
9.	Shri P.L. Gupta DIN:00048868	Executive	4	No	–	1	–	–
10.	Shri Sunil Kumar DIN:08047482	Non-executive & Independent	4	No	–	–	–	–
11.	Dr.S.C. Gosain** DIN:08202130	Non-executive & Independent	2	No	–	–	–	–

* Ceased to be Director due to sad demise w.e.f. 4th June, 2018

** Appointed w.e.f. 13th August, 2018

PRAKASH INDUSTRIES LIMITED

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

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

The following skills/expertise/competencies have been identified for the effective functioning of the Company and are currently available with the Board:

1. Industry Knowledge/experience

- Industry experience
- Knowledge of Sector
- Knowledge of Government/Public Policy

2. Technical Skills/experience

- Projects
- Accounting
- Finance
- Law
- Marketing Experience
- Public Relations

e) Disclosure of relationship between Directors inter-se

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

f) No. of Board Meetings

In the financial year 2018-19, the Board met four times. The meetings were held on 30th April, 2018, 10th July, 2018, 29th October, 2018 and 14th January, 2019. The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation.

Details of the Board meetings are as under:

S.No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	30.04.2018	10	9
2.	10.07.2018	9	9
3.	29.10.2018	10	10
4.	14.01.2019	10	10

g) Meetings of Independent Directors

The Company's Independent Directors met on 14th January, 2019 in financial year 2018-19 without the presence of Executive Directors or management personnel to discuss matters pertaining to the Company's affairs and put forth their views. The Chairman of meeting had taken appropriate steps to present Independent Directors' views to the Chairman and Managing Director the the Company.

h) Details of shareholding of non-executive Directors in the Company as on 31st March, 2019

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

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

3. AUDIT COMMITTEE

i) Terms, composition, names of members and chairman

The terms of reference of the Committee cover the matters specified for the Audit Committee under Regulation 18 of SEBI (LODR) Regulations, 2015 and as per Section 177 of the Companies Act, 2013.

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

ii) No. of Audit Committee Meetings

The Audit Committee met four times during the financial year 2018-19 on 30th April, 2018, 10th July, 2018, 29th October, 2018 and 14th January, 2019 and attendance was as under.

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

* Ceased to be member due to sad demise w.e.f. 4th June, 2018

** Co-opted as member w.e.f. 20th July, 2018

Audit Committee meetings are also attended by representative of Internal Auditors and Managing Director / Joint Managing Director of the Company who are permanent invitees for the meeting. Company Secretary acts as Secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

i) Terms, composition, names of members and chairman

The terms of reference of Nomination and Remuneration Committee cover the matters specified

PRAKASH INDUSTRIES LIMITED

for the said Committee under Regulation 19 & Part D of Schedule II of SEBI (LODR) Regulations, 2015 and as per Section 178 of the Companies Act, 2013.

During the year Board of Directors has reconstituted the Nomination and Remuneration Committee comprises of Shri Y. N. Chugh (Non-Executive and Independent Director) as the Chairman and Shri M. R. Agarwal, Smt. Purnima Gupta and Shri Sunil Kumar (All Non-Executive and Independent Directors) as members of the Nomination and Remuneration Committee of the Board of Directors.

During the year, one meeting of the Committee was held on 14th January, 2019 and all members of the Committee had attended the meeting.

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

5. DETAILS OF REMUNERATION / SITTING FEE PAID TO DIRECTORS FOR THE PERIOD FROM 1ST APRIL, 2018 TO 31ST MARCH, 2019:

a) Pecuniary Relationship

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

(₹ in lakhs)

S.No.	Name of Director	Salary	Perquisites	Sitting Fee
1.	Shri V. P. Agarwal	540.00	0.40	N.A.
2.	Shri Vikram Agarwal	268.80	0.40	N.A.
3.	Shri Kanha Agarwal	120.00	0.40	N.A.
4.	Shri K.C.Mehra*	Nil	Nil	0.50
5.	Shri Y. N. Chugh	Nil	Nil	2.50
6.	Shri M. R. Agarwal	Nil	Nil	2.50
7.	Smt.Purnima Gupta	Nil	Nil	3.50
8.	Shri M. L. Pareek	75.78	0.40	N.A.
9.	Shri P. L. Gupta	58.60	0.08	N.A.
10.	Shri Sunil Kumar	Nil	Nil	2.00
11.	Dr. S. C. Gosain**	Nil	Nil	0.75

* Ceased to be Director due to sad demise w.e.f. 4th June, 2018

** Appointed w.e.f. 13th August, 2018

b) The remuneration criteria of making payments to Non-Executive Directors has been disclosed and it can be accessed on the Company's website www.prakash.com.

c) Details of Service Contracts of Directors:

S. No.	Name of Director	Period of Contract	Date of appointment / Re-appointment	Notice Period
1.	Shri V.P. Agarwal	3 years	01.04.2017	N.A.
2.	Shri Vikram Agarwal	3 years	01.04.2018	N.A.
3.	Shri Kanha Agarwal	3 years	01.04.2019	N.A.
4.	Shri M.L. Pareek	3 years	01.04.2018	One month
5.	Shri P.L. Gupta	3 years	01.04.2018	One month

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors had constituted the Stakeholders Relationship Committee (formerly known as Shareholders' / Investors' Grievance Committee) comprises of Smt. Purnima Gupta (Non-Executive and Independent Director), as Chairperson of the Committee, Shri M.L. Pareek and Shri P.L. Gupta, Whole-time Director as members of the Committee.

The Committee is entrusted with the responsibility of addressing the shareholders/ Investors' complaints with respect to transfer of shares, non-receipt of Annual Report and non-receipt of dividend etc.

The Stakeholders Relationship Committee met four times during the financial year 2018-19 on 14th April, 2018, 5th July, 2018, 15th October, 2018 and 5th January, 2019 and attendance was as under.

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

Compliance Officer : Shri Ashwini Kumar
Company Secretary

No. of shareholders/ investors complaints received upto 31st March, 2019 : 15

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

No. of pending complaints : Nil

The Company has created an exclusive e-mail ID viz. investorshelpline@prakash.com for the help of investors

7. OTHER COMMITTEES

a) SHARE TRANSFER COMMITTEE

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

The Board has constituted a Share Transfer Committee which meets frequently/as and when required to approve the transfer and transmission of shares, issue of duplicate share certificates, consolidation and sub-

PRAKASH INDUSTRIES LIMITED

division of shares, etc. The Company complies with the requirements of the SEBI (LODR) with respect to transfer of shares. The requisite certificates are sent to the transferees within the prescribed time. The stipulations of depositories regarding demat / remat etc. are also complied with.

Compliance Officer:

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

b) FINANCE COMMITTEE

The Board has also constituted a Finance Committee on 14th November, 2013 to look after all credit facilities taken or to be taken by the Company for the business of the Company and any other transaction or any financial issue that the Board may desire to be reviewed by the Finance Committee. During the year Board of Directors has reconstituted the Finance Committee. The Committee comprises of Shri P.L. Gupta, (Whole-time Director and Chief Financial Officer) as Chairman of the Committee, and Shri M.L. Pareek (Whole-time Director and Chief Executive Officer) as member of the Finance Committee of the Board of Directors.

The Committee met once during the financial year 2018-19 on 29th October, 2018 and attendance was as under:

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

c) ALLOTMENT COMMITTEE

The Board has also constituted an Allotment Committee for allotment of equity shares or any other instrument convertible into equity shares. During the year, Board of Directors has reconstituted the Allotment Committee. The Committee comprises of Shri Y.N. Chugh (Non-Executive and Independent Director) as the Chairman of the Allotment Committee and Shri Vikram Agarwal (Managing Director) and Shri P.L. Gupta (Whole-time Director) as members of the Allotment Committee of the Board of Directors.

No meeting was held during the financial year 2018-19.

d) FCCB CONVERSION COMMITTEE

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

The Committee met once during the financial year 2018-19 on 25th July, 2018 and attendance was as under:

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

e) CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

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

The Committee met two times during the financial year 2018-19 on 27th April, 2018 and 29th October 2018 and attendance of members at the meeting was as follows:

S. No.	Name of Director	Status	Meetings Attended
1.	Shri Vikram Agarwal	Member	2
2.	Shri Kanha Agarwal	Member	2
3.	Smt.Purnima Gupta	Member	2

f) RISK MANAGEMENT COMMITTEE

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

The Committee met once during the financial year 2018-19 on 14th January, 2019 and attendance of members at the meeting was as follows:

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

The Committee is empowered pursuant to its terms of reference:

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

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

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

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- Not Applicable -

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

a. Total exposure of the listed entity to commodities in INR

- Not Applicable -

b. Exposure of the listed entity to various commodities:

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

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

- Not Applicable -

8. GENERAL BODY MEETINGS

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

Year	Date & Time	Details of Special Resolutions
2017-2018 (AGM)	29.07.2018 at 12.30 p.m	Re-appointment of Managing Director, Whole-time Directors and revise the remuneration of Joint Managing Director
2017-2018 (EGM)	17.03.2018 at 12.30 p.m	Issue of Convertible Equity Warrants on preferential basis to Promoter(s) and Non Promoter(s)
2017-2018 (EGM)	16.12.2017 at 12.30 p.m.	Issue of Convertible Equity Warrants on preferential basis to Promoters and Non Promoter(s)
2017-2018 (EGM)	23.09.2017 at 12.30 p.m.	Approve further issue of securities
2016-2017 (AGM)	25.07.2017 at 12.30 p.m	Increase in Authorised Share Capital and amend clause V of the Memorandum and Articles of Association, Issue of new Bonds in exchange of existing old Bonds and Re-appointment of Chairman
2015-2016 (AGM)	29.09.2016 at 12.30 p.m	Resolution for appointment of Statutory Auditors, Resolution for waiver of recovery of excess remuneration paid to Chairman, Managing Director and Whole-time Directors

Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the financial Year 2018-19. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

9. MEANS OF COMMUNICATIONS

The Board of Directors approves and takes on record the quarterly / half yearly and annual results of the 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 results are also sent to shareholders through email whose email addresses are available. The Notice of AGM/EGM alongwith the Annual Report/Notice of EGM are sent to the shareholders well in advance of the AGM/EGM. The stock exchanges are notified of any important developments. Management Discussion & Analysis report which forms part of the Annual Report is attached to the Directors Report and sent to the shareholders.

NSE Electronic Application Processing System (NEAPS):

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

BSE Corporate Compliance & Listing Centre (the "Listing Centre"):

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

SEBI Complaints Redress System (SCORES):

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

10. GENERAL SHAREHOLDERS' INFORMATION

a) Company Registration Details

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

b) Annual General Meeting:

Date & Time 28th September, 2019 at 12.30 p.m.

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

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c) Financial Calendar for 2019-20:

- | | |
|-----------------------------------|--|
| i) First quarter results | upto 14 th
August, 2019 |
| ii) Second quarter results | upto 15 th
November, 2019 |
| iii) Third quarter results | upto 15 th
February, 2020 |
| iv) Fourth quarter/Annual results | upto 15 th /30 th
May, 2020 |

d) Book Closure :

24th September, 2019 to 28th September, 2019 (both days inclusive)

e) Stock Exchanges where listed:

i) Equity Shares

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

ISIN No. for equity shares : INE603A01013

f) Market Price Data :

Market price of Company's Equity Share of ₹10 each during the year from April, 2018 to March, 2019 at BSE Ltd. and National Stock Exchange (NSE) are given below: (₹)

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April, 2018	232.40	171.10	231.90	170.05
May, 2018	217.55	162.90	217.55	163.30
June, 2018	181.75	139.80	182.00	140.00
July, 2018	166.80	112.70	166.90	112.65
August, 2018	165.85	133.10	165.70	132.60
September, 2018	163.05	101.75	163.40	101.40
October, 2018	121.00	100.45	121.00	100.20
November, 2018	117.50	84.65	117.70	84.60
December, 2018	97.00	70.70	96.95	70.50
January, 2019	99.00	67.00	99.10	76.30
February, 2019	97.00	80.30	96.20	80.10
March, 2019	96.00	87.20	95.60	86.90

g) Distribution of Shareholding (as on 31st March, 2019)

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Upto 5000	76917	84.33	11352045	6.95
5001 - 10000	6874	7.54	5463143	3.35
10001 - 20000	3401	3.73	5164177	3.16
20001 - 30000	1195	1.31	3091107	1.89
30001 - 40000	435	0.48	1492753	0.91
40001 - 50000	394	0.43	1684173	1.03
50001 - 100000	973	1.07	6250365	3.83
100001 – above	1015	1.11	128849067	78.88
Total	91204	100.00	163346830	100.00

h) Shareholding Pattern (as on 31st March, 2019)

Category	No. of Shares	% of Shares
Promoter & Promoter Group	64191645	39.30
Mutual Fund / UTI	359904	0.22
Financial Institutions / Banks	3842	0.00
Insurance Companies	300	0.00
Foreign Institutional Investors	8506309	5.21
Bodies Corporate etc.	28876836	17.68
NRIs/OBCs	2169920	1.33
Public (Individuals)	59238074	36.26
Total	163346830	100.00

i) Registrar and Transfer Agent

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

j) Share Transfer System

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

k) Dematerialisation of Shares :

The Company has arrangements with both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and got electronic connectivity of shares for scripless trading. As on 31st March, 2019; 94.68% of Equity Shares of the Company were held in dematerialized form.

l) Listing Fee :

The Company has paid the listing fees upto the year 2019-20 of BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed and traded.

m) Outstanding Foreign Currency Convertible Bonds (FCCB):

The total outstanding FCCB as on 31st March, 2019 is 11.45 Million US\$.

n) Plant Locations :

- Champa, Distt. Janjgir – Champa (Chhattisgarh)
- Raipur (Chhattisgarh)
- Koira, Distt. Koenjhar (Odisha)
- Muppandal (Tamil Nadu)

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

Prakash Industries Ltd.

