

ANNUAL REPORT 2004-2005



PRAKASH INDUSTRIES LIMITED

PRAKASH INDUSTRIES LIMITED**BOARD OF DIRECTORS**

Shri V. P. Agarwal	Chairman & Managing Director
Dr. S. L. Keswani	
Shri K. C. Mehra	
Dr. Ram K. Vepa	
Shri Manish Bahl	
Shri S.P. Jakhanwal	(BIFR Nominee)
Shri R.C. Pandey	(IFCI Nominee)
Shri Vikram Agarwal	
Shri G. L. Mohta	Whole - time Director
Shri Vipul Agarwal	Whole - time Director

AUDITORS

Chaturvedi & Partners

BANKERS

Punjab National Bank
State Bank of India
Allahabad Bank
State Bank of Travancore
State Bank of Patiala
Central Bank of India
UTI Bank Ltd.
Bank of Punjab Ltd.

REGISTERED OFFICE

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

CORPORATE OFFICE

Business Park,
25 Shivaji Marg,
New Delhi-110 015.

WORKS

Champa, Distt. Janjgir - Champa (Chhattisgarh)
Raipur (Chhattisgarh)
Pithampur, Distt. Dhar (Madhya Pradesh)
Rayya, Distt. Amritsar (Punjab)
Koirā, Distt. Koenjhar (Orissa)
Silvassa (UT of Dadra and Nagar Haveli)
Kashipur, Distt. Udham Singh Nagar (Uttaranchal)
Muppandal (Tamil Nadu)



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Silvassa (UT of Dadra and Nagar Haveli)

Kashipur, Distt. Udham Singh Nagar (Uttaranchal)

Muppandal (Tamil Nadu)

PRAKASH INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the 24th Annual General Meeting of the Members of Prakash Industries Limited will be held on Friday, the 30th September, 2005 at 12.30 p.m. at the registered office of the Company at 15 Km. Stone, Delhi Road, Hisar – 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, 2005 and Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Ram K. Vepa, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Shri Manish Bahl, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors and fix their remuneration. The term of appointment of M/s Chaturvedi & Partners, Chartered Accountants expire at the conclusion of this general meeting and being eligible, offer themselves for appointment to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Vikram Agarwal be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 267, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) the conditions stipulated in schedule XIII of the said Act and subject to the approval of the Central Government, Financial Institutions, Shareholders and other appropriate authorities, if required, Shri Vipul Agarwal be and is hereby re-appointed as a Whole-time Director of the Company for a period of three years w.e.f. 1st October, 2005 on the following terms and conditions:-

- 1) Salary : Rs.45,000/- p.m.
(in the grade of Rs.45,000 – 2,500 – 50,000)
- 2) Ex-gratia in lieu of Bonus : 20% of Salary

- 3) Perquisites : In addition to the aforesaid Salary, the following perquisites would be allowed:

Category 'A'

- i) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year.
- ii) Leave Travel Concession : Reimbursement of Travel expenses for self and family to and fro to any place in India once a year subject to a ceiling of one month's salary in a year.

Category 'B'

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

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

Category 'C'

- i) Free use of Company's Car for Company's business.
- ii) Free facility of one telephone at residence. Personal long distance calls shall be billed by the Company.
- iii) Reimbursement of traveling expenses actually incurred for the business 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 one month's salary in lieu thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any year in the Company, the above remuneration shall be paid as minimum remuneration to Shri Vipul Agarwal, Whole-time Director.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to accept any modification(s) in the terms and conditions of the said appointment and remuneration in such manner as may be suggested by the approving authorities while granting such approval and

PRAKASH INDUSTRIES LIMITED

acceptable to Shri Vipul Agarwal.

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

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

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Delisting of Securities) Guidelines, 2003, Securities Contracts Regulations Act, 1956 and the rules framed thereunder, listing agreements and all other applicable laws, rules, regulations and guidelines and other SEBI guidelines and subject to such approvals and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed by any authority while granting such approvals and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from all or any of the Stock Exchanges at Delhi, Ahmedabad, Bangalore, Calcutta and Chennai.

