Prakash Industries Limited

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

PIL/SE/AGM-BC/AR/2018

14th June, 2018

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

Company Symbol : PRAKASH

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

Company Code : 506022

Sub : ***37th Annual General Meeting & Book Closure***

Dear Sir,

We wish to inform you that the ***37th Annual General Meeting*** (AGM) of the Members of the Company is scheduled to be held on Saturday, the 28th July, 2018 at the Registered Office 15 Km. Stone, Delhi Road, Hissar – 125044 (Haryana).

Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") and rules made thereunder and as amended from time to time and pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Company is providing to the members, the facility to cast their vote through remote e-voting (e-voting from a place other than venue of the AGM) on all resolutions set forth in the Notice of the AGM through Central Depository Services (India) Ltd. (CDSL).

The remote e-voting facility period begins on Wednesday, 25th July, 2018 (09.00 a.m.) and ends on Friday, 27th July, 2018 (05.00 p.m.). The remote e-voting shall not be allowed beyond that time. A person, whose name is in the Register of Members / Beneficial Owners as on cut-off date i.e. Saturday, 21st July, 2018 only shall be entitled to avail the facility of remote e-voting, attend and vote at the meeting on all resolutions set forth in the notice of the AGM.

PRAKASH INDUSTRIES LIMITED NEW DELHI

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Pursuant to Section 91 of the Act, the Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24th July, 2018 to Saturday, 28th July, 2018 (both days inclusive) for the purpose of AGM of the Company.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report for the financial year 2017-18 alongwith notice of AGM and the same is also available on the website of the Company viz. www.prakash.com.

This is for your information and record please.

Thanking you,

Yours faithfully,
For **Prakash Industries Limited**

Ashwini Kumar

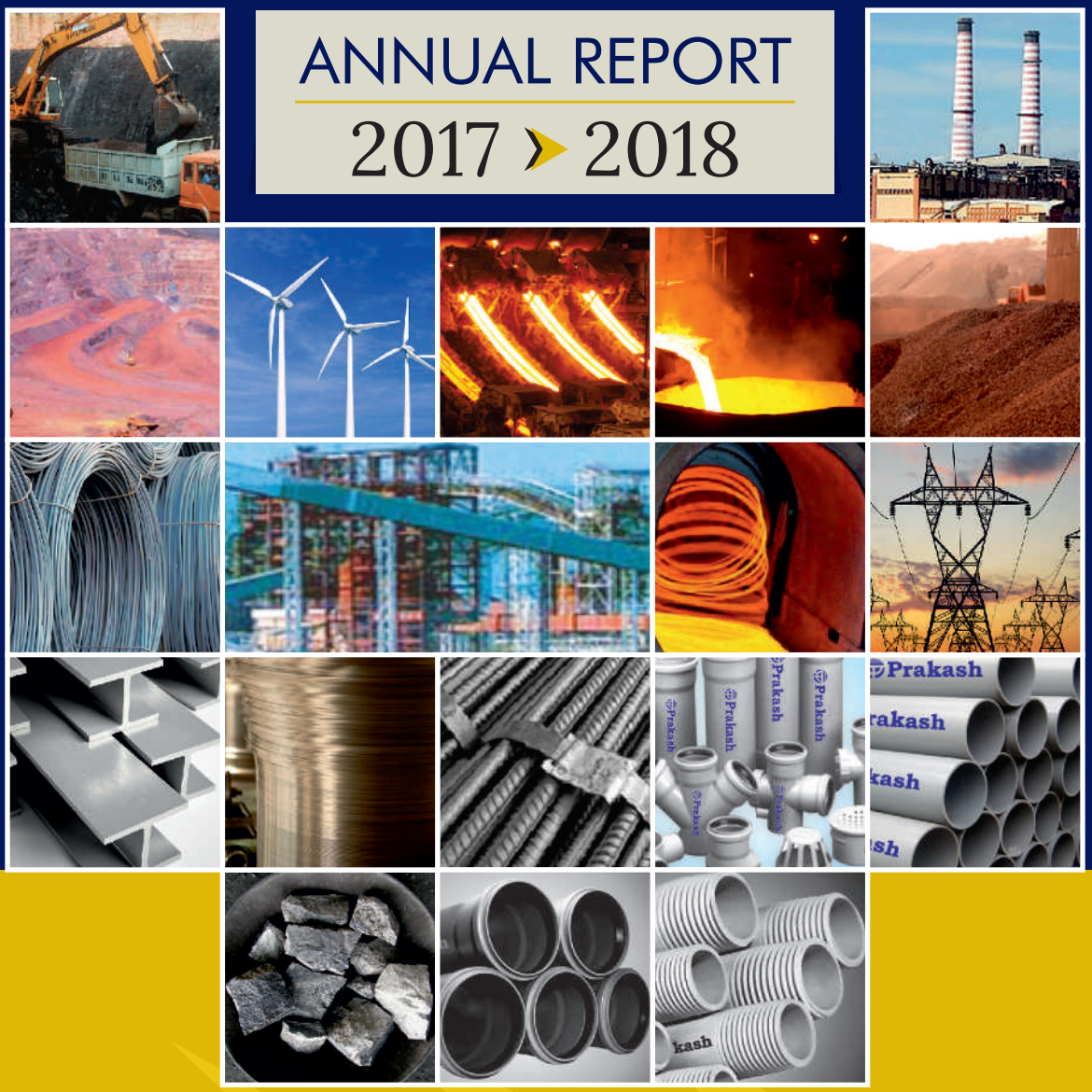
(Ashwini Kumar)
Company Secretary

PRAKASH INDUSTRIES LIMITED NEW DELHI

Encls : Annual Report

ANNUAL REPORT

2017 › 2018



Prakash Industries Limited

People.. Prosperity.. Progress..

BOARD OF DIRECTORS	Shri V. P. Agarwal	Chairman
	Shri Vikram Agarwal	Managing Director
	Shri Kanha Agarwal	Joint Managing Director
	Shri M.L. Pareek	Whole - time Director & CEO
	Shri P.L. Gupta	Whole - time Director & CFO
	Shri K. C. Mehra	Independent Director
	Shri Y.N. Chugh	Independent Director
	Shri M.R. Agarwal	Independent Director
	Smt. Purnima Gupta	Independent Director
	Shri Sunil Kumar	Independent Director
COMPANY SECRETARY	Shri Ashwini Kumar	
STATUTORY AUDITORS	Chaturvedi & Co.	
	Chartered Accountants	
BANKERS	Corporation Bank	
	Kotak Mahindra Bank	

REGISTERED OFFICE

15 Km. Stone, Delhi Road,

Hissar - 125044 (Haryana)

CORPORATE OFFICE

SRIVAN

Bijwasan,

New Delhi - 110 061

WORKS

Champa (Chhattisgarh)

Raipur (Chhattisgarh)

Kashipur (Uttarakhand)

Koira, Distt. Koenjhar (Odisha)

Muppandal (Tamil Nadu)

WEBSITE

www.prakash.com

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 37th Annual Report on the business & operations of the Company together with the Audited Statement of Financial Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

(₹ in Crores)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Net Sales	**2934.81**	2173.50
Other Income	**14.81**	3.32
Total Income	**2949.62**	2176.82
EBITDA	**595.89**	264.50
Depreciation	**120.94**	103.03
Financial Expenses	**86.61**	73.07
Profit before exceptional item and tax	**388.34**	88.40
Provision for Taxes	**2.09**	7.40
Profit after tax	**386.25**	81.00
Other Comprehensive Income	**(2.39)**	(2.65)
Total Comprehensive Income	**383.86**	78.35

PERFORMANCE

During the year under review, the Company's Net Sales revenue grew by 35% to ₹ 2935 crores as against ₹ 2174 crores in the previous year. The EBITDA for the year was ₹ 596 crores in comparison to ₹ 265 crores in the previous year reflecting a growth of 125%. After providing for interest, depreciation and tax, the profit after tax of the Company grew by more than 390% to ₹ 384 crores as against ₹ 78 crores in the previous year, which resulted in EPS of ₹ 25.58 in the current year as against ₹ 5.97 in the previous year.

OPERATIONAL REVIEW

Your Directors have immense pleasure in informing that the performance of the Company, both financial and operational, has attained phenomenal growth during the year under review on account of operational efficiency, higher production volumes and better sales realization. The operating margins have jumped to 20% against 12% in the previous year. During the year, the Company expanded its Sponge Iron capacity by setting up an additional Rotary kiln of 0.20 Mn tonnes per annum, thereby enhancing the total capacity to 1.00 Mn tonnes per annum. Alongwith the kiln, the Company also added 15 MW power co-generation capacity during the year. In the Steel Melting Shop, the Company set up new furnaces and also modernized some of the existing furnaces with energy efficient furnaces during the year.

Further, as a step towards efficient raw material management, the Company has been able to secure Long term supply arrangements with its suppliers for the key inputs i.e. coal and iron ore at stable prices.

The performance of the Rigid PVC Pipe division was also satisfactory during the year under review. The division achieved highest ever production during the year. In view of the huge unrealized growth potential in the PVC Pipe industry, the Company is doubling its production capacity by next year.

FUTURE PROSPECTS

The steel industry in the country is witnessing a major uptrend with ever growing gaps in demand and supply. To exploit and take advantage of the situation, the Company has taken up expansion plan to increase its steel capacity from 1 Mn tonnes per annum to 3 Mn tonnes per annum in a phased manner over the next 5 years at its Integrated Steel Plant in Chhattisgarh. In this direction, the Company is enhancing its capacity in Sponge Iron by 0.40 Mn tonnes per annum alongwith related expansion in the steel melting shop this year. Further, in order to achieve next level of integration in its operations, the Company is making all its efforts to open its Sirkaguttu Iron Ore Mine in the state of Odisha in the first quarter of the current financial year. Also, the Kawardha iron ore mine allotted to the Company in the state of Chhattisgarh is expected to be operational by next year. In addition, the Company is also setting up a Private Railway Siding at its plant. These events shall boost the performance quotient of the Company to a significant extent in the coming years.

In the PVC Pipes division, in addition to doubling its production capacity of PVC Pipes and fittings by next year, the Company has strategically ventured into Flexible Plastic Packaging business, which will manufacture high performance barrier films and laminates that find application in packaging of food, beverages, oil, personal care and pharmaceutical products. The production is expected to commence by June, 2018.

As regards the demerger of the PVC Pipe division, the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) have conveyed their consent to the Draft Scheme of Arrangement and other clearances are in progress.

DIVIDEND

After careful assessment of the available profit during the financial year ended 31st March, 2018, your Directors have not recommended any dividend for the financial year ended 31st March, 2018.

ENVIRONMENT AND SOCIAL RESPONSIBILITY

Your Company has always laid emphasis on its environmental commitment towards the society, including

its customers, clients, employees, workers and public. The Company takes effective steps to spread the environmental awareness among its employees and motivates them to work in an environmentally responsible manner. The Company ensures compliance with all applicable environmental laws at its plants, which results in providing safe and healthy workplaces to its employees. Further, the Company is also committed to maintain Zero Discharge pattern by installing Effluent Treatment and Sewage Treatment Plant, Continuous Emission Monitoring System and setting up well equipped Environmental Laboratory for Air, Water and practicing hazardous waste and solid waste management.

Corporate Social Responsibility (CSR) has also been an integral part of the Company's business since inception. The Company's initiatives towards fulfilling its Corporate Social Responsibility include providing safe drinking water facilities around its plants, conducting training programs for promotion of vocational skills and environmental sustainability, promoting health care programs, maintaining sports and recreational facilities and generating employment opportunities for local people.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

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

CHANGE IN NATURE OF BUSINESS, IF ANY.

There are no changes in the nature of business in the financial year 2017-18.

DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The statement containing the salient features of the Financial Statements of the Company's subsidiaries/ joint ventures/ associate companies of the Company is given in Form AOC - 1 along with financial statement.

Prakash Pipes Ltd become wholly owned subsidiary company during the financial year ended 31st March,2018. 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

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

BOARD EVALUATION

During the year, the evaluation of the annual performance of individual directors including the Chairman of the Company and Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act and relevant Rules and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations, 2015 and the circular issued by SEBI with respect to Guidance Note on Board Evaluation from time to time.

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

NUMBER OF MEETINGS OF THE BOARD

The details of the Board Meetings and other Committee Meetings held during the financial year 2017-18 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 ("Listing 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

Pursuant to Section 134(3)(q) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Remuneration and other details of Key Managerial Personnel and other employees for the year ended 31st March, 2018 are annexed to this report.

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

Dr. S. L. Keswani resigned as Independent Director of the Company w.e.f. 26th September 2017. Shri Sunil Kumar has joined as Independent Director of the Company w.e.f. 26th December 2017.

BOARD COMMITTEES

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

FIXED DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

I. The financial statements have been prepared in conformity with the applicable Accounting Standards and requirements of the Companies Act,2013, ("the Act") to the extent applicable to the Company; on historical cost convention; as a going concern and on accrual basis. There are no material departures in the adoption of the applicable Accounting Standards.

II. The Board of Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

III. The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

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

CONSOLIDATED ACCOUNTS

The consolidated financial statements for the year ended March 31, 2018 has 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 March 31, 2017.

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. They have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Regulation 33 of the Listing Regulations, 2015 the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

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

Explanations response to Point (4) of Independent Auditors Report

The net deferred tax liability computed in terms of Ind AS-12 "Income Tax" amounting to ₹ 2741 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..

Observations other than above made by the Statutory Auditors in their report for the Financial year ended 31st March, 2018 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act, 2013.

ii) Secretarial Auditor

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

iii) Cost Auditors

The Board of Directors 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 2018-19.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, appropriate resolution seeking your ratification of the remuneration of M/s Rakshit & Associates, (FRN : 101951), Cost & Management Accountants, as Cost Auditors, is included in the Notice convening the 37th AGM of the Company.

CHANGES IN CAPITAL STRUCTURE

During the financial year 2017-18, your Company had allotted 13673455 Equity Shares fully paid-up of the face value of ₹ 10 per share at a premium of ₹ 50 per share and 4163750 Equity Shares fully paid-up value of ₹ 10 per share at a 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 ₹ 139.05 crores to ₹ 156.88 crores post the conversion of FCCBs into Equity Share during the financial year 2017-18. Further the Company had issued new 24.3 million USD 5.95% FCCBs due on January 15, 2023 in lieu of its outstanding obligations on the 5.25% April 2015 FCCBs.

During the financial year 2017-18, your Company had made preferential issue and allotted 9896278 Convertible Equity Warrants to Promoters.

SCHEME OF ARRANGEMENT FOR DEMERGER

During the year, the Board of Directors at its meeting held on August 24, 2017 approved the Scheme of Demerger between Prakash Industries Ltd. (Demerged Company) and Prakash Pipes Ltd. (Resulting) Company, which is the wholly owned Subsidiary of the Company and their respective members and creditors. The Hon'ble National Company Law Tribunal, at Chandigarh vide its order dated April 11, 2018, ordered to convene the meeting of Shareholders, Secured Creditors and Unsecured Creditors on June 2, 2018 to approve the Scheme of Demerger.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS [RPT]

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

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

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

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

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

RISK MANAGEMENT

The Board of Directors has constituted a Risk Management Committee which is entrusted with the responsibility of overseeing various strategic, operational and financial risks that the organisation faces, along with the adequacy of mitigation plans to address such risks. There is an

overarching Risk Management Policy in place that was reviewed and approved by the Board. The Corporate Governance Report, which forms a part of this Report, contains the details of Risk Management Committee. The Risk Assessment is also discussed in the Management Discussion and Analysis attached to this report.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31st March, 2018 made under the provisions of Section 92(3) of the Act is attached as Annexure IV to this report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year ended 31st March, 2018, no complaint pertaining to sexual harassment was received by the Company.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company believes that internal control is a prerequisite of the principle of Governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

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

As required under Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 a statement showing the information relating to the Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo is enclosed as Annexure VIII to this report.

ACKNOWLEDGMENTS

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

By Order of the Board

Place : New Delhi	**P. L. Gupta**	**Vikram Agarwal**
Dated : 30th April, 2018	**Whole-time Director**	**Managing Director**
	DIN:00048868	**DIN:00054125**

ANNEXURE-I

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

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

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

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

1. The Composition of the CSR Committee
   - i) 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 — ₹ 3997.50 lacs
3. Prescribed CSR Expenditure (two percent of the amount as in item 2 above) — ₹ 79.95 lacs
4. Details of CSR spent during the financial year.
   - (a) Total amount to be spent for the financial year. — ₹ 79.95 lacs
   - (b) Amount unspent , if any; — Nil
   - (c) Manner in which the amount spent during the financial year is detailed below: (₹.in lakhs)

(1) Sl No	(2) CSR Project or Activity identified	(3) Sector in which the Project is covered	(4) Projects or Programs (1) Local Area or others (2) specify the states and district where projects or programmes were undertaken	(5) Amount outlay (Budget) Project or programmewise	(6) Amount spent on Projects or programs	(7) Cummulative 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 Raipur, Chhattisgarh	3.29 0.11	3.29 0.11	3.29 0.11	Direct, 3.29 Direct, 0.11
2	Training Programme & Promotion of Education	Promoting Education Including Special Education and Employment Enhancing Vocational Skills Schedule VII (ii)	Champa, Chhattisgarh Mathura, Uttar Pradesh	5.00 30.00	5.00 30.00	5.00 30.00	Direct, 5.00 Through implementing agency, 30.00
3	Health Care	Promoting Health Care Schedule VII (i)	Champa, Chhattisgarh	1.41	1.41	1.41	Direct, 1.41
4	Environment Awareness	Ensuring Environment Sustainability Schedule VII (iv)	Champa, Chhattisgarh Raipur, Chhattisgarh	7.57 1.20	7.57 1.20	7.57 1.20	Direct, 7.57 Direct, 1.20
5	Social Causes	Measures for reducing inequalities, Schedule VII (iii)	Champa, Chhattisgarh Raipur, Chhattisgarh	1.18 3.77	1.18 3.77	1.18 3.77	Direct, 1.18 Direct, 3.77
6	Poverty & malnutrition	Mid day meal scheme, Schedule VII(i)	Delhi NCR	30.00	30.00	30.00	Through implementing agency, 30.00
	Total			**83.53**	**83.53**	**83.53**	

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

ANNEXURE-II

FORM No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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, 2018 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 2018 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;

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

I further report that:

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

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

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

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

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

For PRADIP KUMAR MUDULI
Company Secretaries

(PRADIP KUMAR MUDULI)
Proprietor

Place: New Delhi
Dated : 30th April, 2018

FCS No. 6170
C P No. 5730

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

'Annexure A'

To,

The Members,
Prakash Industries Limited

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

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

For PRADIP KUMAR MUDULI
Company Secretaries

(PRADIP KUMAR MUDULI)
Proprietor

Place: New Delhi
Dated : 30th April, 2018

FCS No. 6170
C P No. 5730

ANNEXURE-III

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 Not Applicable are interested by name and amount	
2.	Subsidiary	- Loans and advances in the nature of loans to subsidiaries by name and amount	
		- Loans and advances in the nature of loans to associates by name and amount	
		- Loans and advances in the nature of loans to Firms/Companies in which directors	
3.	Holding Company	Investment by the loanee in the shares of parent Company and subsidiary Company has made a loan or advance in the nature of loan.	