SRIVAN, Bijwasan,
New Delhi – 110061.

Ph. : (011) - 25305800

Fax. : (011) - 28062119

Website : www.prakash.com

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11. OTHER DISCLOSURES

- a) None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No 45 of Standalone Financial Statements, forming part of the Annual Report. All related party transactions are negotiated on arms length basis and are intended to further in the Company's interests.

The Company has disclosed the related parties transactions in Notes on Accounts in the Balance Sheet. The same are not in potential conflict with the interest of the Company at large.

- b) There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.
- c) The details of establishment of Vigil Mechanism & Whistle Blower Policy can be accessed on the Company's website www.prakash.com. Further it is affirmed that there is a proper policy to look into the grievances of the personnel of the Company and no person has been denied access to the Audit Committee.
- d) The Policy for determining "Material Subsidiaries" can be accessed on company's website www.prakash.com.
- e) The Policy on dealing with related party transactions can be accessed on company's website www.prakash.com.
- f) There has been no instance of non-compliance by the Company on any requirement of Corporate Governance report as per Para C of Schedule V of SEBI (LODR), Regulations, 2015.
- g) The Company has adopted and fulfilled the disclosure requirements in compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI(LODR) Regulations, 2015.

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

The Company has received an amount of ₹ 51,02,59,736 during the financial year ended 31st March, 2019 in respect of allotment of equity shares on conversion of convertible equity warrants and utilized the entire fund received for the purpose of the capital requirements of the Company and meeting other long term fund requirement including debt repayments.

13. CODE OF CONDUCT

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

"In terms of Para D of Schedule V of SEBI (LODR) Regulations 2015, it is hereby declared that all the Directors and Senior Management personnel including functional heads have affirmed compliance of the Code of Conduct of the Company for the financial year 2018-19"

Place : New Delhi
Date : 21st May, 2019

M. L. Pareek
Chief Executive
Officer

P. L. Gupta
Chief Financial
Officer

14. A certificate has been received from Pradip Kumar Muduli, Practising Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority

15. Disclosures with respect to demat suspense account/unclaimed suspense account

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

Compliance Certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance

To
The Members of
Prakash Industries Limited

We have examined the compliance of conditions of corporate governance by Prakash Industries Limited ("the Company"), for the year ended 31st March, 2019 as stipulated in SEBI(LODR) Regulations, 2015 and the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

New Delhi
21st May, 2019

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

PRAKASH INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE-6

Industry Structure & Developments

The domestic iron & steel industry continues to be on growth path on account of improvement in global growth outlook and improvement in steel demand supply scenario due to various environmental protection measures taken by Chinese Government like phasing out of high polluting steel plants etc. Overall also, the global macro-economic situation looks promising. India's crude steel production grew 5% y-o-y to 106.5 mt in 2018. India has surpassed Japan to become the second largest producer of steel in 2018. India's steel production is expected to increase to 128.6 million tonnes by 2021. The Government of India has allowed 100 per cent foreign direct investment (FDI) in the steel sector under the automatic route. Although India's per capita consumption of steel grew from 45 kgs in FY09 to 68 kgs in FY18, it is much lower in comparison to average steel consumption in advanced countries, thereby indicating potential growth prospects for the industry. Rapid urban population growth, substantial government investment in infrastructure, expansion of housing and manufacturing sector will aid steel consumption growth in India. Government of India's focus on infrastructure and road projects is aiding the boost in demand for steel. The National Steel Policy (NSP) 2017, envisages that by the year 2030, the domestic per capita steel consumption will be at 160 kg & the total steel capacity will be close to 300 Million tonnes.

Opportunities and Threats

Government of India's focus on infrastructure investments, including roads, airports, shipping, power, logistics, railways and telecom, will significantly boost the demand for steel. Further, the acceleration in rural economy and comparatively low per capita steel consumption in India will also lead to growth in steel demand. The Government of India vide its National Steel Policy (NSP) 2017 also seeks to create a globally competitive steel industry in India by achieving higher per capita steel consumption through urbanization of rural areas.

As regards any threat to the domestic steel industry, India may be a destination for imported steel flows diverted from global trade, consequent to trade protection measures adopted by many importing countries. Particularly, steel imports from South Korea and Japan may surge due to the imposition of duty by US. Steel demand is slowing down in China and exports to the US are restricted, Chinese exports may seek to re-enter a growing Indian market, directly or indirectly. Also, smooth availability of key raw materials and environmental concerns might pose significant challenge in the future. However, your Company has insulated itself against these possible threats with its strong manufacturing base, developed infrastructure, sufficient land parcels, environmental approvals, and long term raw material tie ups.

Segment Wise / Product Wise Performance

The steel division showcased phenomenal performance during the year under review. The sales volumes grew by

more than 20% during the year in comparison to last financial year. Replacement and modernization of existing furnaces enabled the Steel Melting Shop to achieve record production volumes during the year. The production in the Sponge Iron division was also higher by 20% over last year. The commissioning of the sixth 0.2 mn tpa Sponge Iron Rotary kiln alongwith 15 MW power co-generation is complete and the commercial production is expected to commence from end of July, 2019. The enhanced sponge iron production and power generation will translate into significant cost savings. The operations in the power division were also satisfactory during the year and the generation was sufficient to meet the requirement of power in the steelmaking operations.

Outlook

The current growth witnessed in the steel production in the country is backed by fast-growing steel demand. It is likely that India will also become second largest steel consumer by the end of 2019 as its steel demand is expected to grow by 7.3%. India's current steel use per capita for finished steel products stood at 68 kg, which is much below the world average of 212 kg, which suggests that India has a huge unrealised potential for steel demand growth. Recently, India has been trying to unleash this through major push for infrastructure development in the country. A world steel study of India, conducted in collaboration with the Indian Steel Association and the support of Indian member companies, identifies the construction sector as a pan-India steel demand driver on the back of strong infrastructure development and housing demand, especially affordable housing. Projects like industrial corridors (connecting existing industrial cities and develop manufacturing sectors) and Sagarmala (connecting states through waterways) will also boost the demand for steel. Also, the Smart Cities initiatives will further boost urban infrastructure investment, thereby contributing to the growth in demand for steel.

Risks and Concerns

Risk is an uncertain event, which, on its occurrence can cause negative impact on the performance of any business entity. Our company has adequate risk management system, which, identifies, analyses, and evaluates the risks to its business and thereafter treats and then monitors and reviews these risks. Risk management is a continuous process and the Risk Management Committee formed by the Company is actively involved in identifying the risks and the means to mitigate them.

Keeping in view the core business of steel making, the assured availability of the key inputs like coal and iron ore remain to be the key area of concern and risk for the Company. The Indian Steel Industry is grappling hard with uncertainties pertaining to the availability and consistent supplies of raw materials i.e. both coal and iron ore. Even though the marked shift from "Allocation process" to "Auction

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process" for allotment of mining blocks has brought about considerable transparency; issues pertaining to transport logistics from the mining areas need to be sorted out to mitigate lag in evacuation of iron ore, coal and other minerals. However, our company, has safeguarded itself against these risks to a significant extent by securing Long Term Fuel Supply of Coal from Coal India Limited requirements at stable prices. Also, regarding iron ore, the Sirkaguttu Iron Ore Mine of the Company in Odisha is likely to open very soon.

Internal Control System and their Adequacy

Your Company has an adequate internal control system commensurate with the size, scale and complexity of its operations, which ensures providing financial and operational information, statutory compliances, protection of assets of the Company and ensuring compliance with corporate policies. Your Company avails the services of independent professional firm for Internal Audit, which checks the effectiveness of the internal controls with an objective to provide an independent, objective and reasonable assurance of the adequacy and effectiveness of your Company's risk management, control and governance processes. The scope and authority of the Internal Audit activity is approved by the Audit Committee. Internal Auditor reports directly to the Audit Committee of the Board of Directors of the Company. Based on the report of the Internal Auditors, process owners undertake corrective actions in their respective areas and thereby strengthen the controls.

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

Human Resource Management (HRM) deals with issues related to compensation, performance management, safety,

wellness, benefits, employee motivation, training among others. HRM plays a strategic role in managing people, attracting and retaining the best talents and minimizing attrition. The Human Resource (HR) practices are geared towards creating a performance driven organization. On the whole, the HRM's vision is to minimize the costs and build internal capabilities through use of technology, innovation and automation.

Our company also emphasizes on the adoption of best HR practices for the employees which includes providing good working conditions, health management workshops, health check-up camps, wellness programs, feedback initiatives from the employees and Labor unions and knowledge sharing sessions to build workforce capability. The Company also ensures well equipped first aid centers, ambulance facilities, etc across all the plants. Air pollution control devices have been installed at the plants to reduce dust levels. Other initiatives instituted by the Company include celebrations of professional and personal milestones, reward and recognition events and team get-togethers to promote employee friendly and healthy environment.

Ratio Analysis

S.No.	Particular	Units	FY 2019	FY 2018
1.	Debt-Equity Ratio	Times	0.15	0.22
2.	Current Ratio	Times	1.00	1.01
3.	Operating Profit Margin	%	22.08	20.20
4.	Net Profit Margin	%	14.89	13.01
5.	Interest Coverage Ratio	Times	7.76	6.86
6.	Debtors Turnover Ratio	Times	23.85	30.42
7.	Inventory Turnover Ratio	Times	15.38	11.99

INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3) (m) OF THE COMPANIES ACT 2013; READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED 31ST MARCH, 2019

A) CONSERVATION OF ENERGY

I) STEPS TAKEN FOR IMPACT ON CONSERVATION OF ENERGY

Sponge Iron Division

1. Increase the Production of DRI by use of better quality imported coal, High Grade and optimized sized Iron Ore , accretion formation was controlled and better productivity was achieved which has resulted into reduction of Specific Coal Consumption
2. Replacement of old motors of Shell Air Fan with Energy Efficient Motor in Kilns for energy conservation
3. Replacing LED light in place of HPSV for energy conservation.
4. To reduce energy losses through radiation, the Company has started using Refractory of low thermal conductivity (LCM-70) in place of high conductivity material (LC-80).
5. The Company has started using high Ni tubes in place of conventional HK 40 air tubes in kilns which will ensure desired air flow, better production, low accretion & fuel conservation.
6. Shell air fans of higher capacity have been installed in kiln-1 and 2, after which, there is enhancement of feed rate by 2-3 MT/hr in these two kilns, resulting in increase in power generation through WHRB.

Induction Furnace Division

1. Introduced the Air pre- heater in all furnaces for early sintering of Crucible which ultimately reduced the sintering heat time by 1 to 1.50 hrs, reduced the power consumption and increased the furnace production.
2. Used 900 mm mould tube with jackets in IFD sheds in place of 800 mm mould tube to increase casting speed of concast resulting reduction of the furnaces holding time and reduction of power consumption.
3. Installed the Grabber to feed Sponge in Induction Furnaces instead of Magnet which has reduced the crane working hour & thereby reducing the auxiliary power consumption.
4. Improved the Patching life by 1.50% by use of higher quality Ramming Mass resulting minimize of sintering heat which resulted in improvement in productivity & reduction of power consumption.
5. Replacing old inefficient induction furnaces with latest technology efficient furnaces with digitalization for lower Energy Consumption

SAF Division

1. Hydraulic Hood Gate system installed to reduce fugitive to utilise waste heat in melting process
2. SAF Load optimized by utilizing Max transformer capacity for reduced specific power consumption.
3. HPSV light replaced by LED light for Energy Saving Purpose.
4. Energy Efficient Motors installed in F.D. Cooler of Pollution Control Systems.
5. Installation of Capacitor Bank in SAF to improve power factor- APFC Panel 300KVAR and 400KVAR installed.

Power Plant Division

1. Condenser cleaning for improving the vacuum in Turbines for reducing the steam consumption in Turbines. Also installed online condenser cleaning system.
2. Replacement of HPSV light fitting with LED light fittings for better illumination and energy savings
3. Established and continuously using the Coal Additive Application of Multifunctional Combustion Catalyst and achieved the Coal Savings in Boiler and also Reduction in Loss of Ignition.
4. LT VFD panels installed for CT fan motors. Also HT VFD Drive and panel for FD fan motor for conservation of energy saving.
5. One pneumatic control valve is installed at startup vent valve to arrest the steam passing and to control steam loss from existing MOV for energy conservation.
6. Eliminated air ingress through air bellow at ESP inlet in WHRB thereby increasing in power generation through WHRB.

