



Prakash Industries Limited

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PIL/SE/MIS/2017

24th August, 2017

Listing Department
BSE Ltd.
Mumbai – 400001

Listing Department
National Stock Exchange of India Ltd
Mumbai - 400051

Company Code: 506022

Company Symbol : PRAKASH

Subject: Outcome of the Board Meeting held on 24th August, 2017

Dear Sir,

We wish to inform you that the Board of Directors of Prakash Industries Ltd (“PIL”) at its meeting held today approved the following:

- 1) Demerger Scheme between PIL and Prakash Pipes Ltd (“PPL”) and their respective shareholders and creditors (“the scheme”) as detailed herein below:

Sr. No	Particulars	Details			
1.	Brief Details of the division(s) to be demerged	PVC pipe business of the Company			
2.	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year/ based on financials of the last financial year	Particulars	PVC Pipes Division	Others Divisions (Remaining Undertaking)	Total
		Turnover (FY2016-17)	Rs.283.20 Crores	Rs.2131.61 Crores	Rs.2414.80 Crores
		Turnover (%)	11.73%	88.27%	100%



3.	Rationale for demerger	The Company has three major verticals – Steel, Power, and PVC Pipes. The focused approach in the PVC pipes business shall enable it to achieve the benefits of the growth trajectory witnessed in the PVC industry and will unlock the potential value of the PVC Pipe business for the shareholders.
4.	Brief details of change in shareholding pattern (is any) of all entities	Pre Scheme: PIL holds 100% equity shares of PPL. Post Scheme: The shareholding pattern of PPL will be exactly the same as that of PIL.
5.	In case of cash Consideration-amount or otherwise share exchange ratio;	For every 8 (<i>eight</i>) equity shares of face value of Rs.10/- (Rupees Ten only) each held in PIL as on the Record Date, the equity shareholders of PIL shall be issued 1 (<i>one</i>) equity share of face value Rs.10/- (Rupees Ten only) each credited as fully paid-up in PPL. In case of fractional shares entitlement, in case any members' shareholding in PIL is such that the member becomes entitled to a fraction of one equity share of PPL, PPL shall not allot fractional shares to such member but shall consolidate such fractions and issue consolidated equity shares to a separate trustee nominated by PPL in that behalf, who shall sell such equity shares on the date of listing of PPL or within such period of listing of PPL as may be decided by the Board of Directors of PPL and distribute the net sale proceeds (less expenses as applicable) to the members of PPL, in proportion to their fractional entitlements.



6.	Whether Listing would be sought for the resulting company	Yes
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- 2) Issue of new Foreign Currency Convertible Bonds (FCCB) towards outstanding cash consideration/obligation of US\$ 17.85 million to the holders of 5.35% September 2020 Bonds, subject to the approval of the RBI, SEBI, Stock Exchanges and any other approval, which may be required by law.
- 3) Raising of funds upto Rs.500 crores in one or more tranches by issue of equity shares through Qualified Institutional Placement (QIP) to eligible investors in such manner and on such terms and conditions as may be permitted under the applicable laws.

The Board of Directors has also approved the calling of an Extraordinary General meeting on 23rd September, 2017.

The Board meeting commenced at 11.30 a.m. and concluded at 12.30 p.m.

We request you to take this on record and the same be treated as compliance under the applicable clause(s) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Thanking you,

Yours faithfully,
For Prakash Industries Limited

Ashwini Kumar

Ashwini Kumar
Company Secretary