**By order of Board
for Prakash Industries Limited**

Registered Office:
15 Km. Stone, Delhi Road,
Hissar - 125044 (Haryana)
Dated: 20th June, 2005

**I.D. Sharma
Company Secretary**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERESELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Proxies in order to be effective must be received by the Company at its Registered/Corporate Office not less than 48 hours before commencement of the meeting.
3. Members are requested to bring their copies of the Annual Reports to the meeting, as spare copies will not be available
4. Register of Members and Share Transfer Books will remain closed from 24th September, 2005 to 30th September, 2005 (both days inclusive).
5. Members are requested to:
 - i) Quote their folio/ ID number(s) in all correspondence with the Company.
 - ii) Notify/send immediately to the Company's Registered/Corporate Office:
 - a) Change, if any, in their registered address alongwith Pin Code Number.
 - b) For consolidation of their shareholding, if registered in identical names(s) or joint names in identical order in more than one folio, by sending a request letter alongwith relative share certificates.
6. The Shares of the Company w.e.f. 26th February, 2001 are being traded in DEMAT form only. Those of the shareholders of the Company who may like to have their shares in demat form may send their shares through their respective DPs for demat.
7. **Resume of Dr. Ram K. Vepa proposed for re-appointment as a Director :**

Dr. Vepa retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Dr. Vepa joined the Board of the Company in the year 1987.

Dr. Vepa is a retired IAS officer having worked in various capacities in the States and Central Government. Dr. Vepa was serving as Commissioner of Industries in the Ministry of Industries, Government of India, New Delhi at the time of his retirement. Because of his vast experience, his re-appointment would be beneficial to the Company.

8. **Resume of Shri Manish Bahl proposed for re-appointment as a Director :**
Shri Bahl retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Shri Bahl joined the Board of the Company in the year 1993.

Shri Bahl is a retired IAS officer having worked in various capacities in the States and Central Government. Shri Bahl was serving as Secretary to the Government of India, in the Ministry of Tourism at the time of his retirement. Because of his vast experience, his re-appointment would be beneficial to the Company.

PRAKASH INDUSTRIES LIMITED**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No.5.**

Shri Vikram Agarwal was appointed by the Board of Directors as an additional Director w.e.f. 28th May, 2005. As per the provisions of section 260 of the Companies Act, 1956, and the Articles of Association of the Company, he holds office only upto the date of ensuing General Meeting of the Company.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member notifying his intention to propose at the ensuing General Meeting, the name of Shri Vikram Agarwal for appointment as a Director of the Company liable to retire by rotation.

Because of his management and marketing experience his appointment as a Director would be beneficial to the Company.

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

Item No.6

Having regard to the long experience of the working of the Company and wide knowledge and qualifications being, Fellow of the Institute of Chartered Accountants of India, the Board of Directors have re-appointed Shri Vipul Agarwal as a Whole-time Director of the Company w.e.f. 1st October, 2005 since his present term is expiring on 30th September, 2005, on the terms & conditions as mentioned in the resolution, subject to the approval of the Central Government, Financial Institutions and Shareholders and other appropriate authorities, if any. Remuneration Committee has also approved the terms and conditions of appointment and remuneration of Shri Vipul Agarwal, as mentioned in the resolution.

A copy of the resolution of the Board of Directors and draft agreement relating to the re-appointment of Shri Vipul Agarwal and other relevant documents are open for inspection of the members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on all working days except Sundays and Public Holidays.

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

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

Item No 7

The Company's equity shares are presently listed at the following Stock Exchanges:

1. The Delhi Stock Exchange Association Ltd.
2. National Stock Exchange of India Ltd.
3. The Stock Exchange, Mumbai

4. Ahmedabad Stock Exchange Ltd.
5. Bangalore Stock Exchange Ltd.
6. Calcutta Stock Exchange Ltd.
7. Madras Stock Exchange Ltd.

It has been observed that the volume traded in the Stock Exchanges at Delhi, Ahmedabad, Bangalore, Calcutta and Chennai has been almost nil and does not justify the high costs incurred by way of annual listing fees as well as complying with other requirements

Considering the above, it is proposed that the shares of the Company be got delisted from the Stock Exchanges at Delhi, Ahmedabad, Bangalore, Calcutta and Chennai.