PRAKASH INDUSTRIES LIMITED

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

1. Reuse and recycle of backflow material in the Kilns for partly replacing the fresh coal in the feeding
2. Established and continuously using the Coal Additive Application of Multifunctional Combustion Catalyst and achieved the Coal Savings in Boiler and also Reduction in Loss of Ignition.
3. Utilizing the DRI Cooler Oversize Waste Material through Crushing and Processing and being used in SAF Division

III) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

S.No	PROJECT TITLE	₹ In lakhs
1.	VFD installation in the plant for energy conservation	66.49
2.	Procurement of energy efficient LED lights	56.41
3.	Procurement and Installation on energy efficient motors	175.89
4.	Procurement and Installation of energy efficient pumps	98.57
5.	Installation of Air Preheaters in Induction Furnace Division	110.00
6.	Installation of capacitor bank in plant for improving the power factor	100.28
7.	SAF Open area covered by implementing Hydraulic Gates to utilize waste heat in SAF	60.00
8.	Online condenser cleaning system installation in TG for Vacuum improvement for reduction in Steam consumption.	108.00
9.	Other Miscellaneous steps to conserve Energy in all divisions	100.00

B) TECHNOLOGY ABSORPTION

(i) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

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

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

SNO	PROJECT TITLE	BENEFITS DERIVED
A. Sponge Iron Division		
1.	Installation of 150 T capacity crusher for Crushing and sizing of Hard Iron ore to desired size for feeding to Kilns for better quality of productivity	Improved the productivity & Quality in SID and also in IFD.
2.	Change the MOC of Air Tubes and Started using high Ni tubes in place of conventional HK 40 air tubes in kilns.	Life of Air Tubes improved to enhance productivity and will help in avoiding repeated stoppages of kilns for replacement of tubes, will lead to increase availability of Kilns and less consumption of Air tubes
3.	Shell air fans of higher capacity has been installed in kiln-1 and 2,	Enhance the feed rate in the kilns which leads to increase in Kiln productivity as well as power generation through WHRB
4.	Used Refractory of low thermal conductivity, high insulation LCM AR 75 for controlling heat losses from kilns.	Reduction of heat loss.

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<p>B. Power Plant Division</p> <ol style="list-style-type: none"> 1. Replaced the ARC valve replacement in feed pumps of Power Plant. 2. Replacement of Economizer coils and bed coils of FBB Boilers. 3. Online condenser cleaning system installation in Tg-6&7 4. Established the Coal Additive Application of Multifunctional Combustion Catalyst and achieved the Coal Savings in Boiler and also Reduction in Loss of Ignition. 	<p>Able to maintain drum level with one feed pump leads to energy Savings</p> <p>Improved the reliability of the Power Plant Consumption</p> <p>Vaccum is improved for reduction in Steam consumption.</p> <p>Reduction of LOI and Coal Consumption Extra Power Generation by Utilizing additional Steam</p>
<p>C. Induction Furnace Division</p> <ol style="list-style-type: none"> 1. introduced Air pre- heater in all our furnaces for early sintering of Crucible 2. Installation of Sponge Grabbers in IFD Division. 3. Introduction of Better Quality Pre Mixed ramming mass in place of conventional silica ramming mass. 4. Introduced 900 mm mould tube in two sheds in places of existing 800mm mould tube size 5. Replacement of old inefficient induction furnaces with latest technology furnaces with full digitalization for lower Energy Consumption 	<p>Reduced the sintering heat time and reduced the power consumption and increased the furnace availability</p> <p>Improved the Availability of Magnet Cranes and reduced the crane movement and saving of auxiliary power</p> <p>Improved Patching Life, Furnace Availability and production improvement and reduction of Refractory cost.</p> <p>Increased casting speed of concast therefore, reduces the holding of furnaces and leads to more production</p> <p>Energy Saving and better Production</p>
<p>D. SAF Division</p> <ol style="list-style-type: none"> 1. SAF Open area covered by implementing Hydraulic Gates for waste heat utilization in furnaces. 2. Smoke Hood replacement at SAF 3. Electrode mantle replacement in SAF-7,8 & 9 as partial deformation leads to frequent breakdowns of Furnaces 	<p>Utilization of Waste heat in melting Process</p> <p>Elimination of water Leakages achieved and also breakdown reduced</p> <p>Reduced the FC Downtime and avoided the Frequent Displacement of Contact Clamps and Misalignment of Pressure ring from its original positions led to better and smooth operation</p>

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PROCESS IMPROVEMENT

1. Increase in the Production of DRI by use of better quality imported coal and high grade iron-ore. Accretion formation was controlled and better productivity was achieved which resulted into reduction of Specific Coal Consumption
2. Use of Coal Dryer in Sponge Iron Plant in Monsoon Season for Removal of Moisture from Coal for achieving better productivity in Monsoon
3. Change the MOC of Air Tubes for improving the Life of Air Tubes and Started using high Ni tubes in place of conventional HK 40 air tubes in kilns to enhance their Air Tube life to enhance productivity as well as proper metallization of sponge.
4. Introduced Air pre- heater in all our furnaces for early sintering of Crucible which is ultimately reduce the sintering heat time by 1 to 1.50 hrs and reduced the power consumption and increases the furnace availability
5. Established the Coal Additive Application of Multifunctional Combustion Catalyst and achieved the Coal Savings in Boiler and also Reduction in Loss of Ignition, Reduction in Sp. Coal Consumption and helps to avoid scaling on the Tubes.
6. Installation of Online condenser cleaning system for vaccum improvement and reduction of steam consumption in the TG Sets.
7. Optimization of specific coal consumption and power cost in power plant by better coal blend and char and improving efficiency and reduction of auxiliary power consumption

PRODUCT DEVELOPMENT

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

INFORMATION REGARDING IMPORTED TECHNOLOGY (LAST THREE YEARS)

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

EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D)

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) **Activities relating to Exports and Export Plans:** The Company is making efforts to develop markets for exports.
- b) **Total foreign exchange used and earned:**

	This Year (₹ in lakhs)	Previous Year (₹ in lakhs)
i) Foreign exchange used	247	3,961
ii) Foreign exchange earned	—	—

PRAKASH INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

To
THE MEMBERS OF PRAKASH INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Prakash Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter(s) described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- (a) We refer that the deferred tax liability ₹ 1,446 lakhs for the year ended as on March 31, 2019 respectively has been adjusted against Securities Premium by the Company in terms of a court order. Further, the MAT Credit Entitlement not availed within the time allowed aggregating to ₹ 2,394 lakhs for the year ended March 31, 2019 has been adjusted against retained earnings. Had the deferred tax liability been accounted for pursuant to Ind AS -12 'Income Taxes', net profit and total comprehensive income after tax for the year ended on March 31, 2019 would have been lower by ₹ 3,840 lakhs respectively.
- (b) We refer note 41 to the financial statements, an amount of ₹ 38,256 lakhs have been transferred from General Reserve to statement of profit and loss by the Company. Had this adjustment not been made, net profit after tax for the year ended on March 31, 2019 would have been lower by ₹ 38,256 lakhs.

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

Key Audit Matters

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

S No.	Key Audit Matters	Auditor's Response
1.	<p>Assessment of litigations and related disclosure of contingent liabilities. Refer to Note 32 to the Financial Statements- "Use of estimates and critical accounting judgements - Provisions and contingent liabilities".</p> <p>As at March 31, 2019, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">- We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;- We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;- We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations made in the Financial Statements;

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S No.	Key Audit Matters	Auditor's Response
	considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.	<ul style="list-style-type: none"> - We used auditor's experts to gain an understanding and to evaluate the disputed tax matters; - We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; - We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and - We assessed the adequacy of the Company's disclosures. Based on the above work performed, management's assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Financial Statements are considered to be reasonable.
2.	<p>As described in Note 3.4 of the financial statements. The Company recognises revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.</p> <p>The terms of sales arrangements, including the timing of transfer of control, delivery specifications, create complexity and judgement in determining timing of sales revenues. The risk is, therefore, that revenue may not be recognised in the correct period in accordance with Ind AS 115.</p> <p>Accordingly, due to the risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the financial statements.</p>	<p>Following procedures have been performed to address this key audit matter:</p> <ul style="list-style-type: none"> - Considered the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. - Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. - Performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested, checked that the revenue has been recognised as per the incoterms / when the conditions for revenue recognitions are satisfied. - Selected sample of sales transactions made pre and post year end, agreed the period of revenue recognition to underlying documents. - Assessed the relevant disclosures made within the financial statements.
3.	<p>As described in Note 3.20 of the financial statements. A business combination in nature of demerger has been taken place in which significant judgement were required related to;</p> <ul style="list-style-type: none"> -determining the acquisition date; -derecognizing the identifiable assets and assumed liabilities; and -Determination of the consideration of business combination including contingent consideration. 	<p>Following procedures have been performed to address this key audit matter:</p> <ul style="list-style-type: none"> - We reviewed the board resolution to ensure the approval of the scheme of demerger and other power used to give effect of demerger. - We reviewed the approved Scheme of Arrangement to ensure the acquisition date, to identify assets and liabilities to be transferred to resulting companies - We refer the applicable accounting standard to ensure the effect of demerger in its financial statement.

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought

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to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and except for the matters described under 'Basis for Qualified Opinion' paragraph, have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Except for the effects of matters described under 'Basis for Qualified Opinion' paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, except for the effects of matters described under 'Basis for Qualified Opinion' paragraph, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The qualification relating to the maintenance of account and other matters connected there with are as stated in the 'Basis for Qualified Opinion' paragraph.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, (Refer note no 32).
 - ii. Except for the effects of matters described under 'Basis for Qualified Opinion' paragraph, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amount required to be transferred, to the Investor Education and protection Fund by the Company during the year.
- i) With respect to the matter to be included in the Auditors' report under Section 197(16) :

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Company is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

New Delhi
21st May, 2019

Pankaj Chaturvedi
Partner
Membership No. 091239

PRAKASH INDUSTRIES LIMITED

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to information and explanation given to us, the title deeds of the immovable property have been mortgaged with the banks/ Financial Institutions etc., for securing the borrowings and loan raised by the Company. On the basis of our examination of the records of the Company and copy of the title deeds of immovable properties, the title deeds of immovable properties are held in the name of the Company except for one case of freehold land having value of ₹ 20 lakhs. In respect of immovable properties been taken on lease, the lease agreements are in the name of the Company.
- ii. According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed on verification between physical inventory and book records were not material and have been properly dealt with in the book of account.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under during the year. Accordingly, the provisions of Para 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- vii. (a) According to information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and any other material statutory dues applicable to it with the appropriate authorities except income tax of ₹ 1,718 lakhs is pending to be deposited since more than six months.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there were no outstanding dues in respect of provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues which as at March 31, 2019 have not been deposited on account of any dispute except the following:

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

- viii. According to the information and explanations given to us, there is no loan or borrowing taken from Government and the Company has not defaulted in repayment of loans or borrowings to a Financial Institution, Bank or dues to Debenture holders. As stated in note 17(d) of the financial statements, interest of ₹ 312.17 lakhs and ₹ 251.14 lakhs due upto 30th September, 2018 and on 31st March, 2019 respectively could not be remitted by the Company to the Foreign Currency Convertible Bond holders due to non-furnishing of the bank account particulars by them.

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- ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on the audit procedures conducted by us, the managerial remuneration paid or provided during the year is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. The Company has secured refund of excess remuneration in respect of earlier year, pending approval of appropriate authority.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has, during the year, made allotment of Equity shares to the Foreign Currency Convertible Bond (FCCB) holders on exercising the option of conversion by them as per the terms of the FCCB and to holder of share warrants. The requirements of section 42 of the Companies Act, 2013 have been complied with by the Company to the extent applicable. The Company has received money against the share warrants during the year. The money so raised have been used for the purpose for which funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

Pankaj Chaturvedi
Partner
Membership No. 091239

New Delhi
21st May, 2019

PRAKASH INDUSTRIES LIMITED

Annexure B referred to in Independent Auditor's Report of even date to the members of PRAKASH INDUSTRIES LIMITED ("the Company") on the financial statements for the year ended March 31, 2019

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

We have audited the internal financial controls over financial reporting of PRAKASH INDUSTRIES LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

PRAKASH INDUSTRIES LIMITED

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

Basis of qualified opinion

The Company did not have appropriate internal financial controls in respect of control over process of compliance of Ind As-12 "Income Tax" and accounting thereof. The inadequate internal controls over financial reporting in respect of aforesaid matters have effect on the reported profit for the year.

Qualified opinion

In our opinion and according to the information and explanations given to us, except for the effects of matters described in "Basis of qualified opinion" paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered matters reported in "Basis of qualified opinion" paragraph in determining the nature, timing and extent of audit tests applied in our audit of the Standalone financial statements of the Company for the March 31, 2019.

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

New Delhi
21st May, 2019

Pankaj Chaturvedi
Partner
Membership No. 091239

PRAKASH INDUSTRIES LIMITED

Balance Sheet as at 31ST March, 2019

₹ in lakhs

	Note No.	As at 31 st March, 2019	As at 31 st March, 2018
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	4	2,35,730	2,37,732
(b) Capital Work-in-progress	4	71,024	68,999
(c) Financial Assets			
(i) Investments	5	—	1
(ii) Other Financial Assets	6	6,425	5,039
(d) Other Non-Current Assets	7	7,278	8,531
(e) Deferred Tax Assets	8	12,504	16,033
		3,32,961	3,36,335
(2) Current Assets			
(a) Inventories	9	23,331	25,085
(b) Financial Assets			
(i) Trade Receivables	10	15,044	9,885
(ii) Cash and Cash Equivalents	11	1,562	2,349
(iii) Bank Balance other than (ii) above	12	2,852	2,395
(iv) Other Financial Assets	13	5,512	4,162
(c) Other Current Assets	14	12,815	9,051
		61,116	52,927
TOTAL ASSETS		3,94,077	3,89,262
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	16,335	15,688
(b) Other Equity	16	2,69,025	2,57,917
		2,85,360	2,73,605
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	43,553	60,094
(b) Provisions	18	3,887	3,384
		47,440	63,478
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	15,101	11,541
(ii) Trade Payables	20		
(a) total outstanding dues of micro enterprises and small enterprises		3,053	946
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		11,784	13,099
(iii) Other Financial Liabilities	21	14,562	15,800
(b) Other Current Liabilities	22	10,924	3,746
(c) Provisions	23	1,938	1,644
(d) Current Tax Liabilities(Net)	24	3,915	5,403
		61,277	52,179
TOTAL LIABILITIES		1,08,717	1,15,657
TOTAL EQUITY AND LIABILITIES		3,94,077	3,89,262

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

As per our report of even date attached

For Chaturvedi & Co.