By Order of the Board

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

Vikram Agarwal
Managing Director
DIN:00054125

Place : New Delhi
Dated : 30th April, 2018

ANNEXURE-IV

Form No.MGT-9

Extract of Annual Return

as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Ferro Alloys	24104	10
2	MS TMT / MS Coil and Allied	24105	49
3	HB Wire Rod	24108	22
4	PVC Pipe & Sockets	22209	10

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN /GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	Madanpur (North) Coal Company Pvt. Ltd. Flat No.302, Govardhan Tower, Chaytanya Nagar, Dhimrapur Road, Raigarh, Chhattisgarh - 496001	U10101CT2007PTC020161	Joint Venture	20.67	2(6)
2	Fatehpur Coal Mining Company Pvt. Ltd. Navbharat Udyog Bawan, Ring Road No.1, Telibandha, Raipur, Chhattisgarh - 492006	U10100CT2008PTC020663	Joint Venture	38.46	2(6)
3	Prakash Pipes Ltd. Darjiyan Wali Gali, Rayya, Village Baba Bakala Amritsar, Punjab - 143112	U25209PB2017PLCO46660	Subsidiary	100.00	2(87)

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

i) Category-wise Shareholding

	Category-wise Shareholders	No. of Shares held at beginning of the year as on 01.04.2017				No. of Shares held at the end of the year as on 31.03.2018				% of change during the year *
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of total Shares*	
(A)	**PROMOTERS**									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	7305169	0	7305169	5.25	**7305169**	**0**	**7305169**	**4.66**	**-0.60**
(b)	Central Govt. / State Govt(s).	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
(c)	Bodies Corporate	49062621	6154600	55217221	39.72	**48752621**	**6154600**	**54907221**	**35.00**	**-4.72**
(d)	Financial Institutions / Banks	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
(e)	Any Other (specify)	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
	Sub-Total (A)(1)	56367790	6154600	62522390	44.97	**56057790**	**6154600**	**62212390**	**39.66**	**-5.31**
(2)	Foreign									
(a)	Individuals (Non Resident Individuals / Foreign Individuals)	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
(b)	Bodies Corporate	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
(c)	Institutions / Banks	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
(d)	Qualified Foreign Investor	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
(e)	Any Other (specify)	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
	Sub-Total (A)(2)	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and									
	Promoter Group (A)=(A)(1)+(A)(2)	56367790	6154600	62522390	44.97	**56057790**	**6154600**	**62212390**	**39.66**	**-5.31**
(B)	**PUBLIC SHAREHOLDING**									
(1)	Institutions									
(a)	Mutual Funds / UTI	105341	40300	145641	0.10	**13004**	**40200**	**53204**	**0.03**	**-0.07**
(b)	Financial Institutions / Banks	1130	2655	3785	0.00	**1730**	**2655**	**4385**	**0.00**	**0.00**
(c)	Central Government / State Governments	0	0	0	0.00	**0**		**0**	**0.00**	**0.00**
(d)	Venture Capital Funds	0	0	0	0.00	**0**		**0**	**0.00**	**0.00**
(e)	Insurance Companies	100	200	300	0.00	**100**	**200**	**300**	**0.00**	**0.00**
(f)	Foreign Institutional Investors	7352972	1850	7354822	5.29	**8822672**	**2617155**	**11439827**	**7.29**	**2.00**
(g)	Foreign Venture Capital Investors	0	0	0	0.00	**0**		**0**	**0.00**	**0.00**
(h)	Qualified Foreign Investor	0	0	0	0.00	**0**		**0**	**0.00**	**0.00**
(i)	Any Other (specify)	0	0	0	0.00	**0**		**0**	**0.00**	**0.00**
	Sub-Total (B)(1)	7459543	45005	7504548	5.40	**8837506**	**2660210**	**11497716**	**7.33**	**1.93**
(2)	Non-institutions									
(a)	Bodies Corporate (NBFC Registered with RBI)	8032583	0	8032583	5.78	**163717**	**0**	**163717**	**0.10**	**-5.67**
(b)	Individuals									
	i. Individual shareholders holding nominal share capital upto ₹ 2 lakh	19598181	2460975	22059156	15.86	**31544377**	**2344002**	**33888379**	**21.60**	**5.74**
	ii. Individual shareholders holding nominal share capital in excess of ₹2 lakh	9368832	0	9368832	6.74	**12127299**	**0**	**12127299**	**7.73**	**0.99**
(c)	Qualified Foreign Investor	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
(d)	Any Other (specify) NRIs / OCBs	1130370	2463	1132833	0.81	**1939401**	**2463**	**1941864**	**1.24**	**0.42**
	Trust	60	0	60	0.00	**5000**	**0**	**5000**	**0.00**	**0.00**
	HUF	1831046	0	1831046	1.32	**1588375**	**0**	**1588375**	**1.01**	**-0.30**
	Clearing Members	776353	0	776353	0.56	**184196**	**0**	**184196**	**0.12**	**-0.44**
	LLP	723545	0	723545	0.52	**161215**	**0**	**161215**	**0.10**	**-0.42**
	Directors and their relatives	24989	102	25091	0.02	**800**	**102**	**902**	**0.00**	**-0.02**
	Bodies Corporate	24034747	1035147	25069894	18.03	**32079636**	**1032847**	**33112483**	**21.11**	**3.08**
	Sub-Total (B)(2)	65520706	3498687	69019393	49.64	**79794016**	**3379414**	**83173430**	**53.02**	**3.38**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	72980249	3543692	76523941	55.03	**88631522**	**6039624**	**94671146**	**60.34**	**5.31**
	TOTAL (A) + (B)	129348039	9698292	139046331	100.00	**144689312**	**12194224**	**156883536**	**100.00**	**0.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	**0**	**0**	**0**	**0.00**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	129348039	9698292	139046331	100.00	**144689312**	**12194224**	**156883536**	**100.00**	**0.00**

* Percentage of shares is not comparable with previous year percentage due to increase in paid-up capital of the Company during the year.

ii) Shareholding of Promoters

	Category-wise Shareholders	No. of Shares held at beginning of the year as on 01.04.2017			No. of Shares held at the end of the year as on 31.03.2018			% of change during the year *
		No. of Shares	% of total Share of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Share of the Company *	% of Shares Pledged/ encumbered to total shares	
1	Shri V. P. Agarwal	526884	0.38	0.00	**526884**	**0.34**	**0.00**	**-0.04**
2	V. P. Agarwal (HUF)	229389	0.16	0.00	**229389**	**0.15**	**0.00**	**-0.02**
3	Smt. Mohini Agarwal	6123856	4.40	0.00	**6123856**	**3.90**	**0.00**	**-0.50**
4	Shri Vikram Agarwal	406500	0.29	0.00	**406500**	**0.26**	**0.00**	**-0.03**
5	Shri Kanha Agarwal	18540	0.01	0.00	**18540**	**0.01**	**0.00**	**0.00**
6	Aircon Systems (India) Pvt. Ltd.	96000	0.07	0.00	**96000**	**0.06**	**0.00**	**-0.01**
7	Ambrosia Commerce Pvt. Ltd.	1936500	1.39	44.41	**1936500**	**1.23**	**84.43**	**-0.16**
8	Chaibasa Steel Pvt. Ltd.	250000	0.18	0.00	**250000**	**0.16**	**0.00**	**-0.02**
9	Dhruv Commerce Pvt. Ltd.	2224000	1.60	100.00	**1781500**	**1.14**	**99.97**	**-0.46**
10	Essential Electronics Pvt. Ltd.	899400	0.65	0.00	**899400**	**0.57**	**77.76**	**-0.07**
11	Evershine Mercantile Pvt. Ltd.	1921700	1.38	0.00	**1921700**	**1.22**	**84.39**	**-0.16**
12	Excel Fincap Pvt. Ltd.	102135	0.07	0.00	**102135**	**0.07**	**99.97**	**-0.01**
13	Focus Securities & Credits Pvt. Ltd.	1460000	1.05	2.40	**1460000**	**0.93**	**71.92**	**-0.12**
14	Four Wings Marketing Pvt. Ltd.	31700	0.02	0.00	**401700**	**0.26**	**25.32**	**0.23**
15	GMK Builders Pvt. Ltd.	9427300	6.78	90.44	**8164800**	**5.20**	**88.98**	**-1.58**
16	Goel Containers Pvt. Ltd.	1378682	0.99	0.00	**1378682**	**0.88**	**99.95**	**-0.11**
17	Hissar Tubes Pvt. Ltd.	1350012	0.97	5.93	**1350012**	**0.86**	**100.00**	**-0.11**
18	Hi-tech Mercantile (India) Pvt. Ltd.	3370695	2.42	98.76	**3000695**	**1.91**	**99.94**	**-0.51**
19	New Era Commerce & Securities Pvt. Ltd.	215985	0.16	0.00	**215985**	**0.14**	**99.96**	**-0.02**
20	Ocean Ispat Pvt. Ltd.	300000	0.22	0.00	**300000**	**0.19**	**0.00**	**-0.02**
21	Pareek Overseas Pvt. Ltd.	2475110	1.78	87.71	**1200110**	**0.76**	**53.23**	**-1.02**
22	Prakash Capital Services Ltd.	1508467	1.08	0.00	**1508467**	**0.96**	**100.00**	**-0.12**
23	Prakash Industrial Finance Ltd.	904950	0.65	1.55	**904950**	**0.58**	**77.79**	**-0.07**
24	Premier Fincap Pvt. Ltd.	1243480	0.89	2.09	**1243480**	**0.79**	**99.96**	**-0.10**
25	Primenet Global Ltd.	3328987	2.39	99.88	**3278987**	**2.09**	**100.00**	**-0.30**
26	Prime Mercantile Pvt. Ltd.	3701470	2.66	67.54	**3701470**	**2.36**	**74.98**	**-0.30**
27	Prospero Securities Pvt. Ltd.	611800	0.44	14.06	**611800**	**0.39**	**100.00**	**-0.05**
28	Rourkela Steel Pvt. Ltd.	1427133	1.03	0.00	**1427133**	**0.91**	**63.77**	**-012**
29	Samyak Securities Pvt. Ltd.	0	0	0.00	**1500000**	**0.96**	**100.00**	**0.96**
30	Shikha Mercantile Pvt. Ltd.	70600	0.05	0.00	**70600**	**0.05**	**0.00**	**-0.01**
31	Shree Labh Lakshmi Capital Services Pvt. Ltd.	2311471	1.66	76.53	**2311471**	**1.47**	**79.78**	**-0.19**
32	Spring Mercantile Pvt. Ltd.	1390900	1.00	0.00	**1080900**	**0.69**	**80.85**	**-0.31**
33	Style Leasing & Finance Pvt. Ltd.	1114400	0.80	0.00	**1114400**	**0.71**	**77.57**	**-0.09**
34	Sunvin Trading & Investment Pvt. Ltd.	1045000	0.75	0.00	**1250000**	**0.80**	**100.00**	**0.05**
35	Suvarna Marketing Pvt. Ltd.	95000	0.07	0.00	**95000**	**0.06**	**0.00**	**-0.01**
36	Techdrive Software Ltd.	1155550	0.83	0.00	**1155550**	**0.74**	**100.00**	**-0.09**
37	Tools India Pvt. Ltd.	850900	0.61	0.00	**900900**	**0.57**	**100.00**	**-0.04**
38	Unity Mercantile Pvt. Ltd.	251575	0.18	0.00	**251575**	**0.16**	**99.97**	**-0.02**
39	Vanshi Farms Pvt. Ltd.	867953	0.62	0.00	**867953**	**0.55**	**65.43**	**-0.07**
40	Vision Mercantile Pvt. Ltd.	891700	0.64	0.00	**2166700**	**1.38**	**86.15**	**0.74**
41	Welter Securities Ltd.	5006666	3.60	90.88	**5006666**	**3.19**	**100.00**	**-0.41**
	Total	62522390	44.97	47.18	**62212390**	**39.66**	**77.07**	**-5.31**

* Percentage of shares is not comparable with previous year percentage due to increase in paid-up capital of the Company during the year.

iii) Change in Promoters' Group Shareholding

	No. of Shares held at beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Share of the Company	No. of Shares	% of total Share of the Company
At the beginning of the year	62522390	44.97	–	–
Date wise increase/decrease in shareholding during the year Spring Mercantile Pvt Ltd	-310000	-0.20	62212390	39.66
At the end of the year			**62212390**	**39.66***

Note : In one case where 310000 equity shares of promoter group sold by pledgee on 14.08.2017
*Percentage is changed due to increase in paid-up capital of the Company during the year

* Inter-se Transfer among Promoters

S. No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason for Change	Cumulative Share holding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning 01.04.2017	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Dhruv Commerce Pvt Ltd	2224000	1.60	1-Apr-2017				
				4-May-2017	-442500	Transfer (Inter-Se Transfers)	1781500	1.14
				3-Aug-2017	-648100		1133400	0.72
				17-Aug-2017	372000		1505400	096
				25-Sep-2017	250000		1755400	1.12
				20-Nov-2017	26100		1781500	1.14
				31-Mar-2018			1781500	1.14
2	Excel Fincap Pvt Ltd	102135	0.07	1-Apr-2017				
				17-Aug-2017	-100000	Transfer (Inter-Se Transfers)	2135	0.00
				28-Dec-2017	100000		102135	0.07
				31-Mar-2018			102135	0.07
3	Four Wings Marketing Pvt Ltd	31700	0.02	1-Apr-2017				
				27-Jul-2017	40000	Transfer (Inter-Se Transfers)	71700	0.05
				11-Sep-2017	330000		401700	0.26
				31-Mar-2018			401700	0.26
4	GMK Builders Pvt Ltd	9427300	6.78	1-Apr-2017				
				4-May-2017	442500	Transfer (Inter-Se Transfers)	9869800	6.29
				5-May-2017	-205000		9664800	6.16
				5-May-2017	-238000		9426800	6.01
				14-Sep-2017	-1262000		8164800	5.20
				31-Mar-2018			8164800	5.20

S. No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason for Change	Cumulative Share holding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning 01.04.2017	% of total shares of the Company				No. of Shares	% of total shares of the Company
5	Goel Containers Pvt Ltd	1378682	0.99	1-Apr-2017				
				17-Aug-2017	100000	Transfer (Inter-Se Transfers)	1478682	0.94
				28-Dec-2017	-100000		1378682	0.88
				31-Mar-2018			1378682	0.88
6	Hissar Tubes Pvt Ltd	1350012	0.97	1-Apr-2017				
				11-May-2017	600000	Transfer (Inter-Se Transfers)	1950012	1.24
				1-Jul-2017	-610000		1350012	0.86
				31-Mar-2018			1350012	0.86
7	Hi-Tech Mercantile (India) Pvt Ltd	3370695	2.42	1-Apr-2017				
				27-Jul-2017	-40000	Transfer (Inter-Se Transfers)	3330695	2.12
				11-Sep-2017	-330000		3000695	1.91
				31-Mar-2018			3000695	1.91
8	Pareek Overseas Pvt Ltd	2475110	1.78	1-Apr-2017				
				27-Jul-2017	-4000	Transfer (Inter-Se Transfers)	2471110	1.58
				26-Dec-2017	-1000000		1471110	0.94
				23-Mar-2018	-271000		1200110	0.76
				31-Mar-2018			1200110	0.76
9	Prakash Industrial Finance Ltd	904950	0.65	1-Apr-2017				
				11-May-2017	-600000	Transfer (Inter-Se Transfers)	304950	0.19
				01-Jul-2017	600000		904950	0.58
				31-Mar-2018			904950	0.58
10	Primenet Global Ltd	3328987	2.39	1-Apr-2017				
				27-Jul-2017	-3500	Transfer (Inter-Se Transfers)	3325487	2.12
				09-Nov-2017	-46500		3278987	2.09
				31-Mar-2018			3278987	2.09
11	Prime Mercantile Pvt Ltd	3701470	2.66	1-Apr-2017				
				4-Apr-2017	800000	Transfer (Inter-Se Transfers)	4501470	2.87
				21-Oct-2017	-800000		3701470	2.36
				31-Mar-2017			3701470	2.36
12	Samyak Securities Pvt Ltd	0	0.00	1-Apr-2017				
				5-May-2017	238000	Transfer (Inter-Se Transfers)	238000	0.15
				14-Sep-2017	1262000		1500000	0.96
				31-Mar-2018			1500000	0.96

S. No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason for Change	Cumulative Share holding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning 01.04.2017	% of total shares of the Company				No. of Shares	% of total shares of the Company
13	Spring Mercantile Pvt Ltd	1390900	1.00	1-Apr-2017				
				3-Aug-2017	648100	Transfer (Inter-Se Transfers)	2039000	1.30
				14-Aug-2017	-310000	Sold	1729000	1.10
				17-Augl-2017	-372000	Transfer (Inter-Se Transfers)	1357000	0.86
				25-Sep-2017	-250000		1107000	0.71
				20-Nov-2017	-26100		1080900	0.69
				31-Mar-2018			1080900	0.69
14	Sunvin Trading & Investment Pvt Ltd	1045000	0.75	1-Apr-2017				
				5-May-2017	205000	Transfer (Inter-Se Transfers)	1250000	0.80
				31-Mar-2018			1250000	0.80
15	Tools India Pvt Ltd	850900	0.61	1-Apr-2017				
				4-Apr-2017	-800000	Transfer (Inter-Se Transfers)	50900	0.03
				27-Jul-2017	3500		54400	0.03
				21-Oct-2017	800000		854400	0.54
				09-Nov-2017	46500		900900	0.54
				31-Mar-2018			900900	0.57
16	Vision Mercantile Pvt Ltd	891700	0.64	1-Apr-2017				
				27-Jul-2017	4000	Transfer (Inter-Se Transfers)	895700	0.57
				26-Dec-2017	1000000		1895700	1.21
				23-Mar-2018	271000		2166700	1.38
				31-Mar-2018			2166700	1.38

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

S. No.	Name of Shareholder	No. of Shares at the begining 01.04.2017		Date	Increase/ Decrease in Share holding	Reason for Change	No. of Shares at the end of the year 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Jhunjhunwala Rakesh Radheshyam	1500000	1.08	1-Apr-2017 31-Mar-2018	1000000	Transfer during the year	2500000	1.59
2	Elara Capital PLC	1006960	0.72	1-Apr-2017 31-Mar-2018	1555348	Conversion of FCCBs	2562308	1.63
3	Amarjoti Vanijya Pvt. Ltd.	1759250	1.27	1-Apr-2017 31-Mar-2018	4159856	Transfer during the year	5919106	3.77
4	Acadian Emerging Markets Small Cap Equity Fund	1098790	0.79	1-Apr-2017 31-Mar-2018	845969	Transfer during the year	1944759	1.24
5	Makrana Tradecom Pvt. Ltd.	555784	0.40	1-Apr-2017 31-Mar-2018	3308608	Transfer during the year	3864392	2.46
6	ICICI Bank Ltd.	301420	0.22	1-Apr-2017 31-Mar-2018	719642	Transfer during the year	1021062	0.65
7	Nilkanth Fincon Pvt. Ltd.	113	0.00	1-Apr-2017 31-Mar-2018	1450000	Transfer during the year	1450113	0.92
8	Indianivesh Securities Ltd.	273637	0.20	1-Apr-2017 31-Mar-2018	1093733	Transfer during the year	1367370	0.87
9	Indianivesh Capitals Ltd.	1006960	0.72	1-Apr-2017 31-Mar-2018	231473	Transfer during the year	1238433	0.79
10	Gagandeep Consultancy Pvt. Ltd.	0	0.00	1-Apr-2017 31-Mar-2018	1400000	Transfer during the year	1400000	0.89

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of Shareholder	No. of Shares at the begining 01.04.2017		Date	Increase/ Decrease in Share holding	Reason for Change	No. of Shares at the end of the year 31.03.2018	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company*
1	Shri V.P. Agarwal Chairman	526884	0.38	1-Apr-2017 31-Mar-2018	0	Nil movement during the year	526884	0.34
2	V.P. Agarwal (HUF)	229389	0.16	1-Apr-2017 31-Mar-2018	0	Nil movement during the year	229389	0.15
3	Shri Vikram Agarwal Managing Director	406500	0.29	1-Apr-2017 31-Mar-2018	0	Nil movement during the year	406500	0.26
4	Shri Kanha Agarwal Joint Managing Director	18540	0.01	1-Apr-2017 31-Mar-2018	0	Nil movement during the year	18540	0.01
5	Shri M.L. Pareek Whole-time Director	802	0.00	1-Apr-2017 31-Mar-2018	0	Nil movement during the year	802	0.00
6	Shri P.L. Gupta Whole-time Director	0	0.00	1-Apr-2017 31-Mar-2018	0	Nil holding	0	0.00
7	Shri K.C. Mehra Non-Executive Director	0	0.00	1-Apr-2016 31-Mar-2017	0	Nil holding	0	0.00
8	Shri Y.N. Chugh Non-Executive Director	0	0.00	1-Apr-2017 31-Mar-2018	0	Nil holding	0	0.00
9	Shri M.R. Agarwal Non-Executive Director	0	0.00	1-Apr-2017 31-Mar-2018	0	Nil holding	0	0.00
10	Smt. Purnima Gupta Non-Executive Director	0	0.00	1-Apr-2017 31-Mar-2018	0	Nil holding	0	0.00
11	Shri Sunil Kumar Non-Executive Director (Appointed w.e.f. 26.12.2017)	0	0.00	1-Apr-2017 31-Mar-2018	0	Nil holding	0	0.00
12	Shri Ashwini Kumar Company Secretary	0	0.00	1-Apr-2017 31-Mar-2018	0	Nil holding	0	0.00

* %age is changed due to increase in paid-up capital during the year

V INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans (Excluding Deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	48269	47425	–	95694
ii) Interest due but not paid	20	–	–	20
iii) Interest accrued but not due	3	–	–	3
TOTAL (i+ii+iii)	**48292**	**47425**	**–**	**95717**
Change in Indebtedness during the financial year				
Addition/Adjustment	19394	20775	–	40169
Reduction/Adjustment	(9957)	(40808)	–	(50765)
Exchange Difference	–	(253)	–	(253)
Net Change	9437	(20286)	–	(10849)
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	57706	27139	–	84845
ii) Interest due but not paid	0	–	–	-
iii) Interest accrued but not due	71	–	–	71
TOTAL (i+ii+iii)	57777	27139	–	84916

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Chairman / MD / Joint MD / WTD / Manager					Total Amount
		Shri V.P. Agarwal	Shri Vikram Agarwal	Shri Kanha Agarwal	Shri M.L. Pareek	Shri P.L. Gupta	
1	Gross Salary						
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	480.00	201.60	33.00	67.36	42.35	824.31
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40	0.40	8.00	5.35	14.55
	c) Profit in lieu of salary u/s 17(3) of the Income-tax Act, 1961	–	–	–	–	–	–
2	Stock Option	–	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–	–
4	Commission	–	–	–	–	–	–
5	Others	–	–	–	–	–	–
	TOTAL (A)	480.40	202.00	33.40	75.36	47.70	838.86

B) Remuneration to other Directors :

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. S.L. Keswani	Sh. K.C. Mehra	Sh. Y.N. Chugh	Sh. M.R. Agarwal	Smt. Purnima Gupta	Sh. Sunil Kumar	
1	**Independent Directors**							
	Fees for attending Board / Committee Meetings	2.25	3.50	4.00	3.75	3.75	0.75	18.00
	Commission	–	–	–	–	–	–	–
	Others	–	–	–	–	–	–	–
	Stock Option	–	–	–	–	–	–	–
	Sweat Equity	–	–	–	–	–	–	–
	Commission	–	–	–	–	–	–	–
	Others	–	–	–	–	–	–	–
	TOTAL (1)	2.25	3.50	4.00	3.75	3.75	0.75	18.00
2	**Other Non-Executive Directors**							
	Fees for attending Board / Committee Meetings	–	–	–	–	–	–	–
	Commission	–	–	–	–	–	–	–
	Others	–	–	–	–	–	–	–
	Stock Option	–	–	–	–	–	–	–
	Sweat Equity	–	–	–	–	–	–	–
	Commission	–	–	–	–	–	–	–
	Others	–	–	–	–	–	–	–
	TOTAL (2)	0	0	0	0	0	0	0
	TOTAL (1+2)	**2.25**	**3.50**	**4.00**	**3.75**	**3.75**	**0.75**	**18.00**
	TOTAL MANAGERIAL REMUNERATION (A+B) #							**856.86**

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

C) Reuneration to Key Managerial Personnel:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CEO Sh. M.L. Pareek	CFO Sh. P.L. Gupta	Company Secretary Sh. Ashwini Kumar	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	67.36	42.35	10.12	119.83
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	8.00	5.35	1.31	14.66
	c) Profit in lieu of salary u/s 17(3) of the Income-tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
5	Others - Medical	–	–	–	–
	TOTAL (A)	75.36	47.70	11.43	134.49

