



annual
report
2005 - 2006



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 R.C. Pandey	(IFCI Nominee)
Shri Vikram Agarwal	
Shri G. L. Mohta	Whole - time Director
Shri Vipul Agarwal	Whole - time Director

STATUTORY AUDITORS

Chaturvedi & Partners
Chartered Accountants

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.

COMPANY SECRETARY

Shri I.D. Sharma

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PRAKASH INDUSTRIES LIMITED

REGISTERED OFFICE

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

CORPORATE OFFICE

SRIVAN
Bijwasan,
New Delhi-110 061

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WORKS

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

WEBSITE

www.prakash.com

PRAKASH INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Prakash Industries Limited will be held on Saturday, the 22nd July, 2006 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.T o receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2006 and Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
- 2.T o appoint a Director in place of Dr. S.L. Keswani, who retires by rotation and being eligible, offers himself for re-election.
- 3.T o appoint a Director in place of Shri K.C. Mehra, who retires by rotation and being eligible, offers himself for re-election.
- 4.T o appoint Auditors and fix their remuneration. The terms 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.

By order of Board
For Prakash Industries Limited

(I.D. Sharma)
Company Secretary

Registered Office:
15 Km. Stone,
Delhi Road,
Hissar - 125044 (Haryana)
Dated : 13th May, 2006

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 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 18th July, 2006 to 22nd July, 2006 (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:
 - Change, if any, in their registered address alongwith Pin Code Number.
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 demated form may send their shares through their respective DP's for demat.
7. Information as required under Clause 49 IV(G) of the Listing Agreement.

a) *Resume of Dr. S.L. Keswani proposed for re-appointment as Director:*

Dr. Keswani retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Dr. Keswani joined the Board of the Company in the year 1980. He is Chairman of the Company's Audit, Managerial Remuneration and Shareholders' / Investors' Grievances Committees.

Dr. Keswani is a technocrat par excellence and has assisted in setting-up a number of projects as a Consultant. Because of his vast experience, his re-appointment would be beneficial to the Company.

The details of other Companies in which Dr. Keswani is Director and holding the Chairmanship and Committee membership are as under:

Directorship(s) held in other Companies	Committee Chairmanship	Committee Membership
Chemprojects Design & Engg. P. Ltd.	-	-
Dhampur Sugar Mills (Kashipur) Ltd.	-	Audit
Perfect Pac Ltd.	-	-
Khatema Paper & Board Mills Ltd.	-	Audit
Chemcon Fabricaters (Delhi) P. Ltd.	-	-
BN Mathur Consultants P. Ltd.	-	-
Cheema Papers Ltd.	Audit	-
Madhyadesh Papers Ltd.	-	Audit

As on 31st March, 2006 Dr. Keswani is holding 7403 equity shares of Rs.10/- each of Prakash Industries Ltd.

b) *Resume of Shri K.C. Mehra proposed for re-appointment as Director:*

Shri Mehra retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Shri Mehra joined the Board of the Company in the year 1985. He is member of Company's Audit, Managerial Remuneration and Legal Committees.

Shri Mehra worked with Bharat Bank which was later merged in PNB in December, 1981 and worked as a General Manager in PNB. After retirement from PNB he joined as Chairman of Laxmi Commercial Bank Ltd., which merged in Canara Bank. Because of his vast experience in financial matters, his re-appointment would be beneficial to the Company.

Details of other Companies in which Shri Mehra is Director and holding the Chairmanship and Committee membership are as under:

Directorship(s) held in other Companies	Committee Chairmanship	Committee Membership
Seasons Textiles Ltd. -	-	-
Nijjar Agro Foods Ltd.	Audit	-
Bharti Teletel Ltd.	Audit cum Remuneration	-

As on 31st March, 2006 Shri Mehra is not holding any equity shares of Prakash Industries Ltd.

By order of the Board
For Prakash Industries Limited

Registered Office:
15 Km. Stone,
Delhi Road,
Hissar - 125044 (Haryana)
Dated : 13th May, 2006

(I.D. Sharma)
Company Secretary

PRAKASH INDUSTRIES LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the 25th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2006.

FINANCIAL RESULTS

	For the year ended 31 st March, 2006	(Rs. in Lacs) For the year ended 31 st March, 2005
Profit before Interest, Depreciation & Tax Deductions:		
Financial Expenses	1,833.44	2,077.11
Depreciation	4,857.92	5,118.58
Expenses Amortised	-	41.55
	<u>6,691.36</u>	<u>7,237.24</u>
Profit before taxation	8,654.72	3,028.09
Taxes including deferred tax	<u>1,623.30</u>	<u>1,413.91</u>
Profit after taxation	7,031.42	1,614.18
Add : Liabilities of earlier years written back	115.87	37,286.97
Add : Excess depreciation of earlier years written back	-	14,802.46
Net profit for the year	7,147.29	53,703.61
Add: Balance Brought forward	3,866.01	(-) 62,613.09
Adjustment for deferred tax assets as on 1st April, 2004	-	12,775.49
Carried over to next year	11,013.30	3,866.01

PERFORMANCE

During the year under review, the company achieved sales revenue of Rs. 903 crores as against Rs. 800 crores in the previous year thereby registering a growth of approx. 13% over the previous year. The profit before depreciation and interest amounted to Rs.153.46 crores as against Rs. 102.65 crores in the previous year showing growth of 49%. After providing for interest, depreciation and tax, the net profit of the company before extraordinary items increased substantially to Rs. 70.31 crores during the year under review from Rs. 16.14 crores in the previous year.