Chartered Accountants

Firm Registration No.302137E

Pankaj Chaturvedi

Partner

M.No.091239

New Delhi
21st May, 2019

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Kanha Agarwal
Jt. Managing Director
DIN:06885529

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

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

For and on behalf of the Board

PRAKASH INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31ST March, 2019

₹ in lakhs

	Note No.	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
INCOME			
Revenue from operations	25	3,58,751	3,00,667
Other Income	26	757	1,481
Total Income		<u>3,59,508</u>	<u>3,02,148</u>
EXPENSES			
Cost of material consumed		2,13,735	1,84,116
Changes in inventories of finished goods and work-in-progress	27	(933)	628
Employee benefits expense	28	21,209	19,597
Finance costs	29	10,053	8,661
Depreciation and amortization expense	30	13,398	12,094
Excise duty		—	7,186
Other expenses	31	46,132	31,032
Total expenses		<u>3,03,594</u>	<u>2,63,314</u>
Profit before exceptional items and tax		55,914	38,834
Exceptional Items	41	38,905	—
Less: Transferred from General Reserve		<u>(38,256)</u>	<u>—</u>
Profit before tax		<u>55,265</u>	<u>38,834</u>
Tax expenses:			
Current tax	43	3,784	8,481
Earlier Year Tax		114	—
Less: MAT credit entitlement		<u>(2,555)</u>	<u>(8,272)</u>
Deferred Tax	44	—	—
Total Tax expense		<u>1,343</u>	<u>209</u>
Profit for the year		<u>53,922</u>	<u>38,625</u>
Other Comprehensive Income			
a) Items that will not be reclassified to Profit or Loss			
-Remeasurement of defined benefit plans		(409)	(239)
-Income tax relating to above items		—	—
Total other Comprehensive Income		<u>(409)</u>	<u>(239)</u>
Total Comprehensive Income for the year		<u>53,513</u>	<u>38,386</u>
Earning per equity share:	46		
(Face Value of ₹ 10 each)			
Basic ₹		33.41	25.58
Diluted ₹		28.80	23.05

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

As per our report of even date attached

For Chaturvedi & Co.

Chartered Accountants

Firm Registration No.302137E

Pankaj Chaturvedi

Partner

M.No.091239

New Delhi
21st May, 2019

Ashwini Kumar
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For and on behalf of the Board

PRAKASH INDUSTRIES LIMITED

Statement of Changes in Equity for the year ended 31ST March, 2019

A. Equity Share Capital

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

₹ in lakhs

	Number of Shares	Amount
As at 1 st April, 2017	13,90,46,331	13,905
Change in share capital during the year	1,78,37,205	1,783
Balance as at 31 st March, 2018	15,68,83,536	15,688
Change in share capital during the year	64,63,294	647
Balance as at 31st March, 2019	16,33,46,830	16,335
(refer note 15)		
-Change in share capital during the year ended 31 March,2019 represents the shares allotted on conversion of Foreign Currency Convertible Bonds (FCCB) and warrant holders.		

B. Other Equity

₹ in lakhs

Particulars	Equity Component of FCCB	Reserves and Surplus					Money Received against Share Warrant	Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings			
Balance as at 1 st April, 2017	2,345	279	25,421	800	1,71,000	10,226	–	(1,880)	2,08,191
Profit for the year	–	–	–	–	–	38,625	–	–	38,625
Remeasurement of the net defined benefit (liabilities)/assets	–	–	–	–	–	–	–	(239)	(239)
Minimum Alternate Tax(MAT) Credit Reversal (refer note 38)	–	–	–	–	–	(4,931)	–	–	(4,931)
Conversion of FCCB	(2,233)	–	10,584	–	–	–	–	–	8,351
Deferred Tax Adjustment (refer note.44)	–	–	(2,741)	–	–	–	–	–	(2,741)
Equity Component of FCCB	3,105	–	–	–	–	–	–	–	3,105
Received during the year	–	–	–	–	–	–	7,556	–	7,556
Balance as at 31st March, 2018	3,217	279	33,264	800	1,71,000	43,920	7,556	(2,119)	2,57,917
Profit for the year	–	–	–	–	–	53,922	–	–	53,922
Remeasurement of the net defined benefit (liabilities)/assets	–	–	–	–	–	–	–	(409)	(409)
Minimum Alternate Tax(MAT) Credit Reversal (refer note 38)	–	–	–	–	–	(2,394)	–	–	(2,394)
Conversion of FCCB/Share Warrant	(1,167)	–	7,996	–	–	–	(4,160)	–	2,669
Deferred Tax Adjustment (refer note.44)	–	–	(1,446)	–	–	–	–	–	(1,446)
Adjustment due to business combination (Refer No 37)	–	(279)	–	–	(7,801)	–	–	–	(8,080)
Received/Transferred during the year	–	–	–	–	(38,256)	–	5,102	–	(33,154)
Balance as at 31st March, 2019	2,050	–	39,814	800	1,24,943	95,448	8,498	(2,528)	2,69,025

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

Nature and purpose of reserves

- Capital reserve: The capital reserve was recognized on forfeiture of equity shares by the Company. This reserve has been utilised in pursuance to demerger during the year.
- Securities premium: The amount of difference between the issue price and the face value of the shares is recognized in Securities premium.
- Capital redemption reserve: The Company had created Capital redemption reserve out of the profits for redemption of the Preference shares. This reserve may be utilized for the specified purposes in accordance with the provisions of the Act.
- General reserve: General reserve is the accumulation of the portions of the net profits transferred by the Company in the past years pursuant to the earlier provisions of the Companies Act, 2013. This reserve has been utilised in pursuance to demerger and withdraw to adjust capital expenditure including borrowing costs incurred on a power project, implementation of which is on hold.(refer note 37 V & 41)
- Retained earnings: Retained earnings comprise of the profits of the Company earned till date net of distributions and other adjustments.

PRAKASH INDUSTRIES LIMITED

Statement of Cash Flow for the year ended 31ST March, 2019

₹ in lakhs

	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
A. Cash Flow From Operating Activities :		
Profit before tax	55,265	38,834
Adjustments for		
Provision for employee benefit	429	275
Allowance for doubtful debts and advances	390	536
Depreciation and amortisation expenses	13,398	12,094
Interest and other Income	(652)	(1,443)
Loss/(Profit) on sale of fixed assets	58	(38)
Financial cost	10,053	8,661
	<u>23,676</u>	<u>20,085</u>
Operating Profit before working Capital changes	78,941	58,919
Adjustments for		
Trade receivables	(8,042)	(2,440)
Other financial assets	(2,656)	(602)
Other current assets	(4,449)	(367)
Inventories	(222)	(6,310)
Trade payable and other financial liabilities	2,894	4,457
Other current liabilities	7,100	(1,365)
	<u>(5,375)</u>	<u>(6,627)</u>
Cash flow generated from operations before exceptional items	73,566	52,292
Add:Exceptional Item	649	—
Direct Taxes Paid (Net of refund)	4,620	4,664
Net Cash generated from operating activities	<u>69,595</u>	<u>47,628</u>
B. Cash Flow From Investing Activities		
Sale proceeds of fixed assets	34	60
Purchase of fixed assets including CWIP and capital advances	(53,513)	(47,496)
Interest and other Income received	583	1,434
Advances to subsidiary	-	(1)
Changes in Term deposits with banks	(586)	(1,980)
Net cash used in investing activities	<u>(53,482)</u>	<u>(47,983)</u>
C. Cash Flow From Financing Activities :		
Money Received against Share warrant	5,102	7,556
Proceeds/(Repayment) from Loans (Net)	(12,787)	1,771
Finance expenses paid	(9,181)	(8,287)
Net Cash from financing activities	<u>(16,866)</u>	<u>1,040</u>
Net Changes in Cash and Cash equivalents (A+B+C)	<u>(753)</u>	<u>685</u>
Opening balance of Cash and Cash equivalents	2,349	1,664
Less:Adjustment due to business combination	34	—
Opening balance of Cash and Cash equivalents	<u>2,315</u>	<u>1,664</u>
Closing balance of Cash and Cash equivalents	1,562	2,349
Component of Cash and Cash equivalents (refer note 11)		
Balance with Current Accounts	1,433	2,203
Cheques, Drafts on hands	108	88
Cash on hands	21	58
	<u>1,562</u>	<u>2,349</u>

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

As per our report of even date attached

For Chaturvedi & Co.

Chartered Accountants

Firm Registration No.302137E

Pankaj Chaturvedi

Partner

M.No.091239

New Delhi
21st May, 2019

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Kanha Agarwal
Jt. Managing Director
DIN:06885529

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

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

For and on behalf of the Board

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

1. *Company Overview*

Prakash Industries Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. It has been engaged primarily in the business of manufacture and sale of Steel Products & PVC Pipes and generation of Power. Pursuant to the National Company Law Tribunal (NCLT) order, PVC pipe segment of Prakash Industries Limited has been demerged into Prakash Pipes Limited (Resulting Company) w.e.f. April 1st, 2018. The Company has its manufacturing facilities in India and sells products in India.

2. *Recent accounting pronouncement*

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Notes on financial statements

Amendment to Ind AS 12 - Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 - plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

3. Significant Accounting policies

3.1 Basis of preparation

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

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

3.2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

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

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

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

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

liabilities within the next financial year are discussed below:

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

Useful lives of property, plant and equipment: As described in note 3.7, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

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

3.3 Operating Cycle and Current versus non-current classification

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

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

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

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

3.4 Revenue recognition

The Company manufactures and sells a range of steel products. Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the retrospective with cumulative effect method. The adoption of the new standard did not have a material impact on the Company.

Sale of products

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

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

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

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

Notes on financial statements

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

3.5 Segment Reporting

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

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

3.6 Foreign Currencies

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

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

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

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

3.7 Property, plant and equipment

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

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

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

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

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

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

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

3.8 *Capital work-in-progress*

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

3.9 *Intangible assets*

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

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

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

3.10 *Investment in subsidiary/joint ventures (JV)*

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

3.11 *Income tax*

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

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

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

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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

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3.12 Leases

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

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

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

3.13 Impairment of assets

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

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

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

3.14 Cash and cash equivalents

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

3.15 Provisions and Contingent Liabilities:

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within

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the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.16 Inventories

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

3.17 Non-derivative financial instruments

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

a. Financial assets – Subsequent measurement

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

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

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

b. Financial liabilities - Subsequent measurement

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

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

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

Derecognition

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

c. Offsetting of financial instruments

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

3.18 Borrowing costs

General and specific borrowing costs (including exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest cost) that are directly attributable to the acquisition,

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construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

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

3.19 Employee Benefits

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

Post-employment benefit plans***Defined Contribution plans***

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

Defined benefit plans

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

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

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

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

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

3.20 Business combination - common control transaction

Business combinations involving entities that are controlled by the group are accounted as follows

- The assets and liabilities of the resulting entity are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The difference, if any, between the amounts recorded as share capital issued by resulting Company plus any additional consideration in the form of cash or other assets and net assets transferred to capital reserve or general reserve.