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

ANNEXURE-V

Statement of Disclosure of Remuneration under Section197 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	Director — Ratio Shri V.P. Agarwal, Chairman — 178:1 Shri Vikram Agawal, Managing Director — 75:1 Shri Kanha Agarwal, Joint Managing Director — 12:1 Shri M.L. Pareek, Whole-time Director & CEO — 25:1 Shri P.L. Gupta, Whole-time Director & CFO — 18:1 Dr. S.L. Keswani, Director * — 16:1 Shri K.C. Mehra, Director * Shri Y.N. Chugh, Director * Shri M.R. Agarwal, Director * Smt. Purnima Gupta, Director * Shri Sunil Kumar, 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	Director — Ratio Shri V.P. Agarwal, Chairman — 17.63% Shri Vikram Agawal, Managing Director — 19.95% Shri Kanha Agarwal, Joint Managing Director — 15.12% Shri M.L. Pareek, Whole-time Director & CEO — 21.35% Shri P.L. Gupta, Whole-time Director & CFO — 10.07% Dr. S.L. Keswani, Director * Shri K.C. Mehra, Director * Shri Y.N. Chugh, Director * Shri M.R. Agarwal, Director * Smt. Purnima Gupta, Director * Shri Sunil Kumar, Director* **Key Managerial Personnel** Shri M.L. Pareek, Whole-time Director & CEO — 21.35% Shri P.L. Gupta, Whole-time Director & CFO — 10.07% Shri Ashwini Kumar, Company Secretary — 11.80%
(iii)	The percentage increase in the median remuneration of employees in the financial year	9.85%
(iv)	The number of permanent employees on the rolls of Company	2758 as on 31st March, 2018
(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 10% in FY 18 over previous year. The salary increase is based on compensation philosophy of the organisation which takes into account internal as well as external factors.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Affirmed

* No remumeration, only sitting fees paid

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

FOR THE YEAR ENDED 31ST MARCH, 2018

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 (₹) Lacs	Date of Commencement of Employment	Particulars of last Employment
1.	Sh.V.P.Agarwal	62	B.Com.	39	Chairman	480	01.01.1981	Surya Roshini Limited
2.	Sh.Vikram Agarwal	40	B.Com.	16	Managing Director	202	28.05.2005	Primenet Global Limited

NOTES :

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

ANNEXURE-VI

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with all stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

2. BOARD OF DIRECTORS

a) Composition

As on 31st March 2018, the Board of Prakash Industries Ltd. comprised 10 Directors represented by 5 Whole-time (Executive) Directors including Chairman, Managing Director & Joint Managing Director and 5 Independent Director (Non-Executive)

b) Board Functioning and Procedures

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

c) Attendance of each Director at the Board meetings & last Annual General Meeting during the year 2017-18 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	7	No	–	9	–	–
2.	Shri Vikram Agarwal Managing Director DIN:00054125	Executive & Promoter	8	No	–	8	–	–
3.	Shri Kanha Agarwal Joint Managing Director DIN:06885529	Executive & Promoter	8	No	–	13	–	–
4.	Dr. S.L. Keswani * DIN:00190790	Non-executive & Independent	3	Yes	–	–	–	–
5	Shri K.C. Mehra DIN:00128733	Non-executive & Independent	5	No	–	2	2	–
6.	Shri Y.N. Chugh DIN:02225961	Non-executive & Independent	8	No	–	–	–	–
7.	Shri M.R. Agarwal DIN:00180671	Non-executive & Independent	8	No	–	–	–	–
8.	Smt. Purnima Gupta DIN:06885738	Non-executive & Independent	7	No	–	–	–	–
9.	Shri M.L. Pareek DIN:01795975	Executive	8	Yes	–	1	–	–
10.	Shri P.L. Gupta DIN:00048868	Executive	8	No	–	1	–	–
11.	Shri Sunil Kumar ** DIN:08047482	Non-executive & Independent	2	No	–	–	–	–

* Resigned w.e.f. 26th September, 2017 ** Appointed w.e.f. 26th December, 2017

d) Disclosure of relationship between director inter-se

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

e) No. of Board Meetings

In the financial year 2017-18, the Board met eight times. The meetings were held on 22nd May, 2017, 17th July, 2017, 24th August, 2017, 17th October, 2017, 17th November, 2017, 8th January, 2018, 20th January, 2018 and 15th February, 2018. 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.	22.05.2017	10	10
2.	17.07.2017	10	10
3.	24.08.2017	10	10
4.	17.10.2017	09	09
5.	17.11.2017	09	08
6.	08.01.2018	10	10
7.	20.01.2018	10	06
8.	15.02.2018	10	09

f) Meetings of Independent Directors

The Company's Independent Directors met on 8th January, 2018 in financial year 2017-18 without the presence of Executive Directors or management personnel to discuss matters pertaining to the Company's affairs and put forth their views. The Chairman of meeting had taken appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

g) Details of shareholding of non-executive Directors in the Company as on 31st March, 2018

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

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

3. AUDIT COMMITTEE

i) Terms, composition, names of members and chairman

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

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, Shri K. C. Mehra, Shri M.R. Agarwal, Smt. Purnima Gupta (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 five times during the financial year 2017-18 on 22nd May, 2017, 17th July, 2017, 24th August, 2017, 17th October, 2017 and 8th January, 2018 and attendance was as under.

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

* Resigned w.e.f. 26th September, 2017

** Appointed as Chairman w.e.f. 17th October, 2017

\+ Ceased to be member w.e.f. 17th October, 2017

\# Co-opted as member w.e.f. 17th October, 2017

Audit Committee meetings are also attended by representative of Internal Auditors and Whole-time Directors/ 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 Board of Directors had constituted a Remuneration Committee in the year 2002 which was renamed and reconstituted in the year 2014 and further reconstitued inthe year 2017. The terms of reference of Nomination and Remuneration Committee cover the matters specified for the said Committee under Regulation 19 & Part D of Schedule II of SEBI (LODR) Regulations, 2015 and as per Section 178 of the Companies Act, 2013.

The Committee comprises of Shri Y. N. Chugh (Non-Executive and Independent Director) as the Chairman and Shri K.C. Mehra and Shri M. R. Agarwal (both 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 8th January, 2018 and all members of the Committee had attended the meeting.

Performance evaluation criteria for independent Directors: Performance evaluation of Independent Directors shall be done on annual basis. The rating shall be provided by the all the Directors except the

Independent Director being evaluated. The evaluation criteria shall be reviewed by the Nomination and Remuneration Committee and the Board from time to time and shall be subject to the provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder and amendments thereto from time to time.

5. DETAILS OF REMUNERATION / SITTING FEE PAID TO DIRECTORS FOR THE PERIOD FROM 1ST APRIL, 2017 TO 31ST MARCH, 2018:

a) Pecuniary Relationship

Independent Directors viz. Dr. S. L. Keswani, Shri K. C. Mehra, Shri Y.N. Chugh, Shri M.R. Agarwal, Smt. Purnima Gupta and Shri Sunil Kumar 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	480.00	0.40	N.A.
2.	Shri Vikram Agarwal	201.60	0.40	N.A.
3.	Shri Kanha Agarwal	33.00	0.40	N.A
4.	Dr.S.L.Keswani*	Nil	Nil	2.25
5.	Shri K.C.Mehra	Nil	Nil	3.50
6.	Shri Y.N. Chugh	Nil	Nil	4.00
7.	Shri M.R. Agarwal	Nil	Nil	3.75
8.	Smt.Purnima Gupta	Nil	Nil	3.75
9.	Shri M.L. Pareek	67.36	8.00	N.A.
10.	Shri P.L. Gupta	42.35	5.35	N.A.
11.	Shri Sunil Kumar **	Nil	Nil	0.75

* Resigned w.e.f. 26th September, 2017
** Appointed w.e.f. 26th December, 2017

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	06.02.2016	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

During the year Board of Directors has reconstituted the Stakeholders Relationship Committee (formerly known as Shareholders'/Investors' Grievance Committee) consists of Smt. Purnima Gupta (Non-Executive and Independent Director), 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 2017-18 on 15th April, 2017, 15th July, 2017, 10th October, 2017 and 4th January, 2018 and attendance was as under.

S.No.	Name of Director	Status	Meetings Attended
1.	Dr. S.L.Keswani *	Chairman	2
2.	Smt. Purnima Gupta++	Chairperson	1
3.	Shri M.L. Pareek #	Member	1
4.	Shri P.L. Gupta #	Member	1
5.	Shri V.P. Agarwal **	Member	3
5.	Shri Vikram Agarwal **	Member	3

* Resigned w.e.f. 26th September, 2017
++ Appointed as Chairperson w.e.f. 17th October, 2017
\# Co-opted as members w.e.f. 17th October, 2017
** Ceased to be member w.e.f. 17th October, 2017

Compliance Officer	:	Shri Ashwini Kumar Company Secretary
No. of shareholders/ investors complaints received upto 31st March, 2018	:	13
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-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 K.C. Mehra (Non-Executive and Independent Director) as Chairman of the Committee, Shri P.L. Gupta, (Whole-time Director and Chief Financial Officer) and Shri M.L. Pareek (Whole-time Director and Chief Executive Officer) as members of the Finance Committee of the Board of Directors.

One meeting on 15th February, 2018 was held during the financial year 2017-18.

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 K.C. Mehra, (Non-Executive and Independent Director), Shri Vikram Agarwal (Managing Director) and Shri P.L. Gupta (Whole-time Director) as members of the Allotment Committee of the Board of Directors.

One meeting on 28th March, 2018 was held during the financial year 2017-18 and attendance of members at the meeting was as follows:

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

d) FCCB CONVERSION COMMITTEE

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

The FCCB Conversion Committee met eleven times during the financial year 2017-18 on 3rd April, 2017, 18th April, 2017, 26th April, 2017, 7th June, 2017, 24th June, 2017, 10th July, 2017, 2nd August, 2017, 18th December, 2017, 16th January, 2018, 29th January, 2018 and 1st March, 2018 and attendance was as under:

S. No.	Name of Director	Status	Meetings Attended
1.	Shri Vikram Agarwal	Chairman	11
2.	Shri M.L. Pareek	Member	11
3.	Shri P.L. Gupta	Member	11

e) CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

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

The Committee met once during the financial year 2017-18 on 22nd May, 2017 and attendance of members at the meeting was as follows:

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

During the year the Board of Directors has reconstituted the Corporate Social Responsibility and Governance Committee comprising Shri Vikram Agarwal (Managing Director) as Chairman, Smt. Purnima Gupta (Non-Executive and Independent Director) and Shri Kanha Agarwal (Joint Managing Director) as members of the Committee.

f) RISK MANAGEMENTCOMMITTEE

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 2017-18 on 15th February, 2018 and attendance of members at the meeting was as follows:

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

The Committee is empowered pursuant to its terms of reference:

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

The Committee in its meeting held on 15th February, 2018 had developed and implemented a Risk Management Manual containing the Risk Management Policy and Project Schedule Risk Assessment.

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

8. GENERAL BODY MEETINGS

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 (EGM)	17.03.2018 at 12.30 p.m	Issue of Convertible Equity Warrants on preferential basis to Promoter and Non Promoters
2017-2018 (EGM)	16.12.2017 at 12.30 p.m.	Issue of Convertible Equity Warrants on preferential basis to Promoter and Non Promoters
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 cause 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 Auditor, Resolution for waiver of recovery of excess remuneration paid to Chairman, Managing Director,Joint Managing Director and Whole-time Directors
2014-2015 (AGM)	29.09.2016 at 12.30 p.m.	Resolution for waiver of recovery of excess remuneration paid to Chairman and Managing Director. Re-appointment of Managing Director and Whole-time Directors

Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the financial Year 2017-18. 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 July, 2018 at 12.30 p.m.
Venue	15 Km. Stone, Delhi Road, Hissar-125044

c) Financial Calendar for 2018-19:

i)	First quarter results	upto 14th August, 2018
ii)	Second quarter results	upto 15th November, 2018
iii)	Third quarter results	upto 15th February, 2019
iv)	Fourth quarter/Annual results	upto 15th /30th May, 2019

d) Book Closure :

24th July, 2018 to 28th July, 2018 (both days inclusive)

e) Stock Exchanges where listed:

i) Equity Shares

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

ISIN No. for equity shares : INE603A01013

ii) Foreign Currency Convertible Bonds (FCCB):

FCCB issued by the Company

ISIN No. for FCCB : XS1299011871

f) Market Price Data :

Market price of Company's Equity Share of ₹10 each during the year from April, 2017 to March, 2018 at BSE Ltd. and National Stock Exchange (NSE) are given below: (₹)

	BSE		NSE	
Month	Highest	Lowest	Highest	Lowest
April, 2017	93.25	76.95	93.20	77.20
May, 2017	98.10	83.00	97.95	83.30
June, 2017	101.80	86.60	101.90	86.55
July, 2017	146.60	96.55	146.50	96.50
August, 2017	143.20	90.80	143.10	92.10
September, 2017	122.50	100.60	122.50	100.10
October, 2017	151.60	102.30	151.30	102.10
November, 2017	152.00	126.80	152.00	126.55
December, 2017	198.70	130.75	198.90	130.80
January, 2018	276.00	192.35	276.00	192.10
February, 2018	234.60	186.20	234.40	188.00
March, 2018	214.25	164.00	214.30	165.10

g) Distribution of Shareholding (as on 31st March, 2018)

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Upto 5000	81948	85.83	11798491	7.52
5001 - 10000	6436	6.74	5152574	3.28
10001 - 20000	3208	3.36	4903486	3.13
20001 - 30000	1242	1.30	3204148	2.04
30001 - 40000	559	0.59	2022287	1.29
40001 - 50000	493	0.52	2333583	1.49
50001 - 100000	804	0.84	5955153	3.80
100001 – above	786	0.82	121513814	77.45
Total	95476	100.00	156883536	100.00

h) Shareholding Pattern (as on 31st March, 2018)

Category	No. of Shares	% of Shares
Promoter & Promoter Group	62212390	39.66
Mutual Fund / UTI	53204	0.03
Financial Institutions / Banks	4385	0.00
Insurance Companies	300	0.00
Foreign Institutional Investors	11439827	7.29
Bodies Corporate etc.	33626611	21.44
NRIs/OBCs	1941864	1.24
Public (Individuals)	47604955	30.34
Total	**156883536**	**100.00**

i) Registrar and Transfer Agents

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

j) Share Transfer System

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

k) Dematerialisation of Shares :

The Company has arrangements with both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and got electronic connectivity of shares for scripless trading. As on 31st March, 2018; 92.23% of Equity Shares of the Company were held in dematerialized form.

l) Listing Fee :

The Company has paid the listing fees upto the year 2018-19 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, 2018 is 18.45 Million US$.

n) Plant Locations :

i) Champa, Distt. Janjgir – Champa (Chhattisgarh)

ii) Raipur (Chhattisgarh)

iii) Kashipur (Uttarakhand)

iv) Koira, Distt. Koenjhar (Odisha)

v) Muppandal (Tamil Nadu)

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

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

Ph. : (011) - 25305800 & 28062115
Fax. : (011) - 28062119
Website : www.prakash.com
E-mail : investorshelpline@prakash.com

11. OTHER DISCLOSURES

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No.45 of Standalone Financial Statements, forming part of the Annual Report.

All related party transactions are negotiated on arms length basis and are intended to further in the Company's interests.

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

b) There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company **by Stock Exchanges or SEBI or any other statutory authority.**

c) The details of establishment of Vigil Mechanism & Whistle Blower Policy can be accessed on the Company's website www.prakash.com. 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. 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 2017-18"

Place : New Delhi	**M. L. Pareek**	**P. L. Gupta**
Date : 30nd April, 2018	**Chief Executive Officer**	**Chief Financial Officer**

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

a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : NIL

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 Auditors regarding compliance of conditions of Corporate Governance

To
The Members of
Prakash Industries Limited

We have examined the compliance of conditions of corporate governance by Prakash Industries Limited ("the Company"), for the year ended 31st March, 2018 as stipulated in SEBI(LODR) Regulations, 2015 and the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

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

New Delhi
30th April, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE-VII

Industry Structure & Developments

Steel and Power Division: The domestic steel industry is riding high on the resurgent economy and rising demand for steel on account of various infrastructure initiatives taken by the Government. Rapid rise in production has resulted in India becoming the 3rd largest steel producer globally. The New steel policy, 2017 aspires to achieve 300MT of steel making capacity by 2030. This would translate into additional investment of 10 lakh Crores by 2030- 31. New Steel Policy seeks to increase per capita steel consumption to the level of 160 Kgs by 2030 from existing level of around 61 Kg. There exist many factors which carry the potential of raising the per capita steel consumption in the country. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 11 kg per annum buoyed by projects like Bharat Nirman, low cost housing, incremental demand from defense, railways, Pradhan Mantri Gram Sadak Yojana, among others.

PVC Pipe Division: The Indian PVC pipe and fittings industry registered healthy growth at ~12% CAGR during the last five years at the back of rising demand from construction and irrigation sectors. The industry also has immense potential for growth in view of the various initiatives taken by the government including allocation of ~Rs400bn for investment in the irrigation sector, setting up of a dedicated micro-irrigation project worth ~Rs 50bn by NABARD and increasing the financial liquidity to farmers. In the construction sector also, the government's impetus like affordable housing, Swachh Bharat Mission' (Gramin) and increasing the sanitation coverage in rural India to ~60% provide notable growth opportunities for the piping industry.

Further, the Indian packaging industry is large at INR 338,000 Crores and is further expected to witness growth at ~13% CAGR over the next 5 years by FY22. In view of the changing end-user preferences on account of lower cost, light weight, lower space requirement, carrying convenience and better energy efficiencies, the Flexible packaging segment, in particular, is expected to outgrow the rigid packaging in the coming times. End-use industries such as F&B, Pharma and BPC are expected to exhibit a strong double digit growth annually driving packaging demand. Also, growth of organized retail and export demand are also expected to drive industry growth:

Opportunities and Threats

Steel and Power Division: The current per capita steel consumption of 61 kg as against the international average of 208 kg, gives the Indian Steel Industry a huge potential for growth. Further, with several budgetary allocations boosting infrastructure shall also fuel the demand of steel and steel products in the country. Another major policy reform favouring the Indian companies is the recent ruling that domestic steel will be given preference in Government projects as part of the Make in India programme. The 12th five year plan of the government is envisaging an investment of US$ 1 trillion in infrastructure that will boost the demand for steel. The Goods and Services Tax ('GST'), the biggest tax reform since Independence, will help simplify India's tax regime, expand tax base and check the parallel economy, which is likely to boost the growth of the steel players in the organized sector in the long-term.

The only threat to this industry would be the plummeting demand for steel, which is unlikely to happen under the present circumstances. Also, Cheap exports from countries like China, Japan and Korea at predatory low prices in future continues to be the major threat to the steel industry in India, although the Indian Government has taken series of steps like imposition of Minimum Import Price, quality controls and anti-dumping duties to protect domestic steel units. However, In the present industry scenario, your Company has created a strong base for growth in its core area of operations owing to strong balance sheet, low leveraging, developed infrastructure, sufficient land in possession, environmental clearances and available mineral resources.

PVC Pipe division: Agriculture plays a vital role in India's economy. Agriculture is the principal means of earning a livelihood for the majority of the rural population in India. More than 50% of cultivated land in India is still dependent on monsoons. Hence, there is immense potential to improve the irrigation coverage. Realising the need, the Government of India has already spelt out many initiatives to enhance the irrigation coverage and the productivity and profitability of the agricultural sector.

The Government is focusing on rural water and sanitation infrastructure, which will generate huge demand for PVC pipes. The development of 'Smart Cities' will be a further boost to PVC pipes demand in India due to the huge requirement of urban infrastructure in these cities. With affordable housing assigned infrastructure status in FY18, demand for the same from the middle-income group in India is expected to rise. It is the mission of our Government to provide housing for all by year 2022. Introduction of RERA also augurs well for the housing sector. All these initiatives will result in high demand for PVC pipes and fittings. However, the major threat to the industry continues to be delays in implementation of the government decisions and limited availability of PVC resin in India.

As regards Flexible Packaging, the business has huge potential for growth in future in view of the shift in consumer preferences towards branded / packaged products, growth of packaging end-sectors like food and beverages, beauty care, personal care and pharmaceuticals along with organized retail and strong overseas demand for packaged export products. India's retail market is the 5th largest in the world and the 2nd most attractive emerging market for retail investments, which gives enough scope for packaging sector.

Segment Wise / Product Wise Performance

Steel and Power Division: The performance of the Steel division continued to be satisfactory during the year under review. The sales volume in the steel division recorded growth of approx. 13% in the year under review over the last financial year. During the year, the Company also commissioned its fifth 0.2 mn tpa capacity Sponge Iron Rotary kiln along with 15 MW power co-generation capacity at its Integrated Steel plant. In the Steel Melting Shop, the Company set up new furnaces and also modernized some of the existing furnaces with energy efficient furnaces during the year. Further, the company also efficiently managed its raw material requirement of iron ore and coal by securing long term supply arrangements. The operations in the power division were also satisfactory during the year and the generation was sufficient to meet the requirement of power in the steelmaking operations.

PVC Pipe Division: The division achieved record production during the year under review. The robust market demand contributed to consequent higher operating margins in the division. Encouraged by the performance of the division and taking into consideration the future growth potential in the sector, the Company has undertaken capacity expansion at its PVC Pipe plant, which is in advanced stages of implementation. Also the Company has recently ventured into Flexible Packaging and laminates business at its existing plant at Kashipur.

Outlook

The Indian steel industry has witnessed approx. 80% capacity utilization owing to decline in imports on account of government's safeguard measures, export opportunities to Asia and Western Europe and slowdown in greenfield capacity additions. Going ahead, the utilization rate is expected to further improve to 90% by Fiscal 2022 owing to the higher production, reducing reliance on imports, increasing exports to 10% of production, as targeted in the National Steel Policy, 2017.

Domestic PVC market is grossly under-penetrated, with a per capita consumption at ~2 kg. This is ~3-4 times higher in other peer developing countries such as Brazil, Malaysia, Thailand. With rapid urbanization and rising farm irrigation spends, the market can grow at 12-15% CAGR. Prakash is the largest organized PVC pipe brand in North India, and benefits from GST rollout as unorganized players feel the heat.