It is hereby stated that, as required under the SEBI (Delisting of Securities) Guidelines, 2003, the Company is not required to and would thus not provide any exit option to the Shareholders in Delhi, Ahmedabad, Bangalore, Calcutta and Chennai from where the shares are proposed to be delisted, since the shares of the Company would continue to remain listed at the National and Mumbai Stock Exchanges, both having nationwide trading terminals.

As per the SEBI (Delisting of Securities) Guidelines, 2003, voluntary delisting of shares from any of the Stock Exchanges(s) requires the approval of the members by way of a Special Resolution passed at the Company's general meeting. Your Directors recommend the Special Resolution for your approval.

The Special Notice, as per SEBI requirements, would be published in one National newspaper in due course of time. The exact date from which delisting would take effect shall also be informed accordingly.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the shares held by each of them.

**By order of Board
for Prakash Industries Limited**

Registered Office:
15 Km. Stone, Delhi Road,
Hisar - 125044 (Haryana)
Dated: 20th June, 2005

**I.D. Sharma
Company Secretary**

PRAKASH INDUSTRIES LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the 24th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2005.

FINANCIAL RESULTS

	(Rs. in Lacs)	
For the year ended 31 st March, 2005	For the year ended 31 st March, 2004	
Profit before Interest & Depreciation	10,265.34	7,545.67
Deductions		
Financial Expenses	2,077.11	7,750.45
Depreciation	5,118.58	6,810.19
Expenses Amortised	41.55	35.72
Profit before taxation	<u>7,237.24</u>	<u>14,596.36</u>
Taxes including deferred tax	3,028.10	(-) 7,050.69
Profit after taxation	<u>1,413.91</u>	<u>0.31</u>
Add : Liabilities of earlier years written back	1,614.19	(-) 7,051.00
Add : Excess depreciation of earlier years written back	37,286.97	490.77
Net profit for the year	<u>14,802.46</u>	<u>21,897.45</u>
Add: Balance Brought forward	53,703.62	15,337.22
Adjustment for deferred tax assets as on 1st April, 2004	(-) 62,613.09	(-) 77,950.31
Carried over to next year	<u>12,775.49</u>	-
	3,866.02	(-) 62,613.09

PERFORMANCE DURING THE YEAR

During the year under review the Company has achieved a turnover of Rs. 799.50 Crores (exclusive of inter divisional sales) as against Rs.837.10 Crores (inclusive of inter divisional sales) in the previous year. The profit before interest and depreciation amounted to Rs.102.65 Crores as against Rs.75.46 Crores in the previous year. After providing for interest and depreciation, and taking into account the write back of depreciation and interest of Rs.520.89 Crores relating to previous years, the Company has registered a net profit of Rs.537.04 Crores as against a net profit of Rs.153.37 Crores in the previous year. The year 2004-05 has been a milestone in the history of the Company as on the basis of financial results for the year, the Company has turned around with the net worth becoming positive.

The Company's Steel Operations namely Sponge Iron, Steel Bloom / Billets, Heavy Structural and Power Generation performed exceedingly well during the year and have registered improved capacity utilization. The much improved results of the year are largely due to buoyant steel market and various steps taken for cost control, better sales realization and improved capacity utilisation of the steel operations of the Company and also due to waiver of interest liability by the bank/financial institutions relating to earlier years. The Company has also successfully commissioned a 25 MW Power

Generating Plant during the year which has significantly contributed in reducing the cost of production of the Company's steel operations. Other divisions of the company have also performed satisfactorily.

PREFERENTIAL ISSUE OF SHARES

The promoters of the Company have inducted Rs.15 Crores by subscribing to fully paid up equity shares of Rs.10/- each issued to them on preferential basis during the year. The said amount has been utilized for setting up a 25 MW Power Generation Plant to utilize the surplus steam available from the boilers.

REVALUATION OF ASSETS

The present book value of the fixed assets of the company do not conform to the present market value as prevailing presently. In order to reflect the real value of the assets in the books of account certain fixed assets of the Company have been revalued as on 31st March, 2005 by an approved valuer using standard indices on replacement cost basis resulting in an increase in value of assets by Rs.21,838 Lacs which has been credited to Revaluation Reserve Account.

DIRECTORS

During the year under review, Shri S. Rajagopalan, nominee Director of LIC ceased to be a Director w.e.f. 30th June, 2004.