3.21 Earnings per share (EPS)

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

4.Statement of property, plant and equipment and Capital Work-in-Progress as at 31st March, 2019

₹ in lakhs

PARTICULARS	Property, Plant and Equipment									Capital Work-in-Progress
	Land (lease Hold)	Land (Free Hold)	Building	Plant and Machinery	Furniture and fixtures	Vehicles	Office Equipment	Mould & Dies	Total	
Gross carrying value as at 1st April, 2017	913	3,498	38,382	237,536	601	5,687	527	242	287,386	114,145
Additions	–	–	907	90,149	29	798	41	113	92,037	45,600
Disposals	–	–	–	1,094	56	96	16	–	1,262	–
Capitalisation During the year	–	–	–	–	–	–	–	–	–	90,746
Gross carrying value as at 31st March, 2018	913	3,498	39,289	326,591	574	6,389	552	355	378,161	68,999
Asset transferred in pursuant to Demerger	73	61	1,299	3,386	43	613	40	355	5,870	173
Additions	–	132	704	13,098	35	562	51	–	14,582	53,711
Disposals/Written off	–	–	2,943	15,679	7	104	4	–	18,737	38,256
Capitalisation During the year	–	–	–	–	–	–	–	–	–	13,257
Gross carrying value as at 31st March, 2019	840	3,569	35,751	320,624	559	6,234	559	–	368,136	71,024
Accumulated depreciation as at 1st April, 2017	111	–	14,555	112,192	444	1,735	437	99	129,573	–
Depreciation	7	–	1,558	9,716	35	680	23	75	12,094	–
Depreciation charged to Capital Work in Progress	2	–	–	–	–	–	–	–	2	–
Accumulated depreciation on disposals	–	–	–	1,090	53	82	15	–	1,240	–
Accumulated depreciation as at 31st March, 2018	120	–	16,113	120,818	426	2,333	445	174	140,429	–
Accumulated depreciation transferred in pursuant to Demerger	20	–	941	1,934	37	282	38	174	3,426	–
Depreciation	7	–	1,427	11,210	33	691	29	–	13,397	–
Depreciation charged to Capital Work in Progress	2	–	–	–	–	–	–	2	–	–
Accumulated depreciation on disposals	–	–	2,402	15,495	7	88	4	–	17,996	–
Accumulated depreciation as at 31st March, 2019	109	–	14,197	114,599	415	2,654	432	–	132,406	–
Carrying value as at 31st March, 2018	793	3,498	23,176	205,773	148	4,056	107	181	237,732	68,999
Carrying value as at 31st March, 2019	731	3,569	21,554	206,025	144	3,580	127	–	235,730	71,024

- 1) Lease hold lands are taken by the Company on long term agreements with the government/government agencies for establishment of its plants.
- 2) Free hold land of ₹ 20 Lakhs is yet to be transferred in the name of the Company as at 31st March, 2019.
- 3) Capital work in progress includes interest cost on borrowings ₹ 1,361 lakhs (Previous year ₹ 3,972 lakhs) and foreign exchange difference ₹ 404 lakhs (Previous Year ₹ 252 lakhs gain.) during the year.
- 4) Disposals include write off of CWIP Rs. 38,256 lakhs in respect of capital expenditure including borrowing costs incurred on a power project, implementation of which is on hold and write off in respect of obsolete and unusable property, plant and equipment of book value amounting to Rs. 649 lakhs.

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₹ in lakhs

5. Non-Current Investments	As at 31 st March, 2019	As at 31 st March, 2018
Unquoted		
Investment in Equity instrument		
Prakash Pipes Limited, wholly owned subsidiary	–	1
Nil (31 st March 2018 10,000 Equity Shares of ₹ 10 each fully paid)	–	1
	<u>–</u>	<u>1</u>
Aggregate amount of unquoted investments	1	1
Investment cancelled pursuant to demerger	(1)	–
Aggregate amount of impairment in value of Investments (refer note 37)	–	–
6. Other Financial Assets	As at	As at
Non-Current Financial Assets	31 st March, 2019	31 st March, 2018
Bank Deposits with more than 12 months maturity#	3,492	3,414
Security Deposits	2,897	1,625
Interest accrued	36	–
	<u>6,425</u>	<u>5,039</u>
#Bank deposits are earmarked with banks for issue of letters of credit and bank guarantees as a margin money.		
7. Other Non-Current Assets	As at	As at
	31 st March, 2019	31 st March, 2018
(unsecured, considered good, unless otherwise stated)		
Capital Advances	7,278	8,531
	<u>7,278</u>	<u>8,531</u>
8. Deferred Tax Assets (Net)	As at	As at
	31 st March, 2019	31 st March, 2018
Deductible Temporary Difference		
Provision for employees benefits	2,035	1,740
Provision for doubtful debts and advances	354	219
Unused Tax Credits	<u>25,424</u>	<u>27,427</u>
Deferred Tax Assets	27,813	29,386
Depreciation on property, plant and equipment	<u>(15,309)</u>	<u>(13,353)</u>
Deferred Tax Liabilities	(15,309)	(13,353)
Deferred Tax Assets (Net)	<u>12,504</u>	<u>16,033</u>
(refer note 44)		
9. Inventories	As at	As at
	31 st March, 2019	31 st March, 2018
(As taken, valued and certified by the Management)		
Raw Materials	6,981	10,359
Raw Materials in transit	6,838	4,286
Finished Goods	2,960	2,697
Work In Progress	409	316
Stores, Spares & Fuels	1,772	2,698
Scrap & Waste	<u>4,371</u>	<u>4,729</u>
	<u>23,331</u>	<u>25,085</u>

PRAKASH INDUSTRIES LIMITED

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₹ in lakhs

	As at 31 st March, 2019	As at 31 st March, 2018
10. Trade Receivables		
Current Financial Assets		
(unsecured, considered good, unless otherwise stated)		
Trade Receivables considered good - Unsecured	15,322	10,129
Trade Receivables which have significant increase in Credit Risk	—	—
	<u>15,322</u>	<u>10,129</u>
Trade Receivables-Credit impaired	278	(244)
	<u>15,044</u>	<u>9,885</u>
The movement in allowance for doubtful trade receivables		
Balance as at beginning of the year	244	56
Allowance transferred pursuant to demerger	(6)	—
Allowance for doubtful trade receivables during the year	40	188
Allowance for doubtful trade receivables	<u>278</u>	<u>244</u>
Trade Receivables		
Allowance for doubtful trade receivables is made on the basis of expected credit loss allowance, taking into account the estimated credit loss experience with adjustment for forward looking information.		
11. Cash and Cash Equivalents		
	As at 31 st March, 2019	As at 31 st March, 2018
Balances with banks:		
In Current Accounts	1,433	2,203
Cheques, drafts on hand	108	88
Cash on hand	21	58
	<u>1,562</u>	<u>2,349</u>
12. Bank Balances Other Than Cash and Cash Equivalents		
Current Financial Assets		
Earmarked balances with banks		
Unpaid Dividend	53	104
Term Deposits*	2,799	2,291
	<u>2,852</u>	<u>2,395</u>
*Pledged as securities or earmarked for issue of letters of credit /bank guarantees/margin money.		
13. Other Financial Assets		
Current Financial Assets		
(Unsecured, considered, unless otherwise stated)		
Security Deposits	802	1,287
Interest accrued and not due	141	114
Claims Recoverable (refer note.40)	4,569	2,761
Doubtful Claims Recoverable (refer note.39)	384	384
Allowance for Claims Recoverable	(384)	(384)
	<u>5,512</u>	<u>4,162</u>
The movement in allowance for doubtful claim recoverable		
Balance as at beginning of the year	384	—
Allowance for doubtful claim recoverable during the year	—	384
	<u>384</u>	<u>384</u>
14. Other Current Assets		
	As at 31 st March, 2019	As at 31 st March, 2018
Balances with Customs, Central Excise, VAT, GST etc.	1,641	1,867
Advances to vendors (unsecured)		
Considered Good	10,723	6,801
Considered Doubtful	351	4
Allowance for Doubtful Advances	(351)	(4)
	<u>12,364</u>	<u>8,668</u>
Other advances (including prepaid expenses etc.)	451	383
	<u>12,815</u>	<u>9,051</u>
The movement in allowance for doubtful advances:		
Balance as at beginning of the year	4	40
Allowance transferred pursuant to demerger	(3)	—
Allowance for doubtful advances during the year*	350	(36)
*net of recovery of doubtful advances	<u>351</u>	<u>4</u>

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₹ in lakhs

15. Equity Share Capital	As at 31 st March, 2019	As at 31 st March, 2018
Authorised		
20,00,00,000 (31 st March, 2018: 20,00,00,000) Equity Shares of ₹ 10 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Issued, Subscribed & Paid up		
Equity		
16,33,46,830 (31 st March, 2018: 15,68,83,536) Equity Shares of ₹ 10 each	16,335	15,688
	<u>16,335</u>	<u>15,688</u>

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

Equity Shares	As at 31 st March, 2019 Nos. ₹ in lakhs	As at 31 st March, 2018 Nos. ₹ in lakhs
Balance at the beginning of the year	15,68,83,536 15,688	13,90,46,331 13,905
Issued during the year	64,63,294 647	1,78,37,205 1,783
Balance at the end of the year	16,33,46,830 16,335	15,68,83,536 15,688

b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is entitled to one vote per share. All equity Shareholder are having right to get dividend in proportion to paid up value at each equity shares as and when declared. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all the preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder	As at 31 st March, 2019 Nos. % of holding	As at 31 st March, 2018 Nos. % of holding
GMK Builders Private Limited	81,64,800 5.00%	81,64,800 5.20%

d) The Company had allotted 44,84,039 equity shares at a premium of ₹ 90 per share to FCCB holders during the year ended 31st March, 2019.

e) Foreign Currency Convertible Bond (FCCB) holders of US\$ 11.45mn (₹7,920 lakhs) have an option to get their bonds converted into equity shares of the Company up to 1st October, 2020.

16. Other Equity	As at 31 st March, 2019	As at 31 st March, 2018
Equity component of foreign currency convertible bond	2,050	3,217
Capital Reserve	—	279
Securities Premium	39,814	33,264
Capital Redemption Reserve	800	800
General Reserve	1,24,943	1,71,000
Retained Earnings	95,448	43,920
Other Comprehensive Income		
Remeasurement of defined benefit plans	(2,528)	(2,119)
Money Received against Share warrant#	8,498	7,556
	<u>2,69,025</u>	<u>2,57,917</u>

(Refer Statement of Changes in Equity)

#The Company, pursuant to the approval of the shareholders at their meeting held on 17th March, 2018, had issued 98,96,278 convertible equity warrants during the previous year ended 31st March, 2018 to the promoters of the Company on preferential basis. Each warrant is convertible into one equity share of the Company at the option of the holder within a period of 18 months from the date of allotment.

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₹ in lakhs

17. Borrowings	As at	As at
Non-Current Financial Liabilities	31 st March, 2019	31 st March, 2018
Secured		
Term Loans		
From Banks	2,779	3,370
From Others	30,592	33,371
		35,933
		39,303
Funded Interest Term Loans		
From Banks	842	1,022
From Others	—	842
		4,019
		5,041
Unsecured		
Term Loans from Others	3,310	6,802
Liability Component of Foreign Currency Convertible Bonds	5,870	9,180
		8,783
		15,585
Finance Lease Obligations	160	165
	43,553	60,094

- (a) Followings term loans are secured by mortgage of all immovable properties of the Company, both present and future and are also secured by way of hypothecation of the movable properties of the Company including movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future (save and except book debts), subject to prior charge of the Company's banker on specified movables for working capital requirements, ranking pari-passu in all respects with existing charges and personal guarantees of the Chairman and the Managing Director. Security in respect of loan of ₹18,360 lakhs for Indo Star Capital Finance Limited is yet to be created.

₹ in lakhs

Lender	Loan Amount	Balance as at		Rate of Interest	Repayment Terms
		31.3.2019	31.03.2018		
Term Loan from bank					
Corporation Bank	5,902	4,322	5,088	13.00%	96 monthly installments from December, 2016
Term Loans from others					
Rural Electrification Corporation Limited (REC)	28,977	22,940	25,838	13.50%	120 monthly installments from March, 2017
SREI Infrastructure Finance Limited	10,000	–	536	15.00%	19 quarterly installments from October, 2013
SREI Infrastructure Finance Limited	6,000	600	3,000	16.50%	12 quarterly installments from September, 2016
Indo Star Capital Finance Limited	18,360	9,944	18,360	13.10%	69 monthly installments from June, 2018

- (b) Corporation Bank and Rural Electrification Corporation Limited (REC) have restructured/reschedule their outstanding dues into Term Loans and Funded Interest Term Loans for a period of 8 years from December 2016 and 10 years from March 2017 respectively.
- (c) Term Loans from banks and others include ₹ 111 lakhs (₹ 107 lakhs) and ₹ 2,265 lakhs (₹ 1,309 lakhs) respectively secured against the vehicles financed by the concerned lenders.

Lender	0-1Year	1-3 years	4-5 Years	6-10 Years	Rate of Interest
Term Loans from banks	43	52	10	6	10% to 12%
Term Loans from Others	639	1,292	334	—	10.75% to 17.10%

- (d) The Company has outstanding FCCB of US\$ 11.45 million(mn), against which the bondholders of US\$ 0.65 mn have a right to convert their FCCB into shares with maturity date of 1st October, 2020 carrying interest @5.35% p.a. and the bondholders of US\$ 10.80 mn have a right to convert their FCCB into shares with maturity date of 15th January, 2023 carrying interest @5.95% p.a subject to condition in the subscription agreement. The outstanding FCCB are repayable in Foreign Currency and their repayments have not been hedged by any derivative instrument or otherwise by the Company. Further, the Company has complied with all the financial covenants and undertakings with respect to the outstanding FCCB. Interest of ₹ 563 lakhs could not be remitted by the Company to the bond holders due to non-furnishing of the bank account particulars by them.

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

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

₹ in lakhs

Lender	Loan Amount	Balance as at		Rate of Interest	Repayment Terms
		31.3.2019	31.03.2018		
India Infoline Finance Ltd.	1,000	242	479	15.55%	60 monthly installment from March, 2015
India Infoline Housing Finance Ltd.	674	533	87	16.05%	60 monthly installment from September, 2015
Rattan India Ltd.	4,000	4,000	-	14.45%	Payable in May'2022
Rattan India Ltd.	5,000	-	5,000	14.50%	Payable in May'2020
Anand Rathi Global Finance Ltd.	1,000	-	1,000	15.50%	Payable in June'2019
SKS Fincap Private Ltd.	500	-	500	16.50%	Payable in June'2019

The non-current borrowings shown above are net of current maturities ₹ 7,434 lakhs (31st March, 2018 ₹ 10,158 lakhs) which are shown under note 21

(f) Interest on FCCB of ₹ 563 lakhs is outstanding to be paid by the Company to the Foreign Currency Convertible Bond holders due to non-furnishing of the bank account particulars by them.