Risks and Concerns

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the Company to identify, categorize and prioritize operational, financial and strategic business risks. The Company has formed a Risk Management Committee which has the mandate of identifying the risks and suggesting the ways to mitigate them. To address the identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks.

Despite abundant resources of the key inputs for steel making, namely iron ore and coal, the development and opening up of new mines remains to be a concern. The performance of any steel player depends on the tie up of interrupted supplies of coal and iron ore and insulation from the volatility of their prices. However, our company, through efficient raw material management, has secured Long Term Fuel Supply of Coal from Coal India Limited requirements at stable prices. As regards iron ore, The Sirkaguttu Iron Ore Mine of the Company in Odisha is going to commence production in the current quarter. Further, the Kawardha mine in Chhattisgarh is likely to be operational by April, 2019.

Internal Control System and their Adequacy

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

The Company's Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. This committee reviews all quarterly and yearly results of your Company and recommends the same to Board for its approval. The Audit Committee periodically reviews the Internal Audit Reports and issues guidance and advice. The Statutory Auditors also provides assurance on the adequacy of the internal control systems in the Company.

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

Organization growth and development depends on the quality of its human capital. Effective human resource (HR) planning and management is required at all stages to ensure employee growth and satisfaction. The HR processes of your Company are integrated into the fabric of the organization which add value to the business operations. The Human Resource (HR) practices of your company are geared towards creating a performance driven organization. Continuous efforts are made to attract and retain the best talents available and minimize attrition.

On the whole, the focus is on building internal capabilities and bringing down costs through application of technology, innovation and automation, while keeping the employees engaged and motivated. The Human Resource Department of the Company focuses on improving the work culture, employee engagement, effectiveness and efficiency. Various employee engagement interventions carried out in the year have resulted in better performance. Reward and recognition practices have helped in creating a positive work environment. On the safety front, the Company is focused on ensuring the safety of all its employees. The Company has maintained healthy and cordial industrial relations during the year.

ANNEXURE-VIII

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 FORIEGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED 31ST MARCH, 2018

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 Iron Ore, accretion formation was controlled and better productivity was achieved and resulted into reduction of Specific Coal Consumption
2. Installation of Capacitor Bank of Kiln 1 -300 KVR, Kiln 2 -600 KVR , Kiln 5 -600 KVR and RMP Kiln 4&5 400 KVR to improve the Power Factor.
3. Installation of VVVF Drive 160 KW installed in multiple areas for optimization and reduction of electrical energy
4. Replacement of old motors of Shell Air Fan with Energy Efficient Motor.
5. Replacing LED light in place of HPSV
6. Installation of High efficient VT Pump in INTAKE WELL of Water Treatment Plant for reducing of Auxiliary Power Consumption.
7. Reduction of power consumption by implementing various Energy conservation projects as per energy audit conducted by CII

Induction Furnace Division

1. Heat time reduces by 6% by improving working practices, better raw material & productivity leading to reduction in specific power consumption of steel
2. Improved the Patching life by 7.5 % resulting minimize of sintering heat which resultant in improvement in productivity & reduction of power consumption.
3. Replacing old inefficient induction furnaces with latest technology efficient furnaces required full digitalization for lower Energy Consumption
4. Reduction of auxiliary power consumption by implementing CII Audit Energy saving proposals

SAF Division

1. SAF Load optimized Max transformer capacity for reduced specific power consumption.
2. HPSV light replaced by LED light for Energy Saving Purpose.
3. VFD installed in various areas to save energy.
4. Energy Efficient Motors installed in SAF Pollution Control Systems F.D. Cooler in place of old motors
5. Installation of Capacitor Bank in SAF to improve power factor

Power Plant Division

1. Installed wet scraper conveying system by replacing in FBB-4 and replaced the Dry bed ash conveying system for energy saving.
2. Replacement of HPSV light fitting with LED light fittings
3. Established the Coal Additive Application of Multifunctional Combustion Catalyst and achieved the Coal avings in Boiler and also Reduction in Loss of Ignition, Reduction in Sp. Coal Consumption and helps to avoid scaling on the Tubes.
4. Installation of VFD in various areas for achieving the Energy Saving.
5. Istallation of Startup vent valve to arrest the steam passing from existing MOV & for smooth & safe operation of boiler
6. Introduction of Online condenser cleaning system for vaccum improvement for reducing specific steam consumption

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. Utilizing the DRI Cooler Oversize Waste Material through Crushing and Processing and being used as Raw Material in SAF Division
3. Planning of dust injection system for utilizing the De dusting fines in the ABC / DSC of Kilns for increasing the steam and power generation in WHRB

III) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

S.No	PROJECT TITLE	Rs. In lakhs
1.	VFD installation in the plant in all division as per process requirement for energy conservation	21.93
2.	Replacement of conventional lights with energy efficient LED lights	6.37
3.	Installation on energy efficient motors in projects in plant	22.08
4.	Installation of energy efficient pumps in all divisions	6.93
5.	Installation of Wet Scrapper conveyer system	30.00
6.	Energy efficient the coal additive appliances	22.00
7.	Installation of capacitor bank in plant for improving the power factor	22.35

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.	Applying low cost, high insulation LC 70 castables for controlling heat losses from kilns.	Avoid the Heat Loss and reduce the coal consumption
2.	Company in the process of installation of high capacity magnetic concentrators for better recovery of sponge iron in place of magnetic drums it will help in increasing DRI yield.	Yield Improvement by Better Separation
3.	Recovery of Sponge Iron from Oversize DRI Material from Crushing and Magnetic Separation process and utilizing in the IFD Process, Resulting into elimination of Yield Loss of DRI.	Better Recovery and Yield Improvement
B.	**Power Plant Division**	
1.	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.	Reduction of LOI and Coal Consumption
2.	Steam Line Modification of WHRB to utilize the extra Steam for Power Generation	Extra Power Generation by Utilizing additional Steam

C. **Induction Furnace Division**	
1. Replacement of old inefficient induction furnaces with latest technology furnaces with full digitalization for lower Energy Consumption	Energy Saving and better Production
2. Recovery of (-2 mm) slag recovery is established and the recovered material is being used IFD resultant in increase recovery from waste.	Recovery from Waste and utilization (Wealth from Waste)
3. Trial of neutral ramming mass is conducted in place of conventional silica ramming mass to improve the patching life, increase availability of Furnace and Increase Productivity and reduction of Power Consumption.	Improve Furnace Availability and production improvement
4. Reduction of skull loss in IFD by 50%	Better Yield and reduction of Losses
5. Introduction of Digital Display of Quality Parameters in the IFD Sheds for Better Monitoring and Control of Quality of Steel.	Better Monitoring and Control of Quality of Steel.
6. Improved the Yield by 1% to increase the Recovery of metal and production and reduction of specific power consumption.	Increase Productivity
D. **SAF Division**	
1. Batching Systems of SAF-1 to 4 enhanced by replacement of deformed Weighing Hoppers & ensure smooth Operation of Batching System.	Smooth Operation of Process
2. SAF Open area covered by implementing Hydraulic Gates to minimize Fugitive emission & heat Utilization	Minimize Fugitive emission & heat Utilization
3. Hydraulic Slipping Mechanism Device redesigned and implemented to avoid frequent Electrode Slipping Problems and Shutdowns related to Slipping of Electrodes.	Minimize Downtime
4. Raw material Handling Systems Feeding Circuit designed as suitability for feeding of Raw Material for dedicated Bunker Feeding to avoid Shortage of Raw material in case of Failure of one Conveyor Belt for Saf-5, 6 & 7,8 &9	Smooth Operation
5. Implementation of Isolation Valves in Compressed Air Line for testing of Air Vessels without affecting production & Air pollution.	Avoid Production Loss during testing
6. Replacement of Deformed Electrode Mantle in SAF-7 to avoid frequent misalignment of Electrode pressure Ring, Sparking etc thus leads to minimize Breakdown of Furnace & maintaining of constant optimization of Furnace Load	Smooth Operation on Constant Load
7. Recovery of Si Mn from the waste SAF slag through in-house designed jigging process	Recovery from waste and Utilization of solid waste

PROCESS IMPROVEMENT

1. Increase the Production of DRI by use of better quality imported coal, accretion formation was controlled and better productivity was achieved and resulted into reduction of Specific Coal Consumption
2. Use of high grade ore along with South African coal resulted into higher productivity, which also lowered specific power consumption and reduction of Specific Coal Consumption of sponge iron produced due to Better Yield in High Grade Iron Ore.
3. Utilizing the DRI Cooler Oversize Waste Material through Crushing and Processing and being used as Raw Material in SAF Division
4. Procurement of State of Art Technology Equipment SPECTROMETER of SHIMATZU, JAPAN for Steel Quality Inspection and Analysis
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. Introduction of Online condenser cleaning system for vaccum improvement and sustenance of the vaccum ,result to better operation and coal saving and efficiency improvement
7. Reuse / recycle of backflow material in Kilns to optimize the coal consumptions.
8. Installation of bigger coal Injection system for higher feeding and avoid the downtime of coal injection system particularly in the rainy season
9. Reduced the specific power consumption and optimization of production in SAF with better quality of Ore and Blend and improving operation practices
10. Optimization of specific coal consumption and power cost in power plant by better coal blend and char and improving efficiency and reduction of auxiliary power consumption

PRODUCT DEVELOPMENT

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

INFORMATION REGARDING IMPORTED TECHNOLOGY (LAST THREE YEARS)

S.No.	TECHNOLOGY IMPORTED	YEAR OF IMPORT	STATUS	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	**3,961**	1,078
ii) Foreign exchange earned	**–**	–

INDEPENDENT AUDITOR'S REPORT

To
The Members of
PRAKASH INDUSTRIES LIMITED

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Prakash Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Basis for Qualified Opinion

We refer note no 37 and 39 of the Standalone Financial Statement that the deferred tax liability of ₹ 2,741 lakhs for the year ended on March 31, 2018 has been adjusted against Securities Premium Account by the Company in terms of a court order. Further, the MAT Credit Entitlement not availed within the time allowed aggregating to ₹ 4,931 lakhs for the year ended March 31, 2018 has been adjusted against retained earnings. Had these 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, 2018 would have been lower ₹ 7,672 lakhs.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described under paragraph 4 'Basis for Qualified Opinion', the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

6. Emphasis of Matter

We drew attention to note 40 and 41 of the Standalone Financial Statement, in respect of cancellation of allocation of coal mine blocks to the Company and two joint venture entities pursuant to the order of Hon'ble Supreme court in the year 2014. The full and final

compensation for cancellation of these mines is yet to be received. Further, after cancellation of coal mine blocks, there being no activities in joint venture entities, in the judgement of the management, the company does not have any control on these entities from the date of cancellation of mines and the book value being investment and other advances aggregating to ₹ 384 lakhs has been provided for. Our opinion is not qualified in respect of this matter.

7. Report on Other Legal and Regulatory Requirements

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

2. As required by section 143 (3) of the Act, we report that:

a. We have sought and except for the matters described under 'Basis for Qualified Opinion' paragraph, have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

b. Except for the effects of matters described in the 'Basis for Qualified Opinion' paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, except for the effects of matters described in the 'Basis for Qualified Opinion' paragraph, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended.

e. On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f. The qualification relating to the maintenance of accounts and other matters connected there with are as stated in the 'Basis for Qualified Opinion' paragraph;

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B",

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements; (refer note no 33)

ii. Except for the effects of matters described under 'Basis of Qualified Opinion' paragraph, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year;

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

Pankaj Chaturvedi
Partner
Membership No. 091239

New Delhi
April 30, 2018

Annexure A referred to in Independent Auditor's Report (Referred to in paragraph 1 under 'Report on Other Legal and Regulators' section of our report to the Member of Prakash Industries Limited ("the Company") for the year ended March 31, 2018)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets;

(b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) The title deeds of immovable properties are held in the name of the Company except for one case of freehold land having gross/net block value of ₹ 20 Lakhs. In respect of immovable properties have been taken on lease and disclosed as fixed assets, the lease agreements are in the name of the Company.

(ii) According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals during the year except materials in transit as at the year end. The discrepancies noticed on verification between physical inventory and book records were not material and have been properly dealt with in the books of account.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Para 3 (iii) of the Order are not applicable to the Company.

(iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans and investments made and guarantees and security, provided wherever 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 determine whether they are accurate or complete.

(vii) (a) According to information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employee's state insurance, income tax, sale tax, service tax, goods and service tax, duty of customs, excise duty, cess and any other material statutory dues applicable to it with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there were no outstanding dues in respect of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which as at March 31,2018 have not been deposited on account of any dispute except the following:

Name of Statue	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	418.59	2001-09	CESTAT, New Delhi
		36.15	2013-14	Appellate Authority - Addl. Commissioner
		11.63	2010-13	Appellate Authority - Dy. Commissioner
The Income Tax Act, 1961	Income Tax	356.70	1998-2006	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us, there is no loan or borrowing taken from Government, and the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank except for delay in repayment to bondholders for a period ranging from 6-38 days in respect of ₹ 1119-1125 lakhs.

(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 they are 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. Therefore, the provisions of Para 3 (xii) of the Order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone 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, issued convertible equity warrants and made allotment of Equity shares to the Foreign Currency Convertible Bond (FCCB) holders on exercising the option of conversion by them as per the terms of the FCCB. The requirements of section 42 of the Companies Act, 2013 have been complied with by the Company to the extent applicable. The Company has received money against the share warrants issued 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
April 30, 2018

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, 2018

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, 2018 in conjunction with our audit of the standalone 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis of qualified opinion

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

Qualified opinion

In our opinion and according to the information and explanations given to us, except for the effects of matters described in "Basis of qualified opinion" paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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, 2018.

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

Pankaj Chaturvedi
Partner
Membership No. 091239

New Delhi
April 30, 2018

PRAKASH INDUSTRIES LIMITED

Standalone Balance Sheet as at 31ST March, 2018

₹ in lakhs

	Note No.	As at 31st March, 2018	As at 31st March, 2017
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	4	**2,37,732**	1,57,813
(b) Capital Work-in-progress	4	**68,999**	1,14,145
(c) Financial Assets			
(i) Investments	5	**1**	–
(ii) Other Financial Assets	6	**5,039**	4,778
(d) Non-Current Tax Assets	7	**-**	267
(e) Other Non-Current Assets	8	**8,531**	7,843
(f) Deferred Tax Assets	9	**16,033**	15,433
		3,36,335	3,00,279
(2) Current Assets			
(a) Inventories	10	**25,085**	18,775
(b) Financial Assets			
(i) Trade Receivables	11	**9,885**	7,633
(ii) Cash and Cash Equivalents	12	**2,349**	1,664
(iii) Bank Balance other than (ii) above	13	**2,395**	1,147
(iv) Other Financial Assets	14	**4,162**	3,464
(c) Other Current Assets	15	**9,051**	8,648
		52,927	41,331
TOTAL ASSETS		**3,89,262**	3,41,610
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	**15,688**	13,905
(b) Other Equity	17	**2,57,917**	2,08,191
		2,73,605	2,22,096
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	**60,094**	57,846
(b) Provisions	19	**3,384**	2,913
		63,478	60,759
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	**11,541**	14,331
(ii) Trade Payables	21	**14,045**	9,700
(iii) Other Financial Liabilities	22	**15,800**	26,485
(b) Other Current Liabilities	23	**3,746**	5,111
(c) Provisions	24	**1,644**	1,275
(d) Current Tax Liabilities(Net)	25	**5,403**	1,853
		52,179	57,087
TOTAL LIABILITIES		**1,15,657**	1,19,514
TOTAL EQUITY AND LIABILITIES		**3,89,262**	3,41,610

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

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

Pankaj Chaturvedi
Partner
M.No.091239

For and on behalf of the Board

New Delhi
30th April, 2018

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Vikram Agarwal
Managing Director
DIN:00054125

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

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

Standalone Statement of Profit and Loss for the year ended 31ST March, 2018

₹ in lakhs

	Note No.	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
INCOME					
Revenue from operations	26		**3,00,667**		2,41,480
Other Income	27		**1,481**		332
Total Income			**3,02,148**		2,41,812
EXPENSES					
Cost of material consumed			**1,84,116**		1,49,270
Changes in inventories of finished goods and work-in-progress	28		**628**		(1,052)
Employee benefits expense	29		**19,597**		15,488
Finance costs	30		**8,661**		7,307
Depreciation and amortization expense	31		**12,094**		10,303
Excise duty			**7,186**		24,130
Other expenses	32		**31,032**		27,526
Total expenses			**2,63,314**		2,32,972
Profit before exceptional items and tax			**38,834**		8,840
Exceptional Items			–		–
Profit before tax			**38,834**		8,840
Tax expenses:					
Current tax	43	**8,481**		1,887	
Less: MAT credit entitlement		**(8,272)**	**209**	(1,147)	740
Deferred Tax	37		–		–
Total Tax expense			**209**		740
Profit for the year			**38,625**		8,100
Other Comprehensive Income					
a) Items that will not be reclassified to Profit or Loss					
-Remeasurement of defined benefit plans			**(239)**		(265)
-Income tax relating to above items			–		–
Total other Comprehensive Income			**(239)**		(265)
Total Comprehensive Income for the year			**38,386**		7,835
Earning per equity share:	46				
(Face Value of ₹ 10 each)					
Basic ₹			**25.58**		5.97
Diluted ₹			**23.05**		5.40

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

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

Pankaj Chaturvedi
Partner
M.No.091239

For and on behalf of the Board

New Delhi
30th April, 2018

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Vikram Agarwal
Managing Director
DIN:00054125

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

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

Standalone Statement of Changes in Equity for the year ended 31ST March, 2018

A. Equity Share Capital

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

₹ in lakhs

	Number of Shares	Amount
As at 1st April, 2016	13,44,88,514	13,449
Change in share capital during the year	45,57,817	456
Balance as at 31st March, 2017	13,90,46,331	13,905
Change in share capital during the year	1,78,37,205	1,783
Balance as at 31st March, 2018 (refer note 16)	**15,68,83,536**	**15,688**

-Change in share capital during the year ended 31 March,2018 represents the shares allotted on conversion of Foreign Currency Convertible Bonds (FCCB).

B. Other Equity

₹ in lakhs

Particulars	Equity Component of FCCB	Reserves and Surplus					Money Received against Share Warrant	Other Comprehensive Income	Total
		Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings			
Balance as at 1st April, 2016	3,091	279	22,906	800	1,71,000	3,835	_	(1,615)	2,00,296
Profit for the year	–	–	–	–	–	8,100	–	–	8,100
Remeasurement of the net defined benefit (liabilities)/assets	–	–	–	–	–	–	_	(265)	(265)
Minimum Alternate Tax(MAT) Credit Reversal (refer note 39)	–	–	–	–	–	(1,709)	–	–	(1,709)
Conversion of FCCB	(746)	–	2,279	–	–	–	–	–	1,533
Deferred Tax Adjustment (refer note.44)	–	–	236	–	–	–	–	–	236
Balance as at 31st March, 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 39)	–	–	–	–	–	(4,931)	–	_	(4,931)
Deferred Tax Adjustment (refer note.44)	–	–	(2,741)	–	–	–	–	_	(2,741)
Conversion of FCCB	(2,233)	–	10,584	–	–	–	–	_	8,351
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**

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

Nature and purpose of reserves

(a) Capital reserve: The capital reserve was recognized on forfeiture of equity shares by the Company. This reserve is not freely available for distribution to the shareholders.

(b) Securities premium reserve: The amount of difference between the issue price and the face value of the shares is recognized in Securities premium reserve.

(c) Capital redemption reserve: The Company had created Capital redemption reserve out of the profits for redemption of the Preference shares. This reserve may be utilized for the specified purposes in accordance with the provisions of the Act.

(d) General reserve: General reserve is the accumulation of the portions of the net profits transferred by the Company in the past years pursuant to the earlier provisions of the Companies Act, 2013.

(e) Retained earnings: Retained earnings comprise of the profits of the Company earned till date net of distributions and other adjustments.

Standalone Statement of Cash Flow for the year ended 31ST March, 2018

₹ in lakhs

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
A. Cash Flow From Operating Activities :				
Profit before tax		**38,834**		8,840
Adjustments for				
Provision for employee benefit	**275**		182	
Allowance for doubtful debts and advances	**536**		21	
Depreciation and amortisation expenses	**12,094**		10,303	
Interest and other Income	**(1,443)**		(332)	
Loss/(Profit) on sale of fixed assets	**(38)**		109	
Financial cost	**8,661**	**20,085**	7,307	17,590
Operating Profit before working Capital changes		**58,919**		26,430
Adjustments for				
Trade receivables	**(2,440)**		354	
Other financial assets	**(602)**		5,568	
Other current assets	**(367)**		(4,644)	
Inventories	**(6,310)**		(517)	
Trade payable and other financial liabilities	**4,457**		1,471	
Other current liabilities	**(1,365)**	**(6,627)**	(1,314)	918
Cash generated from operations		**52,292**		27,348
Direct Taxes Paid (Net of refund)		**4,664**		425
Net Cash generated from operating activities		**47,628**		26,923
B. Cash Flow From Investing Activities				
Sale proceeds of fixed assets		**60**		134
Purchase of fixed assets including CWIP and capital advances		**(47,496)**		(22,880)
Interest and other Income received		**1,434**		335
Advances to subsidiary		**(1)**		-
Changes in Term deposits with banks		**(1,980)**		(2,356)
Net cash used in investing activities		**(47,983)**		(24,767)
C. Cash Flow From Financing Activities :				
Money Received against Share warrant		**7,556**		-
Proceeds/(Repayment) from Loans (Net)		**1,771**		(2,244)
Finance expenses paid		**(8,287)**		(3,664)
Net Cash from financing activities		**1,040**		(1,420)
Net Changes in Cash and Cash equivalents (A+B+C)		**685**		736
Opening balance of Cash and Cash equivalents		**1,664**		928
Closing balance of Cash and Cash equivalents		**2,349**		1,664
Component of Cash and Cash equivalents (refer note 12)				
Balance with Current Accounts		**2,203**		1,515
Cheques, Drafts on hands		**88**		100
Cash on hands		**58**		49
		2,349		1,664

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

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

Pankaj Chaturvedi
Partner
M.No.091239

For and on behalf of the Board

New Delhi
30th April, 2018

Ashwini Kumar
Company Secretary
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Vikram Agarwal
Managing Director
DIN:00054125

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

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

Notes on standalone 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. The Company has its manufacturing facilities in India and sells products in India.