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

Shri Vikram Agarwal was appointed as an Additional Director of the Company w.e.f. 28th May, 2005, by the Board of Directors and holds office upto the ensuing Annual General Meeting. A notice in terms of Section 257 of the Companies Act, 1956 has been received from a member proposing his name to be a Director. His appointment, as a Director is to be approved by the shareholders in the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

PRAKASH INDUSTRIES LIMITED

- iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the directors have prepared the accounts for the financial year ended 31st March, 2005 on a 'going concern' basis.

FIXED DEPOSITS

The Company is neither accepting nor renewing any fixed deposits since November, 1997. The Company has repaid the entire amount of fixed deposits and there is no outstanding as on date.

AUDITORS

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

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

PARTICULARS OF EMPLOYEES

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

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

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

CORPORATE GOVERNANCE

A certificate from the Auditors of the Company, regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is attached and forms part of this Report.

ACKNOWLEDGEMENT

Your Directors take this opportunity to offer their sincere thanks to the various departments of Central and State Governments, Financial Institutions, Banks, Customers and Suppliers for their continued valuable assistance and support to the Company.

Your Directors also wish to place on record their sincere appreciation of the dedicated efforts by officers, staff and workers of the Company at all levels.

By Order of the Board

Place : New Delhi
Dated : 20th June, 2005

V.P. Agarwal
Chairman & Managing Director

PRAKASH INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The financial year 2004-05 has been a landmark one for the Company as the Company which remained a Sick Company since 1998 has turned around based on the financial results for the year.

a) Industry Structure and Developments

The Indian Steel Industry has been on a recovery path during the past three years after being burdened with low demand and lower prices of the steel products previously. The cycle witnessed upturn in the wake of upsurge in the global and domestic demand, which continues to be strong mainly driven by infrastructure spending with construction, engineering and auto sectors likely to be key growth drivers. The uptrend in the steel industry was due to mainly the surging Chinese demand and rise in international prices. During the year under review also the demand for steel products has further firmed up both in the domestic and international market. However, inspite of increase in the prices, the profit margins were affected due to abnormal hike in the prices of basic inputs particularly iron ore and coal which have gone up manifold during the past few years.

However, recently, the steel prices have started showing signs of weakness and it appears that domestic steel industry is heading for the next down turn as a result of falling international demand for steel products. There are also concerns over the availability of iron ore and coal and the resultant volatility in the prices. Also what has cast a shadow of doubt over the steel industry is the spectre of over capacity both in international and domestic segments as well as feeble outlook in prices. According to analysts, the international demand is expected to slow down which coupled with excess capacity and with the tight availability of raw materials will lead to softer prices in the medium to long run.

b) Opportunities and threats

The Indian GDP projections for the next few years are targeted at around 7%. The Company is always willing to take advantage and keeps exploring the new opportunities available to it. The Company also keeps a constant vigil on any possible threat and does not foresee any substantial threat to its business in the near future.

c) Segment Wise/Product Wise Performance/Outlook

The Company is mainly engaged in the manufacturing of Sponge Iron, Steel Ingots/Blooms and finished steel products comprising of heavy structurals and is also generating power. In addition, the Company is also engaged in manufacturing of B&W Television Picture Tubes and Rigid PVC Pipes. The performance of the various products of the Company as well as the future outlook has been dealt with in the foregoing paragraphs. The Company has been allotted a captive coal mining block and the mining operations are expected to commence towards the later part of the current financial year. The Company's iron ore mining operations are also likely to start to a limited extent in the current year. These integration plans will go a long way in giving a positive thrust to the economics of the steel operations.

d) Risks and Concerns

The management of the Company as a routine exercise has been making assessment of any risks and concerns likely to be faced by the Company. The volatility of steel prices and cyclic nature of the industry coupled with spiraling prices and tight availability of raw materials particularly iron ore are major areas of concern. New capacities being set up both in the country and abroad may also create imbalances in demand and supply. However, in view of the Company's volume of operations and the vertical integration plans, the Company does not perceive any major risk in the near future.

e) Internal Control System and Their Adequacy

The Company has a proper and adequate system of internal controls to ensure that all its activities are closely monitored, recorded and correctly reported. The Audit Committee of the Board of Directors reviews the adequacy of the internal controls on regular basis. The report of the auditors also mentions that the Company is having a proper and adequate internal control system.

f) Human Resources/Industrial Relations

The Company has a team of able and experienced professionals. The total strength of employees and workers, which includes the contract labour stood at over 4500. The internal relations between the management, staff and the workers remained cordial through out the year.

g) Environment and Social Responsibility

As a socially responsible Company, we are inter-twined with the society and it has always been our endeavour to understand the problems of the communities and try to mitigate the same. For us the success is measured how well we fulfill our economic, environmental and social responsibility.