₹ in lakhs

18. Non-Current Provisions	As at 31st March, 2019	As at 31st March, 2018
For Employee Benefits (refer note 42)	3,887	3,384
	<u>3,887</u>	<u>3,384</u>

19. Borrowings	As at 31st March, 2019	As at 31st March, 2018
Current Financial Liabilities		
Secured		
Working Capital Loan From Bank	3,478	3,468
Unsecured		
From Others (refer note 39)	10,603	8,073
From Related Party	1,020	-
	<u>15,101</u>	<u>11,541</u>

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

20. Trade Payables	As at 31st March, 2019	As at 31st March, 2018
Current Financial Liabilities		
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (refer note.35)	3,053	946
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	11,784	13,099
	<u>14,837</u>	<u>14,045</u>

PRAKASH INDUSTRIES LIMITED

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₹ in lakhs

21. Other Current Financial Liabilities	As at 31 st March, 2019	As at 31 st March, 2018
Current Maturity of long term debts	7,434	10,158
Current Maturity of Finance lease obligations	12	12
Interest accrued but not due on borrowings	8	71
Interest accrued and due on borrowings	563	—
Unpaid Dividends	53	104
Others		
Trade/Security deposits	1,495	1,587
Salary, wages and benefits payable	2,965	2,049
Capital Creditors	949	820
Other expenses payables	1,083	999
	<u>14,562</u>	<u>15,800</u>

-There is no amount due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act 2013 as at 31st March 2019.

22. Other Current Liabilities	As at 31 st March, 2019	As at 31 st March, 2018
Statutory dues payable	10,378	3,257
Advances from Customers	546	489
	<u>10,924</u>	<u>3,746</u>

23. Current Provisions	As at 31 st March, 2019	As at 31 st March, 2018
For Employee Benefits	1,938	1,644
	<u>1,938</u>	<u>1,644</u>

24. Current Tax Liabilities (Net)	As at 31 st March, 2019	As at 31 st March, 2018
Provision for Income Tax(Net)	3,915	5,403
	<u>3,915</u>	<u>5,403</u>

PRAKASH INDUSTRIES LIMITED

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₹ in lakhs

25. Revenue From Operations	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Sales of products	3,58,751	2,93,481
Excise Duty	—	7,186
Revenue from operations	<u>3,58,751</u>	<u>3,00,667</u>

25.1 Revenue from contacts with customers disaggregated on the basis of geographical reason and major businesses is as below

	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
(a) Steel	3,58,364	2,70,389
(b) Power (Net of Interdivisional)	387	513
(c) PVC Pipes and Packaging	—	29,765
	<u>3,58,751</u>	<u>3,00,667</u>

26. Other Income	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Interest Income	652	440
Miscellaneous income	39	1,003
Management and support service	66	—
Profit on sale of Fixed Assets (Net)	—	38
	<u>757</u>	<u>1,481</u>

27. Change In Inventories Of Finished Goods and Work In Progress	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Closing Inventories		
Finished products	2,960	2,697
Work in process	409	316
Scrap and waste	<u>4,371</u>	<u>4,729</u>
	7,740	7,742
Opening Inventories		
Finished products	2,697	2,955
Work in process	316	298
Scrap and waste	<u>4,729</u>	<u>5,360</u>
	7,742	8,613
Less: Transferred pursuant to demerger	<u>935</u>	—
	6,807	8,613
	(933)	871
Excise Duty on Finished Goods Movement	—	(243)
	<u>(933)</u>	<u>628</u>

28. Employees Benefits Expenses	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Salaries, wages & other benefits	19,765	18,240
Contribution to provident & other funds	949	922
Employee's welfare expenses	495	435
	<u>21,209</u>	<u>19,597</u>

PRAKASH INDUSTRIES LIMITED

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₹ in lakhs

29. Finance Cost	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Interest	10,006	8,646
Other Borrowing Cost	47	15
	<u>10,053</u>	<u>8,661</u>
30. Depreciation and Amortization Expenses	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Depreciation of Tangible assets	13,398	12,094
	<u>13,398</u>	<u>12,094</u>
31. Other Expenses	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Power & fuel	23,876	12,407
Processing Charges	—	18
Stores & spares	6,472	5,100
Repairs to:		
Machinery	7,774	5,585
Building	569	440
Others	<u>20</u>	<u>24</u>
	8,363	6,049
Insurance	28	18
Rates & taxes	1,328	338
Travelling & Conveyance	222	317
Vehicle maintenance	164	160
Auditor's remuneration		
Audit fees	56	52
Tax audit fees	12	10
Reimbursement of expenses	<u>2</u>	<u>2</u>
	70	64
Legal and professional charges	2,190	2,291
Miscellaneous expenses	839	984
CSR expenditure (refer note 49)	411	84
Allowance for doubtful Debts & Advances	390	536
Bank Charges	156	249
Rent	26	29
Director's sitting fees	12	18
Packing and forwarding charges	844	1,621
Sales promotion	10	137
Commission	673	612
Loss on sale of asset (net)	58	—
	<u>46,132</u>	<u>31,032</u>

PRAKASH INDUSTRIES LIMITED

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	As at 31 st March, 2019	₹ in lakhs As at 31 st March, 2018
32. Contingent Liabilities not provided for in respect of:		
(a) Guarantees/Unexpired Letter of credits issued by banks on behalf of the company	4,375	4,069
(b) Disputed demands of Excise Duty/Income Tax/Electricity dues and others. (Amount paid there against ₹ Nil (₹ Nil))	10,083	10,215

	As at 31 st March, 2019	₹ in lakhs As at 31 st March, 2018
33. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	37,748	54,414

34. The company has taken certain plant and machinery under operating lease during the period prior to 1st April, 2001. The company is having legal disputes with the concerned lessors and there are counter claims which are pending under arbitration/court, as such the future liability on this account, if any, is not ascertainable. In the opinion of management the liability on this account will not be material.

35. Due to Micro and Small Enterprises:

The Company has certain dues to suppliers registered under Micro and Small Enterprises Development Act, 2006 (MSMED Act). The disclosure pursuant to the said MSMED Act are follows.

	₹ in lakhs
Particulars	For the year ended 31 st March, 2019
(a) Dues remaining unpaid as at Balance Sheet date -Principal amount -Interest amount	3,053
(b) Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier and services providers beyond the appointed day during the period	946
(c) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during period) but without adding the interest specified under the Act	—
(d) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	—
(e) Interest accrued and remaining unpaid as at Balance Sheet date	1

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

36. In terms of the order dated 23rd August 2007 of the Hon'ble Punjab & Haryana High Court, the net deferred tax liability computed in terms of the Indian Accounting Standard (Ind AS) 12 Income Taxes has been adjusted against Securities Premium. Consequently, the profit for the year is lower by ₹ 1,446 lakhs (previous year ₹ 2,741 lakhs).

37. Demerger

- a) Pursuant to the order of National Company Law Tribunal (NCLT) , Chandigarh, PVC pipe and Packaging segment of Prakash Industries Limited has been demerged into Prakash Pipes Limited (Resulting Company) w.e.f April 1st , 2018 , being appointed date and pursuant to NCLT order Prakash Pipes Limited ceased to be Subsidiary of Prakash Industries Limited from appointed date.
- b) Pursuant to the Scheme of Arrangement and Demerger ("the Scheme") under Section 230 to 232 of the Companies Act, 2013 between Prakash Industries Limited (PIL) ("the demerged company") and Prakash Pipes Limited (PPL) ("the resulting company") as approved by the National Company Law Tribunal (NCLT), Chandigarh on March 14, 2019.
 - I The business undertaking, activities whatsoever nature and kind and wheresoever situated of PIL pertaining to PPL as on the appointed date (April 1, 2018) have been transferred to the Company at their respective book values.

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

II Summary of assets and Liabilities transferred from Prakash Industries Limited on 1st April' 2018.

Particulars	₹ in lakhs	₹ in lakhs
Assets		
Property, Plant and Equipment including CWIP	2,617	
Financial Assets	3,244	
Other Assets	353	
Deferred Tax Assets (net)	2,243	
Inventories	1,976	10,433
Liabilities		
Financial Liabilities	1,246	
Other Liabilities	121	
Current Tax Liabilities (net)	766	
Provisions	221	(2,354)
Net Asset Transferred		8,079

III As consideration for the value of net assets transferred, PPL has issued 2,04,18,354 equity shares of ₹ 10/- each as fully paid-up aggregating to ₹ 20,41,83,540 to the existing shareholders of PIL as on the record date in the ratio of 8:1.

FCCB holders of PIL that exercise the option of conversion (Converting FCCB holders) after record date, PPL shall issue corresponding number of equity shares as per the share entitlement ratio mentioned in the Scheme to such converting FCCB Holders upon allotment of equity shares of PIL.

IV Pursuant to NCLT order, Prakash Pipes Limited ceased to be Subsidiary of Prakash Industries Limited from appointed date. Accordingly, the Company is not required to present its consolidated Financial statements as at and for the year ended 31st March, 2019.

V The net assets of demerged PVC Pipes undertaking amounting to ₹ 8,079 lakhs as at April 1, 2018 were adjusted against Capital Reserve and General Reserve as decided by the Board of Directors in terms of the Scheme.

38. Considering the future profitability and taxable position in the subsequent years, the Company is recognizing Minimum Alternate Tax (MAT) credit entitlement as an asset and is carrying the same in its accounts. In case the credit entitlement is not availed by the Company within the time limit prescribed under the Income Tax Act, the same is set off against the Retained Earnings. The Company has adjusted ₹ 2,394 lakhs on this account in the Retained Earnings during the year ended 31st March, 2019 (previous year ₹ 4,931 lakhs).

39. In the earlier years, the Company had been partner in two Joint Venture Entities Madanpur Coal Company Private Limited (holding 20.67% equity) and Fatehpur Coal Mining Company Private Limited (holding 38.46% equity), being one of the allottee of coal blocks. The said allocations were however cancelled by the Supreme Court/ Government in the year 2014, rendering the JV entities' activity to stop and only option of closing down of entities. These entities have no or insignificant assets and hence not expected to recover the amount of investments/ expenditure incurred. As material uncertainty exists in recovering the amount paid / invested and since there is no activities/ subject matter requiring joint control from the parties, in the judgement of the management the Company does not have joint control over the JV entities from the date of cancellation. The amount invested / paid to these JV has been accounted as recoverable and a considered doubtful of recovery and fully provided for.

40. Pursuant to the cancellation of the Chotia coal mine of the Company vide Hon'ble Supreme Court's Order, the assets pertaining to this mine have been vested with the new owner in terms of a government order. The book values of the assets transferred to the new owner have been aggregated and shown as claim recoverable in the Books of Account. Necessary adjustment for gain/loss will be made in the Books of Accounts on the final settlement of the compensation claimed by the Company.

41. Exceptional items include adjustment of ₹ 38,256 lakhs in respect of expenditure including borrowing costs incurred on a power project, implementation of which is on hold, by withdrawing an equivalent amount from general reserve and write off in respect of obsolete and unusable property, plant and equipment of book value amounting to ₹ 649 lakhs.

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Notes on financial statements

42. Details of Employees Benefits as required by the Ind AS 19 "Employee Benefits" are given below:-

A) Defined Contribution Plans:

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

₹ in lakhs

	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Contribution to Provident Fund	816	774
Contribution to Employees' State Insurance	133	148

B) Defined Benefit Plan:

Reconciliation of opening and closing balances of Defined Benefit obligation

	For the year ended 31 st March, 2019			For the year ended 31 st March, 2018		
	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)
Defined Benefits obligation at the beginning of the year	3,407	1,214	407	2,906	992	290
Less: Transferred pursuant to demerger	148	62	11	–	–	–
Defined Benefits obligation at the beginning of the year (Post demerger)	3,259	1,152	396	2,906	992	290
Current Service Cost	266	117	46	245	93	36
Interest Cost	252	89	31	225	77	22
Actuarial (gain)/loss	214	153	42	111	68	59
Benefit paid	(134)	(58)	–	(80)	(16)	–
Defined Benefit obligation at the year end	3,857	1,453	515	3,407	1,214	407

	For the year ended 31 st March, 2019			For the year ended 31 st March, 2018		
	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)
Reconciliation of fair value of assets and obligations						
Present value of obligation at year end	3,857	1,453	515	3,407	1,214	407
Amount recognized in Balance Sheet	3,857	1,453	515	3,407	1,214	407
Expenses recognized during the year						
Current Service Cost	266	117	46	245	93	36
Interest Cost	252	89	31	225	77	22
Actuarial gain/(loss)	214	153	42	111	68	59
Total Cost recognized in the Profit & Loss A/c	732	359	119	581	238	117
Actuarial assumption						
Mortality Table	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Discount rate (per annum)	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
Rate of escalation in salary (per annum)	5%	5%	5%	5%	5%	5%

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

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Notes on financial statements

43. Income tax expense:

₹ in lakhs

(A)	Components of Income Tax Expense	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
	Current Tax	3,784	8,481
	Earlier Year Tax	114	-
	Deferred Tax on account of temporary differences	419	(2,741)
	Reversal of Minimum Alternate Tax(MAT) credit	2,394	4,931
	Income tax expense	6,711	10,671
	Income tax adjusted against securities premium	(419)	2,741
	Reversal of MAT credit against retained earning	(2,394)	(4,931)
	MAT credit entitlement	(2,555)	(8,272)
	Tax expense recognised in the Statement of Profit and Loss	1,343	209