2. *Recent accounting pronouncement*

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition: Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The impact on adoption of Ind AS 115 is expected to be insignificant.

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.

Notes on standalone financial statements

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

Key sources of estimation uncertainty

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

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

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

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

3.3 Operating Cycle and Current versus non-current classification

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

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

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

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

3.4 Revenue recognition

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

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

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

Notes on standalone financial statements

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

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

3.5 Segment Reporting

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

Notes on standalone financial statements

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

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

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

3.8 Capital work-in-progress and intangible assets under development

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

3.9 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.

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.

Notes on standalone financial statements

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

3.16 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.

Notes on standalone financial statements

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, 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 insuance,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 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, 2018 ₹ 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, 2016	737	3505	38208	234240	587	5273	486	69	283105	95521
Additions	176	–	174	3844	14	445	41	173	4867	22825
Disposals	–	7	–	548	–	31	–	–	586	–
Capitalisation During the year	–	–	–	–	–	–	–	–	–	4201
Gross carrying value as at 31st March, 2017	**913**	**3498**	**38382**	**237536**	**601**	**5687**	**527**	**242**	**287386**	**114145**
Additions	–	–	907	90149	29	798	41	113	92037	45600
Disposals	–	–	–	1094	56	96	16	–	1262	90746
Capitalisation During the year	–	–	–	–	–	–	–	–	–	
Gross carrying value as at 31st March, 2018	**913**	**3498**	**39289**	**326591**	**574**	**6389**	**552**	**355**	**378161**	**68999**
Accumulated depreciation as at 1st April, 2016	101	–	12941	104550	405	1134	420	60	119611	–
Depreciation	8	_	1614	7964	39	622	17	39	10303	–
Depreciation charged to Capital Work in Progress	2	–	–	–	–	–	–	–	2	
Accumulated depreciation on disposals	–	–	–	322	–	21	–	–	343	–
Accumulated depreciation as at 31st March, 2017	**111**	**–**	**14555**	**112192**	**444**	**1735**	**437**	**99**	**129573**	**–**
Depreciation	7	–	1558	9716	35	680	23	75	12094	–
Depreciation charged to Capital Work in Progress	2	–	–	–	–	–	–	–	2	–
Accumulated depreciation on disposals	–	–	–	1090	53	82	15	–	1240	–
Accumulated depreciation as at 31st March, 2018	**120**	**–**	**16113**	**120818**	**426**	**2333**	**445**	**174**	**140429**	**–**
Carrying value as at 31st March, 2017	802	3498	23827	125344	157	3952	90	143	157813	114145
Carrying value as at 31st March, 2018	**793**	**3498**	**23176**	**205773**	**148**	**4056**	**107**	**181**	**237732**	**68999**

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, 2018.

3) Capital work in progress includes interest cost on borrowings ₹ 3,972 lakhs (Previous year ₹ 855 lakhs) and foreign exchange difference ₹ 252 lakhs gain (Previous Year ₹ 950 lakhs gain.) during the year.

Notes on standalone financial statements

₹ in lakhs

5. Non-Current Investments	As at 31st March, 2018	As at 31st March, 2017
Unquoted		
Investment in Equity instrument		
Prakash Pipes Limited, wholly owned subsidiary 10,000 Equity Shares of ₹ 10 each fully paid	**1**	–
	1	–
Aggregate amount of unquoted investments	**1**	–
Aggregate amount of impairment in value of Investments (refer note 38 and 40)	**–**	–

6. Other Financial Assets Non-Current Financial Assets	As at 31st March, 2018	As at 31st March, 2017
Bank Deposits with more than 12 months maturity#	**3,414**	2,683
Security Deposits	**1,625**	2,095
	5,039	4,778

#Bank deposits are earmarked with banks for issue of letters of credit and bank guarantees as a margin money.

7. Non-Current Tax Assets	As at 31st March, 2018	As at 31st March, 2017
Income Tax refund receivable	–	267
	–	267

8. Other Non-Current Assets	As at 31st March, 2018	As at 31st March, 2017
(unsecured, considered good, unless otherwise stated)		
Capital Advances	**8,531**	7,843
	8,531	7,843

9. Deferred Tax Assets (Net)		As at 31st March, 2018		As at 31st March, 2017
Deductible Temporary Difference				
Provision for employees benefits	**1,740**		1,456	
Provision for doubtful debts and advances	**219**		32	
Unused Tax Credits	**27,427**		24,086	
Deferred Tax Assets		**29,386**		25,574
Depreciation on property, plant and equipment	**(13,353)**		(10,141)	
Deferred Tax Liabilities		**(13,353)**		(10,141)
Deferred Tax Assets (Net)		**16,033**		15,433
(refer note 44)				

10. Inventories	As at 31st March, 2018	As at 31st March, 2017
(As taken, valued and certified by the Management)		
Raw Materials	**10,359**	6,374
Raw Materials in transit	**4,286**	1,157
Finished Goods	**2,697**	2,955
Work In Progress	**316**	298
Stores,Spares & Fuels	**2,698**	2,631
Scrap & Waste	**4,729**	5,360
	25,085	18,775

Notes on standalone financial statements

₹ in lakhs

11. Trade Receivables Current Financial Assets	As at 31st March, 2018	As at 31st March, 2017
(unsecured, considered good, unless otherwise stated)		
Considered good	**9,885**	7,633
Considered doubtful	**244**	56
	10,129	7,689
Allowance for doubtful trade receivables	**(244)**	(56)
	9,885	7,633
The movement in allowance for doubtful trade receivables		
Balance as at beginning of the year	**56**	50
Allowance for doubtful trade receivables during the year	**188**	6
Allowance for doubtful trade receivables	**244**	56

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.

12. Cash and Cash Equivalents	As at 31st March, 2018	As at 31st March, 2017
Balances with banks:		
In Current Accounts	**2,203**	1,515
Cheques, drafts on hand	**88**	100
Cash on hand	**58**	49
	2,349	1,664

13. Bank Balances Other Than Cash and Cash Equivalents Current Financial Assets	As at 31st March, 2018	As at 31st March, 2017
Earmarked balances with banks		
Unpaid Dividend	**104**	105
Term Deposits*	**2,291**	1,042
**Pledged as securities or earmarked for issue of letters of credit /bank guarantees/margin money.*	**2,395**	1,147

14. Other Financial Assets Current Financial Assets	As at 31st March, 2018	As at 31st March, 2017
(Unsecured,considered, unless otherwise stated)		
Security Deposit	**1,287**	–
Interest accrued and not due	**114**	105
Claims Recoverable (refer note.41)	**2,761**	3,359
Doubtful Claims Recoverable (refer note.40)	**384**	–
Allowance for Claims Recoverable	**(384)**	–
	4,162	3,464
The movement in allowance for doubtful claim recoverable		
Balance as at beginning of the year	**–**	–
Allowance for doubtful claim recoverable during the year	**384**	–
	384	–

15. Other Current Assets	As at 31st March, 2018	As at 31st March, 2017
Balances with Customs, Central Excise, VAT, GST etc.	**1,867**	246
Advances to vendors (unsecured)		
Considered Good	**6,801**	7,991
Considered Doubtful	**4**	40
Allowance for Doubtful Advances	**(4)**	(40)
	8,668	8,237
Other advances (including prepaid expenses etc.)	**383**	411
	9,051	8,648
The movement in allowance for doubtful advances:		
Balance as at beginning of the year	**40**	26
Allowance for doubtful advances during the year*	**(36)**	14
*net of recovery of doubtful advances	**4**	40

Notes on standalone financial statements

₹ in lakhs

16. Equity Share Capital	As at 31st March, 2018	As at 31st March, 2017
Authorised		
20,00,00,000 (31st March, 2017: 17,00,00,000) Equity Shares of ₹ 10 each	**20,000**	17,000
	20,000	17,000
Issued, Subscibed & Paid up		
Equity		
15,68,83,536 (31st March, 2017: 13,90,46,331) Equity Shares of ₹ 10 each	**15,688**	13,905
	15,688	13,905

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

Equity Shares	As at 31st March, 2018 Nos.	As at 31st March, 2018 ₹ in lakhs	As at 31st March, 2017 Nos.	As at 31st March, 2017 ₹ in lakhs
Balance at the beginning of the year	**13,90,46,331**	**13,905**	13,44,88,514	13,449
Issued during the year	**1,78,37,205**	**1,783**	45,57,817	456
Balance at the end of the year	**15,68,83,536**	**15,688**	13,90,46,331	13,905

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 31st March, 2018 Nos.	As at 31st March, 2018 % of holding	As at 31st March, 2017 Nos.	As at 31st March, 2017 % of holding
GMK Builders Private Limited	**81,64,800**	**5.20%**	94,27,300	6.78%
Sunudhi Capital Private Limited	–	–	75,00,000	5.39%

d) The Company had allotted 1,74,20,830 equity shares at a premium of ₹ 50 per share and 4,16,375 Equity shares at a premium of ₹ 90 per share to FCCB holder during the year ended 31st March, 2018.

e) Foreign Currency Convertible Bond (FCCB) holders of US$ 18.45mn (₹12,000 lakhs) have an option to get their bonds converted into equity shares of the Company up to 1st October,2023.

17. Other Equity	As at 31st March, 2018	As at 31st March, 2017
Equity component of foreign currency convertible bond	**3,217**	2,345
Capital Reserve	**279**	279
Securities Premium Reserve	**33,264**	25,421
Capital Redemption Reserve	**800**	800
General Reserve	**1,71,000**	1,71,000
Retained Earnings	**43,920**	10,226
Other Comprehensive Income		
Remeasurement of defined benefit plans	**(2,119)**	(1,880)
Money Received against Share warrant#	**7,556**	–
	2,57,917	2,08,191

(Refer Statement of Changes in Equity)

#The Company, pursuant to the approval of the shareholders at their meeting held on 17th March,2018, has issued 98,96,278 convertible equity warrants during the 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.

Notes on standalone financial statements

₹ in lakhs

18. Borrowings Non-Current Financial Liabilities	As at 31st March, 2018		As at 31st March, 2017	
Secured				
Term Loans				
From Banks	**3,370**		3,921	
From Others	**34,252**	**37,622**	23,378	27,299
Funded Interest Term Loans				
From Bank	**1,022**		1,202	
From Other	**5,700**	**6,722**	6,419	7,621
Unsecured				
Matured Foreign Currency Convertible Bonds	–		15,756	
Term Loans from Others	**6,802**		566	
Liability Component of Foreign Currency Convertible Bonds	**8,783**	**15,585**	6,439	22,761
Finance Lease Obligations		**165**		165
		60,094		57,846

(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 31.3.2018	Balance as at 31.03.2017	Rate of Interest	Repayment Terms
Term Loan from bank					
Corporation Bank	5,902	5,088	5,855	12.90%	96 monthly installments from December, 2016
Term Loans from others					
Rural Electrification Corporation Limited (REC)	28,977	25,838	28,735	13.50%	120 monthly installments from March, 2017
SREI Infrastructure Finance Limited	10,000	536	3,007	15.00%	19 quarterly installments from October, 2013
SREI Infrastructure Finance Limited	6,000	3,000	5,400	14.50%	12 quarterly installments from September, 2016
Indo Star Capital Finance Limited	18,360	18,360	–	12.50%	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 ₹ 107 lakhs (₹ 78 lakhs) and ₹ 1,309 lakhs (₹ 1,382 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	37	59	11	–	10% to 12%
Term Loans from Others	597	545	167	–	10.75% to 17.10%

(d) The Company has outstanding FCCB of US$ 18.45 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$ 17.80 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.

Notes on standalone financial statements

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

Lender	Loan Amount	Balance as at 31.3.2018	Balance as at 31.03.2017	Rate of Interest	Repayment Terms
India Infoline Finance Ltd.	1,000	479	676	16.00%	60 monthly installment from March, 2015
India Infoline Housing Finance Ltd.	152	87	115	14.50%	60 monthly installment from September, 2015
Rattan India Ltd.	5,000	5,000	-	14.50%	Payable in January'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

(f) The non-current borrowings shown above are net of current maturities ₹ 10,158 lakhs (Mar 31,2017 ₹ 21,336 lakhs) which are shown under note 22

₹ in lakhs

19. Non-Current Provisions	As at 31st March, 2018	As at 31st March, 2017
For Employee Benefits	**3,384**	2,913
	3,384	2,913

20. Borrowings Current Financial Liabilities	As at 31st March, 2018	As at 31st March, 2017
Secured		
Working Capital Loan From Bank	**3,468**	3,813
Unsecured		
From Others (refer note 40)	**8,073**	10,518
	11,541	14,331

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 Directors.

21. Trade Payables Current Financial Liabilities	As at 31st March, 2018	As at 31st March, 2017
Trade Payables		
Due to Micro and Small Enterprises (refer note.36)	**946**	450
Others	**13,099**	9,250
	14,045	9,700

Notes on standalone financial statements

₹ in lakhs

22. Other Current Financial Liabilities	As at 31st March, 2018	As at 31st March, 2017
Current Maturity of long term debts	**10,158**	9,763
Current maturity of Foreign Currency Bonds	**–**	4,629
Current Maturity of Finance lease obligations	**12**	12
Unpaid Matured Foreign Currency Bonds	**–**	6,944
Interest accrued but not due on borrowings	**71**	3
Interest accrued and due on borrowings	**–**	20
Unpaid Dividends	**104**	105
Others		
Trade/Security deposits	**1,587**	1,365
Salary, wages and benefits payable	**2,049**	2,267
Capital Creditors	**820**	485
Other expenses payables	**999**	892
	15,800	26,485

-There are no amount due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act 2013 as at 31st March 2018.

23. Other Current Liabilities	As at 31st March, 2018	As at 31st March, 2017
Statutory dues payable	**3,257**	4,039
Advances from Customers	**489**	1,072
	3,746	5,111

24. Current Provisions	As at 31st March, 2018	As at 31st March, 2017
For Employee Benefits	**1,644**	1,275
	1,644	1,275

25. Current Tax Liabilities (Net)	As at 31st March, 2018	As at 31st March, 2017
Provision for Income Tax(Net)	**5,403**	1,853
	5,403	1,853

Notes on standalone financial statements

₹ in lakhs

26. Revenue From Operations	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Sales of products	**2,93,481**	2,17,350
Excise Duty	**7,186**	24,130
Revenue from operations	**3,00,667**	2,41,480

27. Other Income	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Income	**440**	268
Miscellaneous income	**1,003**	64
Profit on sale of Fixed Assets (Net)	**38**	–
	1,481	332

28. Change In Inventories Of Finished Goods and Work In Progress	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
Closing Inventories				
Finished products	**2,697**		2,955	
Work in process	**316**		298	
Scrap and waste	**4,729**	**7,742**	5,360	8,613
Opening Inventories				
Finished products	**2,955**		3,067	
Work in process	**298**		346	
Scrap and waste	**5,360**	**8,613**	4,185	7,598
		871		(1,015)
Excise Duty on Finished Goods Movement		**(243)**		(37)
		628		(1,052)

29. Employees Benefits Expenses	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, wages & other benefits	**18,240**	14,339
Contribution to provident & other funds	**922**	787
Employee's welfare expenses	**435**	362
	19,597	15,488

30. Finance Cost	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest on borrowings	**7,683**	6,705
Interest on others	**963**	592
Other Borrowing Cost	**15**	10
	8,661	7,307

31. Depreciation and Amortization Expenses	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation of Tangible assets	**12,094**	10,303
	12,094	10,303

Notes on standalone financial statements

₹ in lakhs

32. Other Expenses	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
Power & fuel		**12,407**		11,619
Processing Charges		**18**		23
Stores & spares		**5,100**		4,468
Repairs to:				
Machinery	**5,585**		4680	
Building	**440**		318	
Others	**24**	**6,049**	27	5,025
Insurance		**18**		41
Rates & taxes		**338**		1,280
Travelling & Conveyance		**317**		428
Vehicle maintenance		**160**		148
Auditor's remuneration				
Audit fees	**52**		44	
Tax audit fees	**10**		10	
Reimbursement of expenses	**2**	**64**	2	56
Legal and professional charges		**2,291**		1,276
Miscellaneous expenses		**984**		425
CSR expenditure (refer note 53)		**84**		267
Allowance for doubtful Debts & Advances		**536**		20
Bank Charges		**249**		191
Rent		**29**		38
Director's sitting fees		**18**		13
Packing and forwarding charges		**1,621**		1,463
Sales promotion		**137**		120
Commission		**612**		516
Loss on sale of asset (net)		**–**		109
		31,032		27,526

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₹ in lakhs

33.	Contingent Liabilities not provided for in respect of:	As at 31st March, 2018	As at 31st March, 2017
(a)	Guarantees/Unexpired Letter of credits issued by banks on behalf of the company	**4,069**	2,446
(b)	Disputed demands of Excise Duty/Income Tax/Electricity dues and others. (Amount paid there against ₹ **Nil** (₹ 370 lakhs))	**10,215**	8,550

₹ in lakhs

34.	Commitments	As at 31st March, 2018	As at 31st March, 2017
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	**54,414**	42,654

35. 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.

36. Due to Micro and Small Enterprises:

The Company has certain dues to suppliers register 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 31st March, 2018	For the year ended 31st March, 2017
(a)	Dues remaining unpaid as at Balance Sheet date -Principal amount -Interest amount	**946**	450
(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	–	–
(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	–	–

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

37. In terms of the order dated 23rd August 2007 of the Hon'ble Punjab & Haryana High Court, the net deferred tax liability computed in terms of the Indian Accounting Standard (Ind AS) 12 Income Taxes has been adjusted against Securities Premium reserve. Consequently, the profit for the year is lower by ₹ 2,741 lakhs (previous year ₹ 236 lakhs).

38. Pursuant to the scheme of arrangement between the Company and its wholly owned subsidiary Company, Prakash Pipes Limited (PPL) incorporated on 29th June, 2017 as approved by the Board of Directors of the Company, it is proposed to demerge PVC pipe division of the Company to PPL w.e.f 1st April, 2018, being the appointed date. As per the scheme, post demerger, PPL will cease to be subsidiary of the Company. The Company is under process to obtain necessary approval from National Company Law Tribunal (NCLT) in this regard.

39. 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 Earning.The Company has adjusted ₹ 4,931 lakhs on this account in the Retained Earnings during the year ended 31st March, 2018 (previous year ₹ 1,709 lakhs).

40. 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

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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.

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

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 31st March, 2018	For the year ended 31st March, 2017
Contribution to Provident Fund	**774**	673
Contribution to Employees' State Insurance	**148**	87

B) Defined Benefit Plan:

Reconciliation of opening and closing balances of Defined Benefit obligation

	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
Gratuity	**Gratuity (Unfunded)**	**Leave (Unfunded)**	**Sick (Unfunded)**	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)
Defined Benefits obligation at the beginning of the year	**2,906**	**992**	**290**	2,417	818	245
Current Service Cost	**245**	**93**	**36**	218	80	28
Interest Cost	**225**	**77**	**22**	181	61	19
Actuarial (gain)/loss	**111**	**68**	**59**	195	72	(2)
Benefit paid	**(80)**	**(16)**	**–**	(105)	(39)	(–)
Defined Benefit obligation at the year end	**3,407**	**1,214**	**407**	2,906	992	290

	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
Gratuity	**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	**3,407**	**1,214**	**407**	2,906	992	290
Amount recognized in Balance Sheet	**3,407**	**1,214**	**407**	2,906	992	290
Expenses recognized during the year						
Current Service Cost	**245**	**93**	**36**	218	80	28
Interest Cost	**225**	**77**	**22**	181	61	19
Actuarial gain/(loss)	**111**	**68**	**59**	195	72	(2)
Total Cost recognized in the Profit & Loss A/c	**581**	**238**	**117**	594	213	45
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%**	7.50%	7.50%	7.50%
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.

Notes on standalone financial statements

43. Income tax expense:

₹ in lakhs

(A)	Components of Income Tax Expense	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	Current Tax	**8,481**	1,887
	Deferred Tax on account of temporary differences	**(2,741)**	(236)
	Reversal of Minimum Alternate Tax(MAT) credit	**4,931**	1,709
	Income tax expense	**10,671**	3,360
	Income tax adjusted against securities premium	**2,741**	236
	Reversal of MAT credit against retained earning	**(4,931)**	(1,709)
	MAT credit entitlement	**(8,272)**	(1,147)
	Tax expense recognised in the Statement of Profit and Loss	**209**	740

(B)	Reconciliation of Income tax expense to the accounting profit for the year	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Profit before tax	**38,834**		8,840	
	Income tax expense at normal rate	**13,440**	**34.61%**	3,060	34.62%
	Effect of income exempt from income tax	**(10,198)**	**(26.26%)**	(1,109)	(12.55%)
	Effect of temporary differences	**(3,242)**	**(8.35%)**	(1,211)	(16.36%)
	Tax expenses	**-**	**-**	740	8.37
	MAT (Minimum alternate tax)	**8,272**	**21.30%**	1,887	21.35%
	Earlier year tax	**209**	**0.54**	-	-
	Reversal of MAT credit	**4,931**	**12.70%**	1,709	19.33%
	Reversal of MAT credit against retained earning	**(4,931)**	**(12.70%)**	(1,709)	(19.33%)
	MAT credit entitlement	**(8,272)**	**(21.30%)**	(1,147)	(12.98%)
	Tax expense recognised in the Statement of Profit and Loss	**209**	**0.53%**	740	8.37%

(C)	Tax Assets and Liabilities	As at 01st April, 2018	As at 01st April, 2017
	Non-current tax assets	**-**	267
	Current tax liabilities (net)	**5,403**	1,853

44. Movement in Deferred Tax Assets and Liabilities

₹ in lakhs

	For the year ended 31st March, 2018					For the year ended 31st March, 2017				
	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	As at 1st April, 2016	Adjusted in the Securities Premium reserve	Addition During the Year	Adjusted in the Retained Earning	As at 31st March, 2017
Provision for employee benefits	1,456	284	_	_	1,740	1,204	252	_	_	1,456
Provision for doubtful debts and advances	32	187	_	_	219	26	6	_	_	32
Unused Tax Credits	24,086	_	8,272	(4,931)	27,427	24,648	_	1,147	(1,709)	24,086
Deferred tax assets	**25,574**	**471**	**8,272**	**(4,931)**	**29,386**	25,878	258	1,147	(1,709)	25,574
Depreciation-Property, plant and equipment	**(10,141)**	**(3,212)**	_	_	**(13,353)**	**(10,119)**	(22)	_	_	(10,141)
Deferred tax assets/ (liabilities) (net)	**15,433**	**(2,741)**	**8,272**	**(4,931)**	**16,033**	15,759	236	1,147	(1,709)	15,433

Notes on standalone 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) Subsidiary :

1. Prakash Pipes Limited

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

1. Primenet Global Limited
2. Surya Roshini Limited
3. Tools India Private Limited
4. Vanshi Farms Private Limited
5. Hissar Tubes Private Limited
6. Nilkanth Fincon Private Limited

c) 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 31st March, 2018	For the year ended 31st March, 2017
Key Management Personnel		
Remuneration	**853**	808
Enterprises		
Amount paid for Services	**–**	1
Amount for Services Rendered	**–**	60
Rent Paid	**–**	5
Purchase of goods	**–**	5
Purchase of Capital goods	**–**	3
Loan Received (Net of Repayment)	**–**	(2,937)

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.