Being conscious of its responsibility towards society, the management has undertaken several programmes for the welfare of the Society and upliftment of the weaker section concentrating in respect of those who live close to our plants. The Company has adopted 500 villages in the nearby districts where coaching centers have been established to aim at harnessing the potentials and energies of the younger children, providing them means to improve their personality and leadership qualities and ultimately make them good citizens. Further to improve educational facilities to nearby villagers, renovation of a middle school building along with development of play ground has been undertaken.

Emphasising on environmental friendly activities, the barren land around the plant has been converted in a green belt by plantation of trees and by initiating the erosion control measures, and enhancing the Bio-productivity of land. Moisture of soil has been achieved through Rain Water Harvesting System & Recycling of the Waste Water. Another environmental effort on the part of the Management is to overcome a health hazard of fly ash emerging from the plant. A brick manufacturing plant has been installed to use the same. The Company has already secured the quality and Environment Management Certification of ISO-9002 and ISO-14001 and is striving for higher standards of achievements

CORPORATE GOVERNANCE REPORT**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

PIL is committed to Corporate transparency and lays strong emphasis on business ethics in all its dealings. The Company believes that it is rewarding to be better managed and governed and to identify and align its activities with national interest. Corporate Governance is not merely compliance and creating checks & balances, it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to consumer needs, shareholders benefit and employees growth, thereby delighting all its stakeholders while minimizing risks. The primary objective is to create a corporate culture of conscience and consciousness, and to develop and identify opportunities to serve the goal of value creation, thereby creating an outperforming organization.

2. BOARD OF DIRECTORS**i) Composition of Board**

Presently there are ten Directors in the Board of the Company, out of which seven are non-executive Directors. Six are independent Directors (including one nominee Director of IFCI and one Special Director appointed by Hon'ble BIFR). All Directors, Executive or Non-executive, are professionally competent and highly experienced in their fields.

ii) No. of Board Meetings

Four Board Meetings were held during the year 2004-2005 on 30th June, 2004, 25th September, 2004, 29th November, 2004 and 31st January, 2005.

iii) Present Board of Directors and attendance of each Director at the Board Meetings & last Annual General Meeting during the year 2004-05 and number of other Directorships and committee memberships/chairmanship:

S.No.	Name of Directors	No. of Board Meetings Attended	Last AGM Attended	No. of Directorships and Committee Membership/Chairmanships in other Companies		
				Directorships	Committee Memberships	Committee Chairmanships
1.	Sh.V.P.Agarwal Chairman & Managing Director	4	No	-	-	-
2.	Dr. S.L. Keswani Non-Executive	4	Yes	8	3	1
3.	Dr. Ram K. Vepa Non-Executive	3	No	-	-	-
4.	Sh.K.C. Mehra Non-Executive	4	No	4	-	5
5.	Sh.Manish Bahl Non-Executive	4	No	2	2	3
6.	Sh.R.C.Pandey (Nominee of IFCI)	4*	No	1	-	-
7.	Sh.S.P.Jakhanwal (Special Director of BIFR)	3	No	-	-	-
8.	Sh.S.Rajagopalan (Nominee of LIC)	**	No	-	-	-
9.	Sh.G.L.Mohta Whole-time Director	4	No	-	-	-
10.	Sh. Vipul Agarwal Whole-time Director	4	No	-	-	-
11.	Sh. Vikram Agarwal Non-executive	N.A.***	N.A.***	-	-	-

* Including one meeting attended by his observer.

** Ceased to be a Director w.e.f. 30th June, 2004

*** Appointed by the Board as an Additional Director w.e.f. 28th May, 2005.