(B)	Reconciliation of Income tax expense to the accounting profit for the year	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
	Profit before tax	55,265	38,834
	Income tax expense at normal rate	19,312 34.94%	13,440 34.61%
	Effect of income exempt from income tax	(15,628) (28.28%)	(10,198) (26.26%)
	Effect of temporary differences	(2,455) (4.44%)	(3,242) (8.35%)
	Tax expenses	1,229 2.22%	- -
	MAT (Minimum alternate tax)	3,784 6.85%	8,272 21.30%
	Earlier year tax	114 0.21%	209 0.54%
	Reversal of MAT credit	2,394 4.33%	4,931 12.70%
	Reversal of MAT credit against retained earning	(2,394) (4.33%)	(4,931) (12.70%)
	MAT credit entitlement	(2,555) (4.62%)	(8,272) (21.30%)
	Tax expense recognised in the Statement of Profit and Loss	1,343 2.43%	209 0.53%

(C)	Tax Assets and Liabilities	As at 01 st April, 2019	As at 01 st April, 2018
	Current tax liabilities (net)	3,915	5,403

44. Movement in Deferred Tax Assets and Liabilities

₹ in lakhs

	For the year ended 31 st March, 2019						For the year ended 31 st March, 2018				
	As at 1st April, 2018	Transferred in pursuant of demerger	Adjusted in the Securities Premium reserve	Addition During the Year	Adjusted in the Retained Earning	As at 31st March, 2019	As at 1st April, 2017	Adjusted in the Securities Premium reserve	Addition During the Year	Adjusted in the Retained Earning	As at 31st March, 2018
Provision for employee benefits	1,740	(77)	372	—	—	2,035	1,456	284	—	—	1,740
Provision for doubtful debts and advances	219	(3)	138	—	—	354	32	187	—	—	219
Unused Tax Credits	27,427	(2,163)	—	2,555	(2,395)	25,424	24,086	—	8,272	(4,931)	27,427
Deferred tax assets	29,386	(2,243)	510	2,555	(2,395)	27,813	25,574	471	8,272	(4,931)	29,386
Depreciation-Property, plant and equipment	(13,353)	—	(1,956)	—	—	(15,309)	(10,141)	(3,212)	—	—	(13,353)
Deferred tax assets/(liabilities) (net)	16,033	(2,243)	(1,446)	2,555	(2,395)	12,504	15,433	(2,741)	8,272	(4,931)	16,033

Notes on financial statements

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

(A) List of related parties and their relationship

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

1. Prakash Pipes Limited (PPL)

b) Key Management Personnel :

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

(B) Transactions with related parties

₹ in lakhs

	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Key Management Personnel		
Short-term employee benefits	1,099	776
Long-term employee benefits	—	—
Post-employment benefits	106	77
Enterprises		
Interest Paid	13	—
Loan Received (Net of Repayment)	1,020	—
Loan as on 31 st March, 2019	1,020	—

Related party relationships are as identified by the management and relied upon by the Auditor.

No amount due from/to any related party is/has been written off/back or considered doubtful.

The transactions between PIL and PVC pipes & flexible packaging undertaking during the year have not been disclosed under related party's transactions considering that the transactions were under demerger period.

46. **Earning per share (EPS)**

	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Net Profit for the period (before OCI) (₹ in lakhs)	53,922	38,625
Weighted average no. of Equity Shares (In lakhs)	1,614	1,510
Diluted average no. of Equity Shares (In lakhs)	1,872	1,676
Basic Earning per Share (₹)	33.41	25.58
Diluted Earning per Share (₹)	28.80	23.05
Face Value of each Share (₹)	10	10

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47. Certain balances of Trade Receivable, Advances to suppliers, Trade Payable etc. are subject to confirmations. In the opinion of the management, no major adjustment will be required to be made in the accounts on receipt of these confirmations and subsequent to their reconciliations.

48. Segment Information

Operating Segments

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

- a) Steel
- b) Power
- c) PVC Pipe and Packaging

₹ in lakhs

	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Segment Revenue		
a) Power	79,723	62,527
b) Steel	3,58,364	2,70,389
c) PVC Pipe and Packaging	—	29,765
Total	4,38,087	3,62,681
Less : Inter Segment Revenue (Power)	79,336	62,014
Net Sales/Income from Operations	3,58,751	3,00,667
Segment Results		
Profit before tax and interest		
a) Power	50,898	37,564
b) Steel	15,069	6,360
c) PVC Pipe and Packaging	—	3,571
Total	65,967	47,495
Less : Financial Expenses	10,053	8,661
Exceptional Item	649	—
Total Profit before tax	55,265	38,834
Segment Assets	As at 31st March, 2019	As at 31st March, 2018
a) Power	1,17,324	1,49,923
b) Steel	2,64,249	2,15,098
c) PVC Pipe and Packaging	—	8,208
d) Unallocated	12,504	16,033
Total	3,94,077	3,89,262
Segment Liabilities	As at 31st March, 2019	As at 31st March, 2018
a) Power	29,411	34,720
b) Steel	69,566	69,155
c) PVC Pipe and Packaging	—	1,350
d) Unallocated	9,740	10,431
Total	1,08,717	1,15,656

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Notes on financial statements

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

- a) The gross amount required to be spent by the Company during the year is ₹ 339.50 lakhs (previous year ₹ 80 lakh).
b) The amount spent during the year on CSR activities is as follows:

₹ in lakhs

Sl. No.	Particulars	For the year ended 31 st March, 2019			For the year ended 31 st March, 2018		
		Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
(i)	Construction /acquisition of any assets	–	–	–	–	–	–
(ii)	On purpose other than (i) above	411	–	411	84	–	84

50. a) Fair Value Measurements

₹ in lakhs

Particulars	For the year ended 31 st March, 2019			For the year ended 31 st March, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Non Current Assets						
Financial assets						
Investment	–	–	–	–	–	1
Other financial assets	–	–	6,425	–	–	5,039
Current assets						
Financial assets						
Trade receivable	–	–	15,044	–	–	9,885
Cash and cash equivalents	–	–	1,562	–	–	2,349
Bank Balance	–	–	2,852	–	–	2,395
Other financial assets	–	–	5,512	–	–	4,162
Total financial assets	–	–	31,395	–	–	23,831
Non-current Liabilities						
Financial liabilities						
Borrowings	7,920	–	37,683	12,000	–	51,311
Non-current liabilities	–	–	–	–	–	–
Current liabilities						
Financial liabilities						
Borrowings	–	–	15,101	–	–	11,541
Trade payable	–	–	14,837	–	–	14,045
Other financial liabilities	–	–	14,562	–	–	15,800
Total financial liabilities	7,920	–	82,183	12,000	–	92,697

b). Fair value hierarchy

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

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

₹ in lakhs

(a)	Financial Assets and liabilities which are measured at fair value: recurring fair value measurement as at 31st March 2019	Level 1	Level 2	Level 3	Total
	Financial liabilities				
	Foreign currency convertible bond	7,920	–	–	7,920
	Financial Assets and liabilities which are measured at fair value: recurring fair value measurement as at 31st March 2018				
	Financial liabilities				
	Foreign currency convertible bond	12,000	–	–	12,000
(b)	Financial Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2019	Level 1	Level 2	Level 3	Total
	Financial liabilities				
	Financial Lease obligation	–	–	172	172
	Financial Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2018				
	Financial liabilities				
	Financial Lease obligation	–	–	177	177

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

-The fair value of foreign currency convertible bonds and interest thereon are valued using respective currency conversion rate available on the reporting date with the Reserve Bank of India.

-The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

₹ in lakhs

Financial liabilities	2019		2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Lease obligation	–	172	–	177

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

51. Financial risk management

51.1 Capital management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 17, 19 & 21 less cash and bank balances as detailed in note 11 & 12) and total equity of the Company. Equity consists of equity capital, share premium and all other equity reserves attributable to the equity holders.

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

(a) Capital risk management

The company objectives when managing capital are to

-Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

-Maintain an optimal capital structure to reduce the cost of capital.

(i)The company strategy is to optimized gearing ratio. The gearing ratios were as follows:

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

₹ in lakhs

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Net debt	67,978	84,845
Total equity	2,85,360	2,73,606
Net debt to equity ratio	0.2	0.3

₹ in lakhs

(b) Dividend	As at 31 st March, 2019	As at 31 st March, 2018
Dividend not recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of Rs. 1.20 per fully paid equity share (31 st March, 2018 - Nil). This proposed dividend is subject to the approval of shareholder in the ensuing annual general meeting.	1,960.16	-
DDT on proposed dividend	402.91	-

51.2 Financial risk management

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

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

a. Market risk

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

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

i. Interest rate risk

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

₹ in lakhs

Interest-rate risk exposure: the exposure of the company borrowing to interest-rate changes at the end of the reporting period	As at 31 st March, 2019	As at 31 st March, 2018
Variable rate borrowings	46,059	56,856
Fixed rate borrowing	19,869	24,772

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

₹ in lakhs

Impact of profit after tax	As at 31 st March, 2019	As at 31 st March, 2018
Interest rate - increased by 50 basis points (40 bps)	230	227
Interest rate - decreased by 50 basis points (40 bps)	(230)	(227)

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

to the Company's borrowings. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

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

USD in lakhs

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
FCCB Borrowings	115	185
Interest	8	—
Total	123	185

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

₹ in lakhs

IMPACT ON PROFIT OR LOSS	As at 31 st March, 2019	As at 31 st March, 2018
INR/USD-increased by 6% (March-2018 7%)	477	842
INR/USD-decreased by 6% (March-2018 7%)	(477)	(842)

b. Credit risk

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

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

At March 31, 2019, the company did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

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

₹ in lakhs

Particulars	Not due	0-30 days	31-60 days	more than 60 days	Total
Gross carrying amount - trade receivable	15,044	—	—	278	15,322
Expected credit losses	—	—	—	278	278
Carrying amount of trade receivables (net of impairment)	15,044	—	—	—	15,044

(ii) Expected credit loss for loans and advances, security deposit and claims receivable as at March 31, 2019

₹ in lakhs

		Total	%	Allowance for doubtful	Net
Loss allowance measured at 12 month expected credit loss	Loan & Advances	11,074	3.17%	351	10,723
	Security Deposit	802	-	-	802
	Claim Recoverable	4,953	7.75%	384	4,569

c. Liquidity risk

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

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

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

PRAKASH INDUSTRIES LIMITED

Notes on financial statements

₹ in lakhs

Particulars	Less than 1year	1-5 years	> 5 years	Total payments
As at 31st March, 2019				
Borrowings and interest thereon	23,106	32,599	10,794	66,499
Trade and other payables	21,329	–	–	21,329
Other financial liabilities	12	48	112	172
As at 31st March, 2018				
Borrowings and interest thereon	21,770	44,403	15,526	81,699
Trade and other payables	19,604	–	–	19,604
Other financial liabilities	12	50	115	177

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

₹ in lakhs

Particulars	Carrying Value	Less than 1year	1-5 years	> 5 years	Total payments
As at 31st March, 2019					
Lease hold land (Assets)	731	–	–	–	–
Minimum lease payment	1,420	12	48	1,360	1,420
Present value of minimum lease payment	171	12	48	111	171
As at 31st March, 2018					
Lease hold land (Assets)	793	–	–	–	–
Minimum lease payment	1,473	12	50	1,411	1,473
Present value of minimum lease payment	177	12	50	115	177

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

54. Event occurring after the reporting period: refer note 51.1(a)(ii) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

55. Additional information required by Schedule III with respect to subsidiary Company.

₹ in lakhs

	Share in Net Assets % Amount	Share in Net Profit % Amount	Share in Net OCI % Amount	Share in Total OCI % Amount
As at 31 st March 2019	- -	- -	- -	- -
As at 31 st March 2018	100% 1	100% -	100% -	100% -

56. In view of the demerger of PVC Pipes undertaking with effect from 1st April, 2018 (the appointment date), the figures of the year ended 31st March, 2019 are exclusive of figures of PVC Pipes undertaking and the figures for the year ended 31st March, 2018 are inclusive of figures of PVC Pipes undertaking. Hence, these figures are not comparable.

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

As per our report of even date attached

For Chaturvedi & Co.

Chartered Accountants

Firm Registration No.302137E

Pankaj Chaturvedi

Partner

M.No.091239

New Delhi
21st May, 2019

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Kanha Agarwal
Jt. Managing Director
DIN:06885529

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

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

For and on behalf of the Board

PRAKASH INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Members of Prakash Industries Limited will be held on Saturday, the 28th September, 2019 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, 2019, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mangi Lal Pareek (DIN: 01795975), who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend on equity shares

SPECIAL BUSINESS

4. **To ratify the remuneration of Cost Auditors for the financial year 2019-20**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force) the remuneration payable to M/s Rakshit & Associates (FRN 101951), Cost Accountants, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2019-20 amounting to ₹1,50,000/ (Rupees One Lakh Fifty Thousand Only) apart from reimbursement of actual expenses to be incurred by them in connection with conducting the audit of cost records of the Company, be and is hereby ratified and confirmed.