46. Earning per share (EPS) **₹ in lakhs**

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Net Profit for the period (before OCI) (₹ in lakhs)	**38,625**	8,100
Weighted average no. of Equity Shares (In lakhs)	**1,510**	1,358
Diluted average no. of Equity Shares (In lakhs)	**1,676**	1,501
Basic Earning per Share (₹)	**25.58**	5.97
Diluted Earning per Share (₹)	**23.05**	5.40
Face Value of each Share (₹)	**10**	10

Notes on standalone financial statements

47. Particulars of raw materials consumed **₹ in lakhs**

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Chargeable Metal	**46,703**	36,086
Coal	**46,539**	43,717
PVC Resin	**19,252**	18,921
Ores & Minerals	**52,773**	35,148
Others	**18,849**	15,398
	1,84,116	1,49,270

₹ in lakhs

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

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	₹ in lakhs	**Percentage**	₹ in lakhs	Percentage
Raw Material Consumed				
Imported	**4,710**	**2.56%**	3,497	2.34%
Indigenous	**1,79,406**	**97.44%**	1,45,773	91.92%
	1,84,116	**100.00%**	1,49,270	100.00%
Stores & Spares				
Imported	**77**	**1.51%**	57	1.28%
Indigenous	**5,023**	**98.49%**	4,411	98.72%
	5,100	**100.00%**	4,468	100.00%

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

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Stores & Spares	**85**	61
Raw Material	**–**	815
Plant and Machinery	**20**	–

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

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest on foreign currency convertible bonds	**3,299**	–
Professional Charges	**555**	200
Travelling	**2**	2

51. 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.

Notes on standalone financial statements

52. 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

₹ in lakhs

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Segment Revenue		
a) Power	**62,527**	35,858
b) Steel	**2,70,389**	2,12,682
c) PVC Pipe	**29,765**	28,319
Total	**3,62,681**	2,76,859
Less : Inter Segment Revenue (Power)	**62,014**	35,379
Net Sales/Income from Operations	**3,00,667**	2,41,480
Segment Results		
Profit before tax and interest		
a) Power	**37,564**	10,168
b) Steel	**6,360**	2,671
c) PVC Pipe	**3,571**	3,308
Total	**47,495**	16,147
Less : Financial Expenses	**8,661**	7,307
Exceptional Item	–	–
Total Profit before tax	**38,834**	8,840
Segment Assets	**As at 31st March, 2018**	As at 31st March, 2017
a) Power	**1,49,923**	1,42,564
b) Steel	**2,15,098**	1,76,981
c) PVC Pipe	**8,208**	7,150
d) Unallocated	**16,033**	15,915
Total	**3,89,262**	3,41,610
Segment Liabilities	**As at 31st March, 2018**	As at 31st March, 2017
a) Power	**34,720**	64,663
b) Steel	**69,155**	47,449
c) PVC Pipe	**1,350**	1,361
d) Unallocated	**10,431**	6,041
Total	**1,15,656**	1,19,514

53. 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 ₹ 80 lakhs (previous year ₹ 135.39 lakh).

b) The amount spent during the year on CSR activities is as follows:

₹ in lakhs

Sl. No.	**Particulars**	**For the year ended 31st March, 2018**			For the year ended 31st March, 2017		
		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	**84**	**–**	**84**	267	–	267

Notes on standalone financial statements

54. Financial risk management and policies

54.1 Capital risk management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 18, 20 & 22 less cash and bank balances as detailed in note 12 & 13) 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.

54.2 Financial risk management

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

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

a. Market risk

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

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

i. Interest rate risk

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

ii. Foreign currency risk

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

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

₹ in lakhs

Particulars	**As at 31st March, 2018**	As at 31st March, 2017
FCCB Borrowings	**12,000**	36,115
Interest	**–**	–
Total	**12,000**	36,115
Interest not provided	**–**	2,178

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, 2018, 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.

Notes on standalone financial statements

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.

₹ in lakhs

Particulars	Less than 1year	1-5 years	> 5 years	Total payments
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
As at 31st March, 2017				
Borrowings and interest thereon	35,690	45,081	12,600	93,371
Trade and other payables	14,814	–	–	14,814
Other financial liabilities	12	50	115	177

55. 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, 2018					
Lease hold land (Assets)	802	–	–	–	–
Minimum lease payment	1,473	12	50	1,411	1,473
Present value of minimum lease payment	177	12	50	115	177
As at 31st March, 2017					
Lease hold land (Assets)	802	–	–	–	–
Minimum lease payment	1,485	12	50	1,423	1,485
Present value of minimum lease payment	177	12	50	115	177

56. 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.

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

For and on behalf of the Board

New Delhi
30th April, 2018

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Vikram Agarwal
Managing Director
DIN:00054125

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

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

INDEPENDENT AUDITOR'S REPORT

To
The Members of
PRAKASH INDUSTRIES LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Prakash Industries Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as the "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Basis for Qualified Opinion

We refer Note 35 and 37 of the Consolidated Financial Statement that the deferred tax liability ₹ 2,741 lakhs for the year ended on March 31, 2018 has been adjusted against Securities Premium Account by the Holding Company in terms of a court order. Further, the MAT Credit Entitlement not availed within the time allowed aggregating to ₹ 4,931 lakhs for the year ended March 31, 2018 has been adjusted against retained earnings. Had these 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, 2018 would have been lower by ₹ 7,672 lakhs.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiary, except for the effects of the matters described under paragraph 4 'Basis for Qualified Opinion', the aforesaid, consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated financial position of the Group as at March 31, 2018, and its consolidated financial performance including other comprehensive income, its

consolidated cash flows and the consolidated statement changes in equity for the year ended on that date.

6. Emphasis of Matter

We drew attention to Note 38 and 39 of the Consolidated Financial Statement, in respect of cancellation of allocation of coal mine blocks to the Holding Company and two joint venture entities pursuant to the order of Hon'ble Supreme court in the year 2014. The full and final compensation for cancellation of these mines is yet to be received. Further, after cancellation of coal mine blocks, there being no activities in joint venture entities, in the judgement of the management, the Holding Company does not have any control on these entities from the date of cancellation of mines and the book value being investment and other advances aggregating to ₹ 384 lakhs has been provided for. Our opinion is not qualified in respect of this matter.

7. Other Matter

We did not audit the financial statements of Prakash Pipes Limited (wholly owned subsidiary) included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 0.71 lakh as at March 31, 2018 as well as the total loss of ₹ 0.33 lakh for the year ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us by the management. Our opinion, in so far as it relates to the affairs of this subsidiary, is based solely on the report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

8. Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, we report that:

a. We have sought and except for the matters described under 'Basis for Qualified Opinion' paragraph, have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of aforesaid consolidated financial statements.

b. Except for the effects of matters described in the 'Basis for Qualified Opinion' paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and report of the other auditor.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, except for the effects of matters described in the 'Basis for Qualified Opinion' paragraph, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended.

e. On the basis of the written representations received from the directors of Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f. The qualification relating to the maintenance of accounts and other matters connected therewith 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us:

i. The consolidated financial statement has disclosed the impact of pending litigations on the consolidated financial position of the Group; (refer Note 31 the Consolidated Financial Statement)

ii. Except for effects of matters described under 'Basis of Qualified Opinion' paragraph, provision has been made, 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 Holding Company and its subsidiary company during the year;

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

Pankaj Chaturvedi
Partner
Membership No. 091239

New Delhi
April 30, 2018

Annexure A referred to in Independent Auditor's Report of even date to the members of Prakash Industries Limited ("the Company") on Consolidated Financial Statements for the year ended March 31, 2018

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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of PRAKASH INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI)".] 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 the respective 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 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") issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent 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 judgement, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 Holding Company did not have appropriate internal financial controls in respect of control over process of compliance of Ind AS "Income Taxes" 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 Holding Company and its subsidiary have, 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, 2018, 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.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, which is incorporated in India, is based on the corresponding reports of the auditor.

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 Consolidated financial statements of the Group for the March 31, 2018.

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

Pankaj Chaturvedi
Partner
Membership No. 091239

New Delhi
April 30, 2018

PRAKASH INDUSTRIES LIMITED

Consolidated Balance Sheet as at 31ST March, 2018

₹ in lakhs

	Note No.	As at 31st March, 2018
I. ASSETS		
(1) Non-Current Assets		
(a) Property, Plant and Equipment	4	**2,37,732**
(b) Capital Work-in-progress	4	**68,999**
(c) Financial Assets		
(i) Other Financial Assets	5	**5,039**
(d) Other Non-Current Assets	6	**8,531**
(e) Deferred Tax Assets	7	**16,033**
		3,36,334
(2) Current Assets		
(a) Inventories	8	**25,085**
(b) Financial Assets		
(i) Trade Receivables	9	**9,885**
(ii) Cash and Cash Equivalents	10	**2,350**
(iii) Bank Balance other than (ii) above	11	**2,395**
(iv) Other Financial Assets	12	**4,162**
(c) Other Current Assets	13	**9,051**
		52,928
TOTAL ASSETS		**3,89,262**
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	14	**15,688**
(b) Other Equity	15	**2,57,917**
		2,73,605
Liabilities		
(1) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	16	**60,094**
(b) Provisions	17	**3,384**
		63,478
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	18	**11,541**
(ii) Trade Payables	19	**14,045**
(iii) Other Financial Liabilities	20	**15,800**
(b) Other Current Liabilities	21	**3,746**
(c) Provisions	22	**1,644**
(d) Current Tax Liabilities(Net)	23	**5,403**
		52,179
TOTAL LIABILITIES		**1,15,657**
TOTAL EQUITY AND LIABILITIES		**3,89,262**

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

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

Pankaj Chaturvedi
Partner
M.No.091239

For and on behalf of the Board

New Delhi
30th April, 2018

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Vikram Agarwal
Managing Director
DIN:00054125

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

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

Consolidated Statement of Profit and Loss for the year ended 31ST March, 2018

₹ in lakhs

	Note No.		For the year ended 31st March, 2018
INCOME			
Revenue from operations	24		**3,00,667**
Other Income	25		**1,481**
Total Income			**3,02,148**
EXPENSES			
Cost of material consumed			**1,84,116**
Changes in inventories of finished goods and work-in-progress	26		**628**
Employee benefits expense	27		**19,597**
Finance costs	28		**8,661**
Depreciation and amortization expense	29		**12,094**
Excise duty			**7,186**
Other expenses	30		**31,032**
Total expenses			**2,63,314**
Profit before exceptional items and tax			**38,834**
Exceptional Items			**–**
Profit before tax			**38,834**
Tax expenses:			
Current tax	41	**8,481**	
Less: MAT credit entitlement		**(8,272)**	**209**
Deferred Tax	35		–
Total Tax expense			**209**
Profit for the year			**38,625**
Other Comprehensive Income			
a) Items that will not be reclassified to Profit or Loss			
-Remeasurement of defined benefit plans			**(239)**
-Income tax relating above items			–
Total other Comprehensive Income			**(239)**
Total Comprehensive Income for the year			**38,386**
Earning per equity share:	45		
(Face Value of ₹ 10 each)			
Basic ₹			**25.58**
Diluted ₹			**23.05**

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

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

Pankaj Chaturvedi
Partner
M.No.091239

For and on behalf of the Board

New Delhi
30th April, 2018

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Whole-time Director & CEO
DIN: 01795975

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

Consolidated Statement of Changes in Equity for the year ended 31ST March, 2018

A. Equity Share Capital

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

₹ in lakhs

	Number of Shares	Amount
Balance as at 1st April, 2017	13,90,46,331	13,905
Change in share capital during the year	1,78,37,205	1,783
Balance as at 31st March, 2018 (refer note 14)	**15,68,83,536**	**15,688**

-Change in share capital during the year ended 31 March,2018 represents the shares allotted on conversion of Foreign Currency Convertible Bonds (FCCB).

B. Other Equity

₹ in lakhs

Particulars	Equity Component of FCCB	Reserves and Surplus					Money Received against Share Warrant	Other Comprehensive Income	Total
		Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings			
Balance as at 1st 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 37)	–	–	–	–	–	(4,931)	–	_	(4,931)
Deferred Tax Adjustment (refer note.42)	–	–	(2,741)	–	–	–	–	_	(2,741)
Conversion of FCCB	(2,233)	–	10,584	–	–	–	–	_	8,351
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**

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

Nature and purpose of reserves

(a) Capital reserve: The capital reserve was recognized on forfeiture of equity shares by the Company. This reserve is not freely available for distribution to the shareholders.

(b) Securities premium reserve: The amount of difference between the issue price and the face value of the shares is recognized in Securities premium reserve.

(c) Capital redemption reserve: The Company had created Capital redemption reserve out of the profits for redemption of the Preference shares. This reserve may be utilized for the specified purposes in accordance with the provisions of the Act.

(d) General reserve: General reserve is the accumulation of the portions of the net profits transferred by the Company in the past years pursuant to the earlier provisions of the Companies Act, 2013.

(e) Retained earnings: Retained earnings comprise of the profits of the Company earned till date net of distributions and other adjustments.

Consolidated Statement of Cash Flow for the year ended 31ST March, 2018

₹ in lakhs

		For the year ended 31st March, 2018
A. Cash Flow From Operating Activities :		
Profit before tax		38,834
Adjustments for		
Provision for employee benefit	275	
Allowance for doubtful debts and advances	536	
Depreciation and amortisation expenses	12,094	
Interest and other Income	(1,443)	
Loss/(Profit) on sale of fixed assets	(38)	
Financial cost	8,661	20,085
Operating Profit before working Capital changes		58,919
Adjustments for		
Trade receivables	(2,440)	
Other financial assets	(602)	
Other current assets	(367)	
Inventories	(6,310)	
Trade payable and other financial liabilities	4,457	
Other current liabilities	(1,365)	(6,627)
Cash generated from operations		52,292
Direct Taxes Paid (Net of refund)		4,664
Net Cash generated from operating activities		47,628
B. Cash Flow From Investing Activities		
Sale proceeds of fixed assets		60
Purchase of fixed assets including CWIP and capital advances		(47,496)
Interest and other Income received		1,434
Changes in Term deposits with banks		(1,980)
Net cash used in investing activities		(47,984)
C. Cash Flow From Financing Activities :		
Money Received against Share warrant		7,556
Proceeds/(Repayment) from Loans (Net)		1,771
Finance expenses paid		(8,287)
Net Cash from financing activities		1,040
Net Changes in Cash and Cash equivalents (A+B+C)		686
Opening balance of Cash and Cash equivalents		1,664
Closing balance of Cash and Cash equivalents		2,350
Component of Cash and Cash equivalents (refer note 10)		
Balance with Current Accounts		2,204
Cheques, Drafts on hands		88
Cash on hands		58
		2,350

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

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

Pankaj Chaturvedi
Partner
M.No.091239

For and on behalf of the Board

New Delhi
30th April, 2018

Ashwini Kumar
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Whole-time Director & CEO
DIN: 01795975

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

Notes on consolidated 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. These consolidated financial statements comprise the Company and its subsidiary (referred collectively as the Group). It has been engaged primarily in the business of manufacture and sale of Steel Products & PVC Pipes and generation of Power. The Group has its manufacturing facilities in India and sells products in India.

2. *Recent accounting pronouncement*

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition: Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The impact on adoption of Ind AS 115 is expected to be insignificant.

3. *Significant Accounting policies*

3.1 *Basis of preparation*

The consolidated 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 *Principles of consolidation*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable return from its involvement with the entity and has ability to affect those return through its power over the entity. The financial statement of subsidiaries is included in the consolidation financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statement of the parent and its subsidiaries line by line adding together like item of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gain on transaction between group companies are eliminated unless the transactions provide evidence of the impairment of the transferred assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the groups.

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

The preparation of consolidated 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

Notes on consolidated financial statements

of assets, liabilities and disclosures as at date of consolidated 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 Group accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in consolidated financial statements:

Discount rate used to determine the carrying amount of the Group 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 Group. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, Group treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, group do not expect them to have a materially adverse impact on the financial position or profitability.

Key sources of estimation uncertainty

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

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

Useful lives of property, plant and equipment: As described in note 3.8, the Group 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 Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates.

3.4 Operating Cycle and Current versus non-current classification

The Group 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 Group 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 Group has identified twelve months as its normal operating cycle.

3.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment inclusive

of Excise Duty and net of GST returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties and government.

Sale of Goods Revenue from the sale of goods is recognised when the goods are delivered and titles have passed the significant risks and rewards of ownership of the goods transferred, the amount of revenue can be measured, reliably and it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

3.6 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Thus, the Group 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 Group as a whole and are not allocable to segments on a reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities.

3.7 Foreign Currencies

Functional currency: The functional currency of the Group is the Indian rupee. Which is parent’s functional currency and presented currency.

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

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

3.8 Property, plant and equipment

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

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

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

Notes on consolidated financial statements

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

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

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

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

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

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

3.10 Intangible assets

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

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

The Group 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.

3.11 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.

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 Group 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 Group 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 Group 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 Group 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

Notes on consolidated financial statements

the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Notes on consolidated financial statements

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, 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 insuance, 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. Group 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 Group has no further defined obligations beyond the monthly contributions.

Defined benefit plans

The Group 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 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Group 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.

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4.Statement of property, plant and equipment and Capital Work-in-Progress as at 31st March, 2018

₹ 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	3498	38382	237536	601	5687	527	242	287386	114145
Additions	–	–	907	90149	29	798	41	113	92037	45600
Disposals	–	–	–	1094	56	96	16	–	1262	90746
Capitalisation During the year	–	–	–	–	–	–	–	–	–	–
Gross carrying value as at 31st March, 2018	**913**	**3498**	**39289**	**326591**	**574**	**6389**	**552**	**355**	**378161**	**68999**
Accumulated depreciation as at 1st April, 2017	111	–	14555	112192	444	1735	437	99	129573	–
Depreciation	7	–	1558	9716	35	680	23	75	12094	–
Depreciation charged to Capital Work in Progress	2	–	–	–	–	–	–	–	2	
Accumulated depreciation on disposals	–	–	–	1090	53	82	15	–	1240	–
Accumulated depreciation as at 31st March, 2018	**120**	**–**	**16113**	**120818**	**426**	**2333**	**445**	**174**	**140429**	**–**
Carrying value as at 31st March, 2018	**793**	**3498**	**23176**	**205773**	**148**	**4056**	**107**	**181**	**237732**	**68999**

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,2018.

3) Capital work in progress includes interest cost on borrowings ₹ 3,972 lakhs and foreign exchange difference ₹ 252 lakhs gain during the year.

Notes on consolidated financial statements

₹ in lakhs

5. Other Financial Assets Non-Current Financial Assets	As at 31st March, 2018
Bank Deposits with more than 12 months maturity#	3,414
Security Deposits	1,625
	5,039

#Bank deposits are earmarked with banks for issue of letters of credit and bank guarantees as a margin money.

6. Other Non-Current Assets	As at 31st March, 2018
(unsecured, considered good, unless otherwise stated)	
Capital Advances	8,531
	8,531

7. Deferred Tax Assets (Net)		As at 31st March, 2018
Deductible Temporary Difference		
Provision for employees benefits	1,740	
Provision for doubtful debts and advances	219	
Unused Tax Credits	27,427	
Deferred Tax Assets		29,386
Depreciation on property, plant and equipment	(13,353)	
Deferred Tax Liabilities		(13,353)
Deferred Tax Assets (Net)		16,033
(refer note 42)		

8. Inventories	As at 31st March, 2018
(As taken, valued and certified by the Management)	
Raw Materials	10,359
Raw Materials in transit	4,286
Finished Goods	2,697
Work In Progress	316
Stores,Spares & Fuels	2,698
Scrap & Waste	4,729
	25,085

9. Trade Receivables Current Financial Assets	As at 31st March, 2018
(unsecured, considered good, unless otherwise stated)	
Considered good	9,885
Considered doubtful	244
	10,129
Allowance for doubtful trade receivables	(244)
	9,885
The movement in allowance for doubtful trade receivables	
Balance as at beginning of the year	56
Allowance for doubtful trade receivables during the year	188
Allowance for doubtful trade receivables	244

Trade Receivables

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

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₹ in lakhs

10. Cash and Cash Equivalents	As at 31st March, 2018
Balances with banks:	
In Current Accounts	2,204
Cheques, drafts on hand	88
Cash on hand	58
	2,350

11. Bank Balances Other Than Cash and Cash Equivalents Current Financial Assets	As at 31st March, 2018
Earmarked balances with banks	
Unpaid Dividend	104
Term Deposits*	2,291
**Pledged as securities or earmarked for issue of letters of credit /bank guarantees/margin money.*	2,395

12. Other Financial Assets Current Financial Assets	As at 31st March, 2018
(Unsecured, considered, unless otherwise stated)	
Security Deposit	1,287
Interest accrued and not due	114
Claims Recoverable (refer note.39)	2,761
Doubtful Claims Recoverable (refer note.38)	384
Allowance for Claims Recoverable	(384)
	4,162
The movement in allowance for doubtful claim recoverable	
Balance as at beginning of the year	–
Allowance for doubtful claim recoverable during the year	384
	384

13. Other Current Assets	As at 31st March, 2018
Balances with Customs, Central Excise, VAT, GST etc.	1,867
Advances to vendors (unsecured)	
Considered Good	6,801
Considered Doubtful	4
Allowance for Doubtful Advances	(4)
	8,668
Other advances (including prepaid expenses etc.)	383
	9,051
The movement in allowance for doubtful advances:	
Balance as at beginning of the year	40
Allowance for doubtful advances during the year*	(36)
*net of recovery of doubtful advances	4

Notes on consolidated financial statements

₹ in lakhs

14. Equity Share Capital

	As at 31st March, 2018
Authorised	
20,00,00,000 Equity Shares of ₹ 10 each	**20,000**
	20,000
Issued, Subscibed & Paid up	
Equity	
15,68,83,536 Equity Shares of ₹ 10 each	**15,688**
	15,688

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

Equity Shares	As at 31st March, 2018 Nos.	₹ in lakhs
Balance at the beginning of the year	**13,90,46,331**	**13,905**
Issued during the year	**1,78,37,205**	**1,783**
Balance at the end of the year	**15,68,83,536**	**15,688**

b) Terms/ rights attached to equity shares

The Group 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 Group

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

d) The Holding Company had allotted 1,74,20,830 equity shares at a premium of ₹ 50 per share and 4,16,375 Equity shares at a premium of ₹ 90 per share to FCCB holder during the year ended 31st March, 2018.

e) Foreign Currency Convertible Bond (FCCB) holders of US$ 18.45mn (₹12,000 lakhs) have an option to get their bonds converted into equity shares of the Holding Company up to 1st October,2023.