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

By order of the Board
For Prakash Industries Limited

Registered Office:

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

Dated : 21st May, 2019

CIN : L27109HR1980PLC010724

Ashwini Kumar
Company Secretary

NOTES:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered/Corporate Office not less than 48 hours before commencement of the meeting. A proxy form for the AGM is enclosed.
4. Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the meeting to the Company.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
7. Register of Members and Share Transfer Books will remain closed from 24th September, 2019 to 28th September, 2019 (both days inclusive).
8. i) Members are requested to quote their folio, DP and client ID No. in all correspondence with the Company.
ii) If there is any change in the postal address / email ID, members may update their new address or email ID with their respective DP in case of holding shares in demat form and if holding shares in physical form they should write to the Company.
iii) Members holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company may send Form SH-13 for the purpose which is available at the Corporate Office of the Company or may be downloaded from the Company's website www.prakash.com
iv) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities Market. Members holding shares in demat form are requested to update their PAN details with their respective DPs and those holding shares in physical form may send self attested copy of PAN card to the Company.

PRAKASH INDUSTRIES LIMITED

9. As per rules regarding unpaid / unclaimed dividend prescribed by MCA, Company has already given the details of unpaid/ unclaimed dividend for the financial year 2011-12, 2012-13 and 2013-14 on the website of Investor Education and Protection Fund (IEPF) viz. www.iepf.gov.in. Investors can also check their unpaid / unclaimed dividend details from the above said website.

Members who have not received / encashed their dividend warrants for the financial year 2011-12, 2012-13 and 2013-14 may please write to Shri Ashwini Kumar, Company Secretary and Compliance Officer, at the Company's Corporate Office for claiming the said dividends. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.

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

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

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

During the year under review, the Company has credited ₹15.29 Lakhs to the Investor Education and Protection Fund (IEPF) and also credited 6,47,965 equity shares of ₹10/- each to the IEPF Authority, on 6th November, 2018, in respect of which dividend had not been paid or claimed by the members for seven consecutive years or more as on the cut-off date pursuant to the provisions of the Companies Act, 2013. The Company has initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by the members consecutively since 2011-12.

The Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company as on date of last Annual General Meeting i.e. 25th July, 2018 and details of shares transferred to IEPF during the financial year 2018-19. The aforesaid details are put on the Company's website and can be accessed at <https://prakash.com/unclaimed-dividend/>.

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

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

11. Members holding shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of

the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

13. The Ministry of Corporate Affairs (MCA) has undertaken a "Green Initiative in Corporate Governance" and allowed Companies to send documents through electronic mode to its members. As per Regulation 36(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies shall send soft copies of the Annual Report and other notices to all those members who have registered their email ids for the said purpose. Members are requested to support this Green Initiative by registering/ updating their email ids for receiving electronic communications.

Members holding shares in electronic mode are requested to update their email ids with their respective DPs and those holding shares in physical mode are requested to update their email ids with the Company at SRIVAN, Bijwasan, New Delhi - 110061.

14. Voting through electronic means -

- A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the 38th Annual General Meeting ("AGM"). The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Authorised Agency to provide e-voting facilities.
- B. Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

Instructions:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2019 (09:00 a.m.) and ends on 27th September, 2019 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders / Members.

PRAKASH INDUSTRIES LIMITED

- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next Enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of "Prakash Industries Limited".
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phones users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- C. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holds shares as on the cut-off date i.e. 21st September, 2019 may follow the same instructions as mentioned above for e-Voting.
- D. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

PRAKASH INDUSTRIES LIMITED

- E. M/s S.K. Hota & Associates, Company Secretaries (Membership No.16165 & CP No.6425) has been appointed as the Scrutinizer and Alternate scrutinizer to scrutinize the remote e-voting process and voting through Ballot paper in the meeting, in a fair and transparent manner.
- F. The Scrutinizer, after scrutinising the votes cast at the meeting through ballot paper and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
- G. In the event of poll, please note that the members who have exercised their right to vote through electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon shall be prepared in accordance with Section 109 of the Act read with relevant rules. In such an event, votes cast under Poll taken together with the votes cast through remote e-voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the Meeting.
- H. Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the 38th Annual General Meeting of the Company scheduled to be held on Saturday the 28th September, 2019. The Results shall be declared within 48 Hours from the conclusion of the meeting. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website, www.prakash.com and on CDSL's website www.evotingindia.com within 48 hours of passing of the Resolutions at the meeting and communicated to the Stock Exchanges.
15. Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of the Secretarial Standard 2 as per Annexure-A.
16. Members are requested to bring their duly filled Attendance Slip enclosed herewith to attend the meeting along with their copy of Annual Report.
17. A route map to the venue of the AGM alongwith prominent landmark for easy location is enclosed.

EXPLANATORY STATEMENT

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

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

Item No 4

The Board on the recommendation of the Audit Committee has approved the remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2019-20 as mentioned in the resolution set out at Item No.4 of the notice.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at this item of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2019-20.

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

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

By order of the Board
For Prakash Industries Limited

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

Dated : 21st May, 2019
CIN : L27109HR1980PLC010724

Ashwini Kumar
Company Secretary

PRAKASH INDUSTRIES LIMITED**ANNEXURE-A**

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

Name of the Director	Shri M.L. Pareek
Date of Birth	10.05.1945
Date of First appointment on the Board	04.08.2012
Qualifications	Graduate
Experience / Expertise in specific function areas / Brief resume of the Director.	Shri M.L. Pareek is an experienced technocrat and had been associated earlier also with the Company at the time of installation and commissioning of the integrated steel plant of the Company. He is thus conversant with all the facets of the working of the Company.
Terms and Conditions of appointment / re-appointment	Proposed re-appointment as per Section 152 and 160 of Companies Act, 2013
Details of remuneration sought to be paid and remuneration last drawn	Remuneration paid/to be paid as per term and conditions of appointment vide special resolution passed in the AGM dated 28 th July, 2018..
Disclosure of Relationship with other Directors Manager and Key Managerial Personnel of the Company	Not inter-se related to any other Director or key Managerial Personnel
No. of Meeting of Board of Directors attended during the F.Y. 2018-19	4
Other Directorship held	1
Membership/Chairmanship of Committees of other Boards	Nil
Shareholding in the Company	802 Shares

PRAKASH INDUSTRIES LIMITED**NATIONAL AUTOMATED CLEARING HOUSE (NACH)**

To,
Company Secretary
Prakash Industries Ltd.
SRIVAN
Najafgarh - Bijwasan Road,
Bijwasan,
New Delhi - 110061

To,
The Depository Participant Concerned
*(In case of shares held in Demat, Form be sent direct to DP
and not to the Company)*

Dear Sirs,

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

For Office Only

Ref. No.

Shares held in Physical Form

Folio No.

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

Shares held in Demat Form

DP ID No. (NSDL)*

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

Client ID No. :

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

DP ID & Client ID No.(CDSL)*

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

*Applicable for Investors holding shares in Demat Form

Name of Sole/First holder											
Bank Name											
Branch Name											
Branch Code	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>(9 Digits Code number appearing on the MICR Band of the cheque supplied by the Bank). Please attached a xerox copy of cancelled cheque for ensuring accuracy of the bank's name, branch name and code number etc.</p>										

Account type
(Please Tick (✓) wherever applicable)

Savings

--

Current

--

Cash Credit

--

Account No.
(as appearing in the cheque book)

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

I, hereby declare that the particulars given above are correct and complete. I shall not hold the Company, responsible if any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, I agree to avail the NACH facility as implemented by Prakash Industries Ltd.

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

Place : _____

Date : _____

(Signature of Sole/First holder)

Phone/Mob. : _____

Email : _____

NOTES :

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

E-COMMUNICATION REGISTRATION FORM

To,

Prakash Industries Limited
SRIVAN
Bijwasan
New Delhi - 110061
Ph. No. +91-11-25305800
Fax No. +91-11-28062119
E-mail: investorshelpline@prakash.com
Website: www.prakash.com

Green Initiative in Corporate Governance

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

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

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

Date :

Signature :

Notes:

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



Prakash Industries Limited

CIN : L27109HR1980PLC010724

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

ATTENDANCE SLIP

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

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

I/We hereby record my/our presence at the **38th Annual General Meeting** of the Company to be held on Saturday, 28th September, 2019 at 12.30 PM at 15 Km. Stone, Delhi Road, Hissar-125044 (Haryana)

*Applicable for the Shareholders holding shares in electronic form.

Signature of Shareholder/Proxy

Note : Please read the instructions printed under the Note No.14 to the Notice of **38th Annual General Meeting**. The e-voting period starts on Wednesday, 25th September, 2019 (9.00 am) and ends on Friday, 27th September, 2019 (5.00 pm). At the end of the e-voting period, the portal where the votes are cast shall forthwith be blocked by CDSL.



Prakash Industries Limited

CIN : L27109HR1980PLC010724

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

FORM NO. MGT-11

PROXY FORM

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

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

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **38th Annual General Meeting** of the Company to be held on Saturday, 28th September, 2019 at 12.30 PM at 15 Km. Stone, Delhi Road, Hissar-125044 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolution No.	Description of Resolution	For	Against
1.	Consider and adopt Audited Financial Statements, Reports of the Board of Directors as at 31 st March, 2019		
2.	Re-appointment of Shri M.L. Pareek (DIN : 01795975) who retires by rotation		
3.	Declaration of dividend on equity shares for the Financial Year 2018-19		
4.	Ratification of remuneration of Cost Auditors		

Signed this day of 2019

Signature of shareholder

Affix
Revenue
Stamp
₹1

Signature of first proxy holder

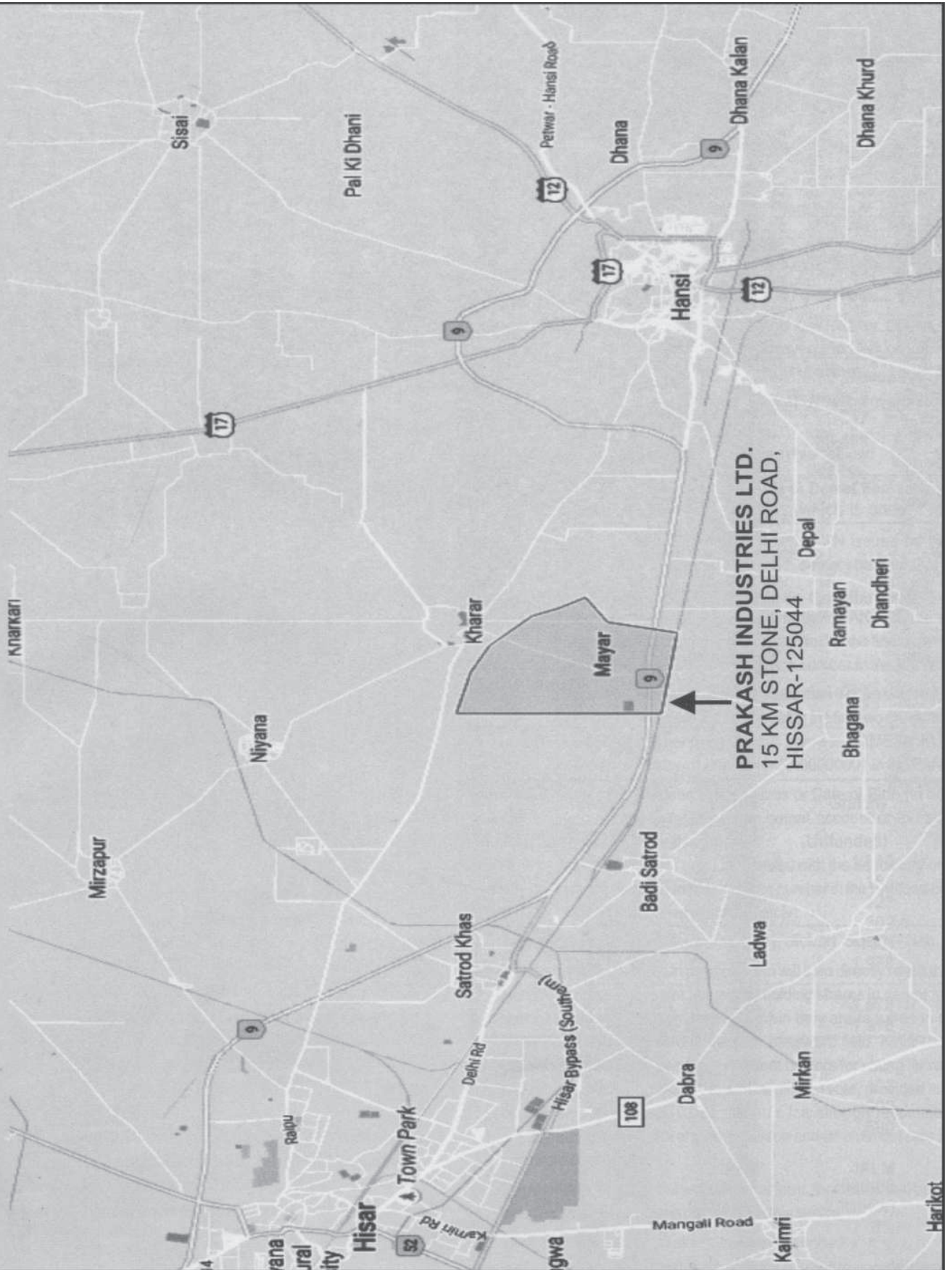
Signature of second proxy holder

Signature of third proxy holder

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

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

Route Map for Venue of 38th Annual General Meeting of the Company to be held on Saturday, 28th September, 2019





Prakash Industries Limited

Corporate Office

Srivan, Bijwasan, New Delhi - 110061, Tel : +91-11-25305800

Fax : +91-11-28062119 Email : pilho@prakash.com

www.prakash.com