15. Other Equity

	As at 31st March, 2018
Equity component of foreign currency convertible bond	**3,217**
Capital Reserve	**279**
Securities Premium Reserve	**33,264**
Capital Redemption Reserve	**800**
General Reserve	**1,71,000**
Retained Earnings	**43,920**
Other Comprehensive Income	
Remeasurement of defined benefit plans	**(2,119)**
Money Received against Share warrant#	**7,556**
	2,57,917

(Refer Statement of Changes in Equity)

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

Notes on consolidated financial statements

₹ in lakhs

16. Borrowings Non-Current Financial Liabilities		As at 31st March, 2018
Secured		
Term Loans		
From Banks	3,370	
From Others	34,252	37,622
Funded Interest Term Loans		
From Bank	1,022	
From Other	5,700	6,722
Unsecured		
Term Loans from Others	6,802	
Liability Component of Foreign Currency Convertible Bonds	8,783	15,585
Finance Lease Obligations		165
		60,094

(a) Followings term loans are secured by mortgage of all immovable properties of the Holding Company, both present and future and are also secured by way of hypothecation of the movable properties of the Holding 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 Holding 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 31.3.2018	Rate of Interest	Repayment Terms
Term Loan from bank				
Corporation Bank	5,902	5,088	12.90%	96 monthly installments from December, 2016
Term Loans from others				
Rural Electrification Corporation Limited (REC)	28,977	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	3,000	14.50%	12 quarterly installments from September, 2016
Indo Star Capital Finance Limited	18,360	18,360	12.50%	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 ₹ 107 lakhs (₹ 78 lakhs) and ₹ 1,309 lakhs (₹ 1,382 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	37	59	11	–	10% to 12%
Term Loans from Others	597	545	167	–	10.75% to 17.10%

(d) The Holding Company has outstanding FCCB of US$ 18.45 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$ 17.80 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 Holding Company.

Notes on consolidated financial statements

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

Lender	Loan Amount	Balance as at 31.3.2018	Rate of Interest	Repayment Terms
India Infoline Finance Ltd.	1,000	479	16.00%	60 monthly installment from March, 2015
India Infoline Housing Finance Ltd. Rattan India Ltd.	152 5,000	87 5,000	14.50% 14.50%	60 monthly installment from September, 2015 Payable in January'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

(f) The non-current borrowings shown above are net of current maturities ₹ 10,158 lakhs which are shown under note 20

₹ in lakhs

17. Non-Current Provisions	As at 31st March, 2018
For Employee Benefits	3,384
	3,384

18. Borrowings Current Financial Liabilities	As at 31st March, 2018
Secured	
Working Capital Loan From Bank	3,468
Unsecured	
From Others (refer note 38)	8,073
	11,541

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 Group. Further they are also secured by way of pari-passu first charge on all the immovable properties of the Holding Company. Unsecured loan from others are guaranteed by the Directors.

19. Trade Payables Current Financial Liabilities	As at 31st March, 2018
Trade Payables	
Due to Micro and Small Enterprises (refer note.34)	946
Others	13,099
	14,045

Notes on consolidated financial statements

₹ in lakhs

20. Other Current Financial Liabilities	As at 31st March, 2018
Current Maturity of long term debts	10,158
Current Maturity of Finance lease obligations	12
Interest accrued but not due on borrowings	71
Unpaid Dividends	104
Others	
Trade/Security deposits	1,587
Salary, wages and benefits payable	2,049
Capital Creditors	820
Other expenses payables	999
	15,800

-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 2018.

21. Other Current Liabilities	As at 31st March, 2018
Statutory dues payable	3,257
Advances from Customers	489
	3,746

22. Current Provisions	As at 31st March, 2018
For Employee Benefits	1,644
	1,644

23. Current Tax Liabilities (Net)	As at 31st March, 2018
Provision for Income Tax(Net)	5,403
	5,403

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₹ in lakhs

24. Revenue From Operations	For the year ended 31st March, 2018
Sales of products	2,93,481
Excise Duty	7,186
Revenue from operations	3,00,667

25. Other Income	For the year ended 31st March, 2018
Interest Income	440
Miscellaneous income	1,003
Profit on sale of Fixed Assets (Net)	38
	1,481

26. Change In Inventories Of Finished Goods and Work In Progress	For the year ended 31st March, 2018	
Closing Inventories		
Finished products	2,697	
Work in process	316	
Scrap and waste	4,729	7,742
Opening Inventories		
Finished products	2,955	
Work in process	298	
Scrap and waste	5,360	8,613
		871
Excise Duty on Finished Goods Movement		(243)
		628

27. Employees Benefits Expenses	For the year ended 31st March, 2018
Salaries, wages and other benefits	18,240
Contribution to provident & other funds	922
Employee's welfare expenses	435
	19,597

28. Finance Cost	For the year ended 31st March, 2018
Interest on borrowings	7,683
Interest on others	963
Other Borrowing Cost	15
	8,661

29. Depreciation and Amortization Expenses	For the year ended 31st March, 2018
Depreciation of Tangible assets	12,094
	12,094

Notes on consolidated financial statements

₹ in lakhs

30. Other Expenses		For the year ended 31st March, 2018
Power & fuel		12,407
Processing Charges		18
Stores & spares		5,100
Repairs to:		
Machinery	5,585	
Building	440	
Others	24	6,049
Insurance		18
Rates & taxes		338
Travelling & Conveyance		317
Vehicle maintenance		160
Auditor's remuneration		
Audit fees	52	
Tax audit fees	10	
Reimbursement of expenses	2	64
Legal and professional charges		2,291
Miscellaneous expenses		984
CSR expenditure (refer note 52)		84
Allowance for doubtful Debts & Advances		536
Bank Charges		249
Rent		29
Director's sitting fees		18
Packing and forwarding charges		1,621
Sales promotion		137
Commission		612
		31,032

Notes on consolidated financial statements

31. Contingent Liabilities not provided for in respect of Holding Company:

		₹ in lakhs As at 31st March, 2018
(a)	Guarantees/Unexpired Letter of credits issued by banks on behalf of the company	**4,069**
(b)	Disputed demands of Excise Duty/Income Tax/Electricity dues and others (Amount paid there against ₹ **Nil**)	**10,215**

32. Commitments

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

33. The Holding Company has taken certain plant and machinery under operating lease during the period prior to Ist 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.

34. Due to Micro and Small Enterprises:

The Group has certain dues to suppliers register 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 31st March, 2018**
(a)	Dues remaining unpaid as at Balance Sheet date -Principal amount -Interest amount	**946**
(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	**–**
(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	**–**

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

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

36. Pursuant to the scheme of arrangement between the Holding Company and its wholly owned subsidiary Holding Company, Prakash Pipes Limited (PPL) incorporated on 29th June, 2017 as approved by the Board of Directors of the Holding Company, it is proposed to demerge PVC pipe division of the Holding Company to PPL w.e.f 1st April, 2018, being the appointed date. As per the scheme, post demerger, PPL will cease to be subsidiary of the Holding Company. The Group is under process to obtain necessary approval from National Company Law Tribunal (NCLT) in this regard.

37. Considering the future profitability and taxable position in the subsequent years, the Holding 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 Holding Company within the time limit prescribed under the Income Tax Act, the same is set off against the Retained Earning. The Holding Company has adjusted ₹ 4,931 lakhs on this account in the Retained Earnings during the year ended 31st March, 2018.

38. In the earlier years, the Holding 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

Notes on consolidated financial statements

requiring joint control from the parties, in the judgement of the management the Holding 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.

39. Pursuant to the cancellation of the Choita coal mine of the Group 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 Group.

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

A) Defined Contribution Plans:

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

₹ in lakhs

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

B) Defined Benefit Plan:

Reconciliation of opening and closing balances of Defined Benefit obligation

	For the year ended 31st March, 2018		
Gratuity	Gratuity (Unfunded)	Leave (Unfunded)	Sick (Unfunded)
Defined Benefits obligation at the beginning of the year	2,906	992	290
Current Service Cost	245	93	36
Interest Cost	225	77	22
Actuarial (gain)/loss	111	68	59
Benefit paid	(80)	(16)	–
Defined Benefit obligation at the year end	3,407	1,214	407

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

Notes on consolidated financial statements

41. Income tax expense:

₹ in lakhs

(A)	Components of Income Tax Expense	For the year ended 31st March, 2018
	Current Tax	8,481
	Deferred Tax on account of temporary differences	(2,741)
	Reversal of Minimum Alternate Tax(MAT) credit	4,931
	Income tax expense	10,671
	Income tax adjusted against securities premium	2,741
	Reversal of MAT credit against retained earning	(4,931)
	MAT credit entitlement	(8,272)
	Tax expense recognised in the Statement of Profit and Loss	209

(B)	Reconciliation of Income tax expense to the accounting profit for the year	For the year ended 31st March, 2018	
	Profit before tax	38,834	
	Income tax expense at normal rate	13,440	34.61%
	Effect of income exempt from income tax	(10,198)	(26.26%)
	Effect of temporary differences	(3,242)	(8.35%)
	Tax expenses	–	–
	MAT (Minimum alternate tax)	8,272	21.30%
	Earlier year tax	209	0.54
	Reversal of MAT credit	4,931	12.70%
	Reversal of MAT credit against retained earning	(4,931)	(12.70%)
	MAT credit entitlement	(8,272)	(21.30%)
	Tax expense recognised in the Statement of Profit and Loss	209	0.53%

(C)	Tax Assets and Liabilities	As at 01st April, 2018
	Non-current tax assets	–
	Current tax liabilities (net)	5,403

42. Movement in Deferred Tax Assets and Liabilities

₹ in lakhs

	For the year ended 31st March, 2018				
	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	1,456	284	_	_	1,740
Provision for doubtful debts and advances	32	187	_	_	219
Unused Tax Credits	24,086	_	8,272	(4,931)	27,427
Deferred tax assets	25,574	471	8,272	(4,931)	29,386
Depreciation-Property, plant and equipment	(10,141)	(3,212)	_	_	(13,353)
Deferred tax assets/(liabilities) (net)	15,433	(2,741)	8,272	(4,931)	16,033

43. Interest in wholly owned subsdiary :-

Name of Entity	Place of Business/Country	Ownership interest	Activities
Prakash Pipes Ltd.(PPL)	India	100 %	PVC Pipes & Fittings

Notes on consolidated financial statements

43. (B) For Disclosures Mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Particulars	Prakash Industries Limited (Parent)	Prakash Pipes Ltd (Subsidiary)
Net Assets i.e. total assets minus total liabilities		
As a % of consolidated net assets	100%	0%
Amount (₹ in lakhs)	2,73,604	1
Share in profit/(Loss)		
As a % of consolidated net assets	100%	0%
Amount (₹ in lakhs)	38,625	–
Share in Other Comprehensive Income		
As a % of consolidated profit	100%	0%
Amount (₹ in lakhs)	(239)	–
Share in total Comprehensive Income		
As a % of consolidated profit	100%	0%
Amount (₹ in lakhs)	38,386	–

44. 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. Primenet Global Limited
2. Surya Roshini Limited
3. Tools India Private Limited
4. Vanshi Farms Private Limited
5. Hissar Tubes Private Limited
6. Nilkanth Fincon Private Limited

b) Key Management Personnel :

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

(B) Transactions with related parties **₹ in lakhs**

	For the year ended 31st March, 2018
Key Management Personnel	
Remuneration	**853**

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

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

45. Earning per share (EPS) **₹ in lakhs**

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

Notes on consolidated financial statements

₹ in lakhs

46. Particulars of raw materials consumed ₹ in lakhs

	For the year ended 31st March, 2018
Chargeable Metal	46,703
Coal	46,539
PVC Resin	19,252
Ores & Minerals	52,773
Others	18,849
Total	1,84,116

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

	For the year ended 31st March, 2018	
	₹ in lakhs	Percentage
Raw Material Consumed		
Imported	4,710	2.56%
Indigenous	1,79,406	97.44%
	1,84,116	100.00%
Stores & Spares		
Imported	77	1.51%
Indigenous	5,023	98.49%
Total	5,100	100.00%

48. CIF value of imports ₹ in lakhs

	For the year ended 31st March, 2018
Stores & Spares	85
Plant and Machinery	20

49. Expenditure in foreign currency ₹ in lakhs

	For the year ended 31st March, 2018
Interest on foreign currency convertible bonds	3,299
Professional Charges	555
Travelling	2

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

51. Segment Information

Operating Segments

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

a) Steel

b) Power

c) PVC Pipe

Notes on consolidated financial statements

₹ in lakhs

	For the year ended 31st March, 2018
Segment Revenue	
a) Power	**62,527**
b) Steel	**2,70,389**
c) PVC Pipe	**29,765**
Total	**3,62,681**
Less : Inter Segment Revenue (Power)	**62,014**
Net Sales/Income from Operations	**3,00,667**
Segment Results	
Profit before tax and interest	
a) Power	**37,564**
b) Steel	**6,360**
c) PVC Pipe	**3,571**
Total	**47,495**
Less : Financial Expenses	**8,661**
Exceptional Item	–
Total Profit before tax	**38,834**
Segment Assets	**As at 31st March, 2018**
a) Power	**1,49,923**
b) Steel	**2,15,098**
c) PVC Pipe	**8,208**
d) Unallocated	**16,033**
Total	**3,89,262**
Segment Liabilities	**As at 31st March, 2018**
a) Power	**34,720**
b) Steel	**69,155**
c) PVC Pipe	**1,350**
d) Unallocated	**10,431**
Total	**1,15,656**

Notes on consolidated financial statements

52. 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 Holding Company during the year is ₹ 80 lakhs.

b) The amount spent during the year on CSR activities is as follows:

₹ in lakhs

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

53. Financial risk management and policies

53.1 Capital risk management

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

The capital structure of the Group consists of net debt (borrowings as detailed in notes 16, 18 & 20 less cash and bank balances as detailed in note 10 & 11) and total equity of the Group. Equity consists of equity capital, share premium and all other equity reserves attributable to the equity holders.

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

53.2 Financial risk management

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

The Group 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 Group policies and risk objectives.

a. Market risk

The Group 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 Group 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 Group exposure to the risk of changes in market interest rates is limited.

ii. Foreign currency risk

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

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

₹ in lakhs

Particulars		As at 31st March, 2018
FCCB Borrowings		**12,000**
Interest		–
Total		**12,000**
Interest not provided		**–**

Notes on consolidated financial statements

b. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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, 2018, the Group did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

c. Liquidity risk

The Group 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 Group.

The Group 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 Group financial liabilities.

₹ in lakhs

Particulars	Less than 1year	1-5 years	> 5 years	Total payments
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

54. 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, 2018					
Lease hold land (Assets)	802	–	–	–	–
Minimum lease payment	1,473	12	50	1,411	1,473
Present value of minimum lease payment	177	12	50	115	177

55. The Holding 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.

56. The Group has presented consolidated financial statement (CFS) for the first time. This year, being the first year of CFS, comparable figures for the previous year are not presented.

57. 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

For and on behalf of the Board

New Delhi
30th April, 2018

Ashwini Kumar
Company Secretary
M.No.ACS 17025

Vikram Agarwal
Managing Director
DIN:00054125

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

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

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary

Part "A" : Subsidiary

(Amount in ₹)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Prakash Pipes Ltd
2.	The date since when subsidiary was acquired	29/06/2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	29/06/2017 to 31/03/2018
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NIL
5.	Share capital	₹ 1,00,000
6.	Reserves & surplus	₹ (32,609)
7.	Total assets	₹ 70,891
8.	Total Liabilities	₹ 3,500
9.	Investments	–
10.	Turnover	–
11.	Profit before taxation	₹ (32,609)
12.	Provision for taxation	–
13.	Profit after taxation	₹ (32,609)
14.	Proposed Dividend	NIL
15.	Extent of shareholding (In percentage)	100%

For and on behalf of the Board

New Delhi 30th April, 2018	**Ashwini Kumar** Company Secretary M.No.ACS 17025	**Vikram Agarwal** Managing Director DIN:00054125	**M.L. Pareek** Whole-time Director & CEO DIN: 01795975	**P.L. Gupta** Whole - time Director & CFO DIN:00048868

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the Members of Prakash Industries Limited will be held on Saturday, the 28th July, 2018 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, 2018, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon.

2. To appoint a Director in place of Shri P.L. Gupta (DIN: 00048868), who retires by rotation and being eligible, offers himself for re-appointment.

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

"**RESOLVED THAT** that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of Chaturvedi & Co., Chartered Accountants (FRN : 302137E) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty-Eighth AGM of the Company to be held in the year 2019 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

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

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Shri Sunil Kumar (DIN 08047482), an Additional Director of the Company, holding office upto this Annual General Meeting, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26th December, 2017 to 25th December, 2022."

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

"**RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration Committee of the Company and as per the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), approval of the members be and is hereby accorded for the re-appointment of Shri Vikram Agarwal (DIN : 00054125) as Managing Director of the Company for a period of three years with effect from 1st April, 2018 to 31st March, 2021 subject to the approval of Central Government and other appropriate authorities, if required, on the following terms and conditions:-

1. Salary: ₹ 20,00,000/- p.m.

   (in the grade of ₹ 20,00,000 - 2,00,000 - 24,00,000)

2. Perquisites: In addition to the aforesaid salary, the following perquisites would be allowed:

   i) Company's contribution towards Provident Fund equivalent to 12 % of the salary if he is member of provident fund or in case of he is non-member of provident fund, ex-gratia in lieu of contribution to provident fund equivalent to 12% of the salary.

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

   iii) Leave on full pay and allowances as per rules of the Company. Leave accumulated but not availed may be allowed to encash as per rules of the Company.

   iv) Free use of Company's Car with driver for Company's business.

3. He shall also be entitled to reimbursement of expenses on actual basis which are incurred for business of the Company.

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

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

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

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained hereinabove, where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as decided by the Board from time to time pursuant to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013 as amended from time to time shall be paid to Shri Vikram Agarwal, Managing Director as minimum remuneration with the approval of the Central Government, if required, for the period from 1st April, 2018 to 31st March, 2021.

RESOLVED FURTHER THAT Shri P.L. Gupta, Whole-time Director and Shri Ashwini Kumar, Company Secretary of the Company, be and are hereby severally authorised for obtaining necessary approvals - statutory, contractual or otherwise and do all such acts, deeds, matters and things as are incidental thereto or as may be deemed necessary or desirable and settle any question or difficulty that may

arise, in such manner as they may deem fit in order to give effect to the above resolution."

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

"**RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration Committee of the Company and as per the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), approval of the members be and is hereby accorded for the re-appointment of Shri M.L. Pareek (DIN: 01795975) as Whole-time Director designated as Director (Projects) and Chief Executive Officer (CEO) of the Company for a period of three years with effect from 1st April, 2018 to 31st March, 2021 subject to the approval of Central Government and other appropriate authorities, if required, on the following terms and conditions:-

1. Salary: ₹ 4,50,000/- p.m.

   (in the grade of ₹ 4,50,000 - 50,000 - 5,50,000)

2. Ex-gratia in lieu of Bonus : 20% of salary as per rules of the Company.

3. Perquisites : In addition to the aforesaid salary, the following perquisites would be allowed:

   i) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year.

   ii) Leave Travel Concession : For self and family to and fro to any place in India once in a year subject to a ceiling of one month's salary.

   iii) Company's contribution towards Provident Fund equivalent to 12 % of the salary if he is member of provident fund or in case of he is non-member of provident fund, ex-gratia in lieu of contribution to provident fund equivalent to 12% of the salary.

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

   v) Leave on full pay and allowances as per rules of the Company. Leave accumulated but not availed may be allowed to encash as per rules of the Company.

   vi) Free use of Company's Car with driver for Company's business.

4. He shall also be entitled to reimbursement of expenses on actual basis which are incurred for business of the Company.

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

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

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

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

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained hereinabove, where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as decided by the Board from time to time pursuant to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013 as amended from time to time shall be paid to Shri M.L. Pareek, Whole-time Director as minimum remuneration with the approval of the Central Government, if required, for the period from 1st April, 2018 to 31st March, 2021.

RESOLVED FURTHER THAT Shri P.L. Gupta, Whole-time Director and Shri Ashwini Kumar, Company Secretary of the Company, be and are hereby severally authorised for obtaining necessary approvals - statutory, contractual or otherwise and do all such acts, deeds, matters and things as are incidental thereto or as may be deemed necessary or desirable and settle any question or difficulty that may arise, in such manner as they may deem fit in order to give effect to the above resolution."

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

"**RESOLVED THAT** pursuant to Sections196, 197 and 203 of the Companies Act, 2013 read with Schedule V Part I (c) the consent of the members be and is hereby accorded for continuation of Shri M. L. Pareek (DIN :01795975), Whole time Director designated as Director (Project) and Chief Executive Officer (CEO) of the Company as per terms and conditions specified in this special resolution proposed to be passed by the members at its ensuing Annual General Meeting of the Company, even though he has attained the age of seventy years and shall be entitled to the remuneration as passed in the above stated resolution.

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

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

"**RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration Committee of the Company and as per the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory

modification or re-enactment thereof, for the time being in force), approval of the members be and is hereby accorded for the re-appointment of Shri P.L. Gupta (DIN : 00048868) as Whole-time Director designated as Director (Finance) and Chief Financial Officer (CFO) of the Company for a period of three years with effect from 1st April 2018 to 31st March, 2021 subject to the approval of Central Government and other appropriate authorities, if required, on the following terms and conditions:-

1. Salary: ₹ 4,00,000/- p.m.

   (in the grade of ₹ 4,00,000 - 40,000 - 4,80,000)

2. Ex-gratia in lieu of Bonus : 20% of salary as per rules of the Company.

3. Perquisites : In addition to the aforesaid salary, the following perquisites would be allowed:

   i) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year.

   ii) Leave Travel Concession : For self and family to and fro to any place in India once in a year subject to a ceiling of one month's salary.

   iii) Company's contribution towards Provident Fund equivalent to 12% of the salary if he is member of provident fund or in case of he is non-member of provident fund, ex-gratia in lieu of contribution to provident fund equivalent to 12% of the salary.

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

   v) Leave on full pay and allowances as per rules of the Company. Leave accumulated but not availed may be allowed to encash as per rules of the Company.

   vi) Free use of Company's Car with driver for Company's business.

4. He shall also be entitled to reimbursement of expenses on actual basis which are incurred for business of the Company.

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

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

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

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

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained hereinabove, where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as decided by the Board from time to time pursuant to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013 as amended from time to time shall be paid to Shri P.L. Gupta, Whole-time Director as minimum remuneration with the approval of the Central Government, if required, for the period from 1st April, 2018 to 31st March, 2021.

RESOLVED FURTHER THAT Shri M.L. Pareek, Whole-time Director and Shri Ashwini Kumar, Company Secretary of the Company, be and are hereby severally authorised for obtaining necessary approvals - statutory, contractual or otherwise and do all such acts, deeds, matters and things as are incidental thereto or as may be deemed necessary or desirable and settle any question or difficulty that may arise, in such manner as they may deem fit in order to give effect to the above resolution."

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

"**RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration Committee of the Company and as per the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), approval of the members be and is hereby accorded to revise the remuneration of Shri Kanha Agarwal (DIN : 06885529), Joint Managing Director with effect from 1st April 2018 to 31st March, 2019 subject to the approval of Central Government and other appropriate authorities, if required, on the following terms and conditions:-

1. Salary: ₹ 10,00,000/- p.m.

2. Perquisites: In addition to the aforesaid salary, the following perquisites would be allowed:

   i) Company's contribution towards Provident Fund equivalent to 12% of the salary if he is member of provident fund or in case of he is non-member of provident fund, ex-gratia in lieu of contribution to provident fund equivalent to 12% of the salary.

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

   iii) Leave on full pay and allowances as per rules of the Company. Leave accumulated but not availed may be allowed to encash as per rules of the Company.

   iv) Free use of Company's Car with driver for Company's business.

3. He shall also be entitled to reimbursement of expenses on actual basis which are incurred for business of the Company.

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

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

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

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained hereinabove, where in the said financial year, the Company has no profits or its profits are inadequate, the remuneration as decided by the Board from time to time pursuant to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013 as amended from time to time shall be paid to Shri Kanha Agarwal, Joint Managing Director as minimum remuneration with the approval of the Central Government, if required, for the period from 1st April, 2018 to 31st March, 2019.

RESOLVED FURTHER THAT Shri P.L. Gupta, Whole-time Director and Shri Ashwini Kumar, Company Secretary of the Company, be and are hereby severally authorised for obtaining necessary approvals - statutory, contractual or otherwise and do all such acts, deeds, matters and things as are incidental thereto or as may be deemed necessary or desirable and settle any question or difficulty that may arise, in such manner as they may deem fit in order to give effect to the above resolution."

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration payable to M/s Rakshit & Associates (FRN 101951), Cost Accountants, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2018-19 amounting to Rs.1,50,000/- (Rupees One Lakh Fifty Thousand Only) apart from reimbursement of actual expenses to be incurred by them in connection with conducting the audit of cost records of the Company, be and is hereby ratified and confirmed.

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

By order of the Board
For Prakash Industries Limited

Registered Office:

15 Km. Stone,
Delhi Road,
Hissar – 125044 (Haryana)
Dated : 30th April, 2018
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 July, 2018 to 28th July, 2018 (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.
9. As per rules regarding **unpaid** / **unclaimed dividend** prescribed by MCA; Company has already given the details of unpaid/ unclaimed dividend for the financial year 2010-11, 2011-12 , 2012-13 and 2013-14 on the website of

Investor Education and Protection Fund (IEPF) viz. www.iepf.gov.in. Investors can also check their unpaid / unclaimed dividend details from the abovesaid website.

Members who have not received / encashed their dividend warrants for the financial year 2010-11, 2011-12, 2012-13 and 2013-14 may please write to Shri Ashwini Kumar, Company Secretary and Compliance Officer, at the Company's Corporate Office for claiming the said dividends. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.

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) Suspense Account.

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

10. Members holding shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

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

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

13. **Voting through electronic means -**

    A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the 37th 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 July, 2018 (09:00 a.m.) and ends on 27th July, 2018 (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 July, 2018, 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.

(v) Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next Enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number in the PAN field. 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

(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 become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 21st July, 2018 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

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 37th Annual General Meeting of the Company scheduled to be held on Saturday the 28th July, 2018. 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.cdslindia.com / www.evotingindia.com within 48 hours of passing of the Resolutions at the meeting and communicated to the Stock Exchanges.

14. Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange

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

15. Members are requested to bring their duly filled Attendance Slip enclosed herewith to attend the meeting along with their copy of Annual Report.

16. A route map to the venue of the AGM alongwith prominent landmark for easy location is enclosed.

EXPLANATORY STATEMENT

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

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 to 9 of the accompanying Notice:

Item No.4

Shri Sunil Kumar was appointed as an Independent Additional Director w.e.f. 26th December, 2017. Based on the recommendations of the Nomination and Remunaration Committee and the performance evaluation, the Board of Directors wants to appoint him to hold office as an Independent Director of the company for a term of Five years w.e.f. 26th December, 2017 to 25th December, 2022.

As per Section 161 of The Companies Act, 2013 Shri Sunil Kumar holds office as an Additional Director upto the date of ensuing Annual General Meeting of the Company. Section 149 of Companies Act, 2013, requires appointment of an Independent Director to be approved by the Members by way of a Ordinary Resolution.

Shri Sunil Kumar is a consultant and has more than 12 years experience in the field of financial and real estste market.

Further, Shri Sunil Kumar being an Independent Director, shall not be liable to retire by rotation.

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

Item No.5

Shri Vikram Agarwal was reappointed as Managing Director of the Company w.e.f. 1st April, 2015 for three years. He has been associated with Company since 2005. He is actively involved in day to day affairs of the Company. The remuneration of Shri Vikram Agarwal has been approved by Nomination and Remuneration Committee.

Having regard to the knowledge and experience of Shri Vikram Agarwal, the Board of Director appointed Shri Vikram Agarwal as Managing Director of the Company for the period from 1st April, 2018 to 31st March, 2021 on the terms and conditions and remuneration as mentioned in the resolution as set out at item No.5 of notice subject to the approval of shareholders.

As on 31st March, 2018, Shri Vikram Agarwal holds 406500 equity shares of the company.

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

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

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

Item No.6

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.

Having regard to the knowledge and experience of Shri M.L. Pareek, the Board of Director appointed Shri M.L. Pareek as Whole-time director of the company for the period from 1st April, 2018 to 31st March, 2021 on the terms and conditions and remuneration as mentioned in the resolution as set out at item No.6 of notice subject to the approval of shareholders.

None of the Directors except Shri M.L. Pareek is interested in the Resolution.

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

Item No.7

As per requirements of section 196 (3) and Schedule V Part I (c) of the Companies Act, 2013 if a Managing Director,or Whole Time Director has attained the age of 70 years then his appointment/continuation needs to be approved by a special resolution passed by the company in General Meeting otherwise Central Government approval is required.

Shri M. L. Pareek has attained the age of 70 years in May, 2015. Your directors in their meeting held on 8th February, 2018 have approved and recommended his reappointment as Whole-time Director of the company subject to shareholders approval in this Annual General Meeting.

None of the Directors except Shri M.L. Pareek is interested in the Resolution.

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

Item No.8

Shri P. L. Gupta is a Chartered Accountant having work experience of 39 years and has been associated with the Company for more than two decades and thus conversant with all the facets of the working of the company.

Having regard to the knowledge and professional experience of Shri P. L. Gupta, the Board of Director appointed Shri P.L. Gupta as a Whole-time Director and Chief Financial Officer (CFO) of the company for the period from 1st April, 2018 to 31st March, 2021 on the terms and conditions and remuneration as mentioned in the resolution as set out at item No.8 of notice subject to the approval of shareholders.

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

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

Item No.9

Shri Kanha Agarwal has been appointed as Joint Managing Director w.e.f. 6th February, 2016 to 31st March, 2019. Keeping in view of his active involvement in management affairs, Nomination and Remuneration Committee and Board of Directors of the Company has recommended for revision in his remuneration w.e.f. 1st April, 2018.

As on 31st March, 2018, Shri Kanha Agarwal holds 18540 equity shares of the Company.

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

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

The Board recommends the Resolution set out at Item No.9 for your approval.

Item No.10

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 2018-19 as mentioned in the resolution set out at Item No.10 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 Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

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.10 for your approval.

A copy of the resolutions passed by the Board of Directors relating to the reappointment of Directors (Item No. 5,6,7,8) and revision of remuneration (Item No. 9) and other relevant documents are open for inspection of the members at the Corporate Office of the company between 11.00 A.M. to 01.00 P.M. on any working day prior to the date of meeting and also at the meeting.

By order of the Board
For Prakash Industries Limited

Registered Office:

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

Dated : 30th April, 2018
CIN : L27109HR1980PLC010724

Ashwini Kumar
Company Secretary

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 Directors	Shri Sunil Kumar
Date of Birth	16.08.1973
Date of First appointment on the Board	26.12.2017
Qualifications	Graduate
Experience / Expertise in specific function areas / Brief resume of the Director.	Shri Sunil Kumar is consultant and having work experience of more than 12 years in the field of financial and the real estate market
Terms and Conditions of appointment / re-appointment	Proposed appointment is for five years w.e.f. 26.12.2017 to 25.12.2022.
Details of remuneration sought to be paid and remuneration last drawn	Only sitting fees will be paid for attending the meetings
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. 2017-18	2
Other Directorship held	Nil
Membership/Chairmanship of Committees of other Boards	Nil
Shareholding in the Company	Nil

Name of the Directors	Vikram Agarwal
Date of Birth	04.12.1978
Date of First appointment on the Board	28.05.2005
Qualifications	Graduate
Experience / Expertise in specific function areas / Brief resume of the Director.	He has been associated with company since 2005. He is actively involved in day to day affairs of the company.
Terms and Conditions of appointment / re-appointment	Proposed re-appointment as per term and conditions of appointment vide proposed special resolution to be passed in ensuing AGM w.e.f. 01.04.2018 to 31.03.2021.
Details of remuneration sought to be paid and remuneration last drawn	Remuneration as per term and conditions of appointment vide proposed special resolution to be passed in ensuing AGM.
Disclosure of Relationship with other Directors Manager and Key Managerial Personnel of the Company	Shri V.P. Agarwal, Chairman of the company is Father of Shri Vikram Agarwal, Joint Managing Director. Shri Kanha Agarwal, Joint Managing director of the company is brother of Shri Vikram Agarwal.
No. of Meeting of Board of Directors attended during the F.Y. 2017-18	8
Other Directorship held	8
Membership/Chairmanship of Committees of other Boards	Nil
Shareholding in the Company	4,06,500 Shares

PRAKASH INDUSTRIES LIMITED

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 Directors	Shri M.L. Pareek
Date of Birth	10.05.1945
Date of First appointment on the Board	04.08.2012
Qualifications	Graduate
Experience / Expertise in specific function areas / Brief resume of the Director.	Shri M.L. Pareek is 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 term and conditions of appointment vide proposed special resolution to be passed in ensuing AGM w.e.f. 01.04.2018 to 31.03.2021.
Details of remuneration sought to be paid and remuneration last drawn	Remuneration as per term and conditions of appointment vide proposed special resolution to be passed in ensuing AGM.
Disclosure of Relationship with other Directors Manager and Key Managerial Personnel of the Company	Not inter-se related to any other Director or key Managerial Personnel
No. of Meeting of Board of Directors attended during the F.Y. 2017-18	8
Other Directorship held	1
Membership/Chairmanship of Committees of other Boards	Nil
Shareholding in the Company	802 Shares

Name of the Directors	Shri P.L. Gupta
Date of Birth	05.04.1951
Date of First appointment on the Board	07.11.2011
Qualifications	Chartered Accountant
Experience / Expertise in specific function areas / Brief resume of the Director.	Shri P.L. Gupta is a Chartered Accountant having work experience of 39 years and has been associated with the company for more than two decades and thus conversant with all the facets of the working of the company.
Terms and Conditions of appointment/re-appointment	Proposed re-appointment as per term and conditions of appointment vide proposed special resolution to be passed in ensuing AGM w.e.f. 01.04.2018 to 31.03.2021.
Details of remuneration sought to be paid and remuneration last drawn	Remuneration as per term and conditions of appointment vide proposed special resolution to be passed in ensuing AGM.
Disclosure of Relationship with other Directors Manager and Key Managerial Personnel of the Company	Not inter-se related to any other Director or key Managerial Personnel.
No. of Meeting of Board of Directors attended during the F.Y. 2017-18	8
Other Directorship held	1
Membership/Chairmanship of Committees of other Boards	Nil
Shareholding in the Company	Nil

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 Directors	Shri Kanha Agarwal
Date of Birth	22.10.1991
Date of First appointment on the Board	28.05.2014
Qualifications	Post Graduate
Experience / Expertise in specific function areas / Brief resume of the Director.	Shri Kanha Agarwal is a young Industrialist. He is Post Graduate in Management from Indian School of Business.
Terms and Conditions of appointment/re-appointment	Proposed revision of remuneration as per term and conditions of appointment vide proposed special resolution to be passed in ensuing AGM w.e.f. 01.04.2018 to 31.03.2019.
Details of remuneration sought to be paid and remuneration last drawn	Remuneration as per term and conditions of appointment vide proposed special resolution to be passed in ensuing AGM.
Disclosure of Relationship with other Directors Manager and Key Managerial Personnel of the Company	Shri Ved Prakash Agarwal, Chairman of the company is Father of Shri Kanha Agarwal. Shri Vikram Agarwal, Managing Director of the company is Brother of Shri Kanha Agarwal.
No. of Meeting of Board of Directors attended during the F.Y. 2017-18	8
Other Directorship held	13
Membership/Chairmanship of Committees of other Boards	Nil
Shareholding in the Company	18540 Shares

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 esnsure to keep their e-mail addresses updated with the depository participants.
4. On registration, all the communications will be sent to the E-mail ID registered.
5. The form is also available on the website of the Company i.e. www.prakash.com under the 'Investors Section'.
6. Shareholders are requested to keep updated to their depository participants / Company's above mentioned address as and when there is any change in the e-mail address.

PRAKASH INDUSTRIES LIMITED

NATIONAL ELECTRONIC CLEARING SERVICES (NECS)

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

Account type
(Please Tick (✓) wherever applicable → Savings ☐ Current ☐ Cash Credit ☐

Account No.
(as appearing in the cheque book) →

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

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

Place : _____

Date : _____

_____
(Signature of Sole/First holder)
Phone/Mob. : _____
Email : _____

NOTES :

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

Prakash Industries Limited

CIN : L27109HR1980PLC010724

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

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint share holders may obtain additional Slip at the Venue of the Meeting

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

I/We hereby record my/our presence at the **37th Annual General Meeting** of the Company to be held on Saturday, 28th July, 2018 at 12.30 PM at 15 Km. Stone, Delhi Road, Hissar-125044 (Haryana)

*Applicable for the investors holding shares in electronic form.

Signature of Shareholder/Proxy

Note : Please read the instructions printed under the Note No.13 to the Notice of **37th Annual General Meeting**. The e-voting period starts on Wednesday, 25th July, 2018 (9.00 am) and ends on Friday, 27th July, 2018 (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 **37th Annual General Meeting** of the Company to be held on Saturday, 28th July, 2018 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 31st March, 2018		
2.	Re-appointment of Shri P.L. Gupta (DIN : 00048868) who retires by rotation		
3.	Ratification of re-appointment of Statutory Auditors		
4.	Appointment of Shri Sunil Kumar (DIN : 08047482) as Director of the Company		
5.	Re-appointment of Shri Vikram Agarwal (DIN : 00054125) as Managing Director and fix his remuneration		
6.	Re-appointment of Shri M.L. Pareek (DIN : 01795975) as Whole-time Director and fix his remuneration		
7.	Consider and ratify the re-appointment of Shri M.L. Pareek (DIN : 01795975) as Whole-time Director		
8.	Re-appointment of Shri P.L. Gupta (DIN : 00048868) as Whole-time Director and fix his remuneration		
9.	Revise the remuneration of Shri Kanha Agarwal (DIN : 06885529) Joint Managing Director		
10.	Ratification of remuneration of Cost Auditors		

Signed this ..... day of 2018

Signature of shareholder

Affix Revenue Stamp ₹1

Signature of first proxy holder

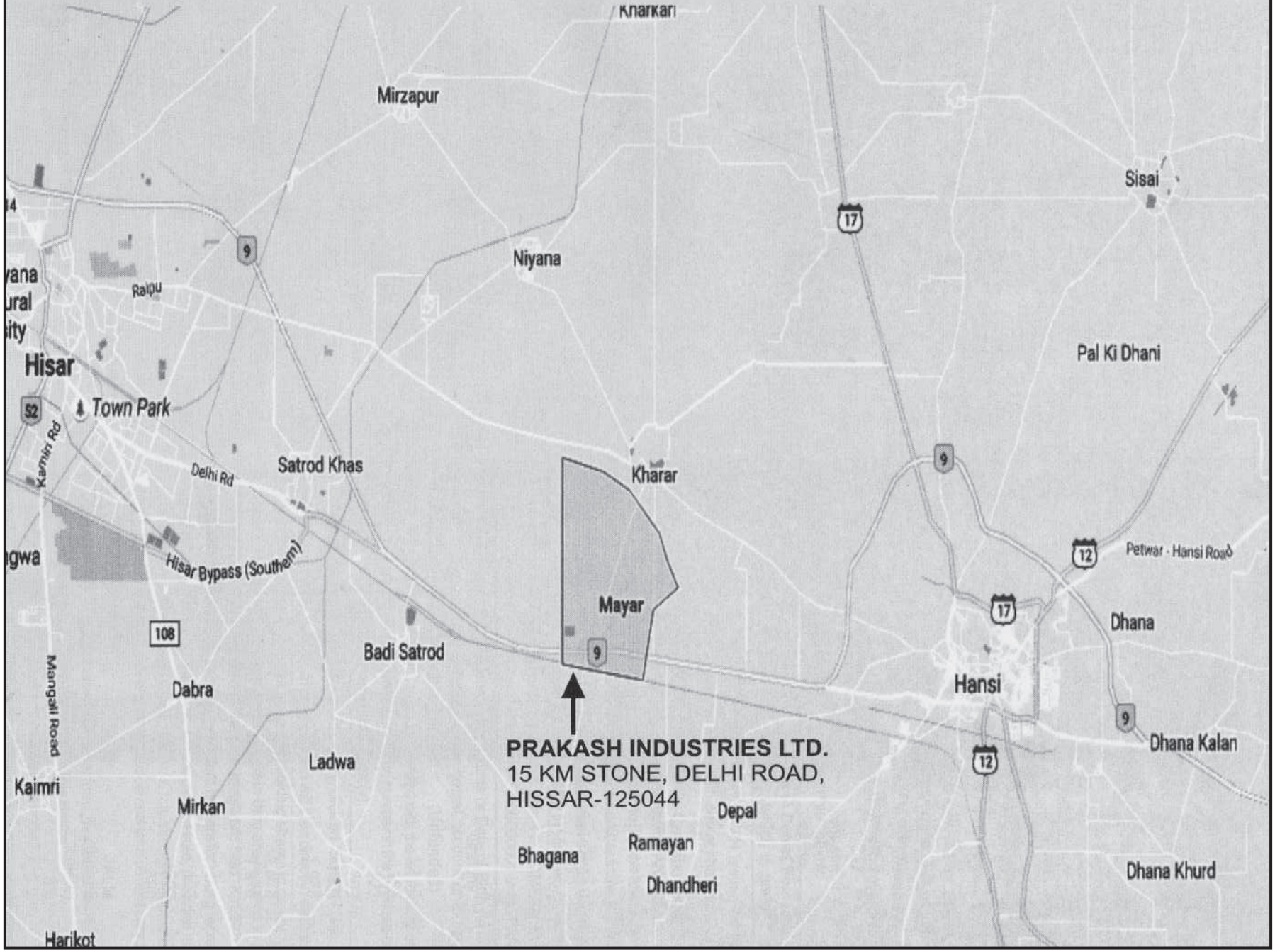
Signature of second proxy holder

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 37th Annual General Meeting of the Company to be held on Saturday, 28th July, 2018



PRAKASH INDUSTRIES LIMITED

Prakash Industries Limited

Corporate Office

Srivan, Bijwasan, New Delhi - 110061, Tel : +91-11-25305800, 28062115

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

www.prakash.com