OPERATIONAL REVIEW

The marked improvement in the financial results of the company is largely attributed to the power plant operations. During the year, the new power plant, which was successfully commissioned last year, operated throughout the year at higher capacity utilization, which resulted in higher output and lower cost of production of the steel operations. Also, during the year, the company, apart from meeting its in-house power requirement for steel making, also sold power to the State Electricity Board for the first time.

The performance of the steel operations namely Sponge Iron, Steel Billets and Heavy Structurals, has been satisfactory during the year, not only on account of the buoyant phase the steel industry is passing through, but also

due to the various concerted efforts of the management towards cost control measures and achieving improved capacity utilization. Both the Sponge iron rotary kilns have operated efficiently without any major problem during the year. Production of structural and liquid metal has also improved significantly during the year on account of additional power available from the new power plant commissioned in the previous year. Demand and prices of the steel products remained stable during the year and have peaked in the last quarter of the financial year. However, the only concern is the spiraling raw material prices, which continue to dent the margins.

The Rigid PVC Pipe division, with the increasing brand consciousness among the customers, has witnessed phenomenal growth during the year and its production improved by over 40% over the previous year. In view of the growing demand of PVC Pipes, the division is expected to further improve the performance in the current year. The power generation at the Wind Power Division also remained optimum during the year. Regarding other divisions, the performance during the year has also been satisfactory.

During the year, the company has set up a Wire Rod Rolling Mill, which has been successfully commissioned towards the end of the year under review. This is a further forward integration project with higher value addition and with better product mix.

The Board takes immense pleasure to further report that the company has commenced Coal Mining operations in the current financial year at Chotia Coal Block allotted by the Government of India and this will result in substantial cost saving in steel production. Also, the company has been allotted Prospecting Licences for Iron Ore Mining in Chhattisgarh and Orissa for which the company is taking necessary steps to obtain various Government clearances.

With these cost cutting and value addition measures being taken by the company, the financial performance of the company is expected to register further substantial improvement during the current year.

DIRECTORS

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

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, 2006, the applicable accounting standards have been followed along with proper explanation 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, 2006 on a 'going concern' basis.

AUDITORS

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

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

The significance of Corporate Governance has always been recognized by the company. 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.

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 13th May, 2006

V. P. Agarwal
Chairman & Managing Director

PRAKASH INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure & Developments

The country has been reeling under an acute shortage of Power. The average power shortage and the peak shortage rates during the year under review were 7.4% and 9.1% respectively. Over the past few years, the Indian economy has grown at average rate of 7-8% p.a., against which power generation capacities have grown by a meager 4% p.a., which has resulted in aggravating the power crisis. With a view to improve the power situation, government is encouraging private investment in the power sector, which has attracted many private companies to venture into power making. Envisaging mammoth growth in power sector in future, the company is also focusing more on its power operations.

The global steel demand is expected to register an annual rise of 5% in the coming years. A major portion of this increased demand is likely to be catered from emerging economies like China and India. The Indian steel industry is aiming at an ambitious plan to create capacities for 60 million tpa by 2016 and reach the level of 100 million tpa by 2020. However to be globally competitive, the Indian steel companies have to ambitiously embark on technology upgradation, raise efficiencies in operation and reduce the cost of production.

During the current financial year, there have been indications of global slow down in steel demand. This, coupled with drop in the selling prices, has to some extent, broken the long rally witnessed by the Indian steel industry. It is however expected that this could be temporary correction phase as the outlook is expected to be promising considering the demand push driven by the growing sectors like Housing, Construction, Infrastructure and Automobiles.

However the continuous spiral in the input costs remains an area of concern and the bottom lines are likely to be affected on account of uninterrupted escalation in the iron ore prices. Based on the market analysis, in view of the increased steel capacity in the country and the resultant increased demand for iron ore, the ore supplies are expected to remain tight during the current year. As a result of this, the iron ore prices are likely to maintain their volatility and increase further by not less than 10-15% in the current year. In view of the threats from raw material price volatility and looking into the thrust on infrastructure investments, only the fully integrated steel plants are expected to survive and have bright future in the coming times.

b) Opportunities and threats

The Indian economy is driven by economic reforms. In view of this, the GDP projections, which are estimated at 7% for the current year, are expected to grow at much higher rate over the next few years. Increased investment in infrastructure by the Government as well as Private Sector is expected to fuel increased demand for steel products. 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

With power & steel as its core competence area, the Company is primarily engaged in the generation of power and manufacturing of Sponge Iron, Steel Billets/Blooms and Wire Rod. The Company has been allotted a captive coal-mining block and the mining operations have commenced in the beginning of the current financial year. The company has also expanded in the finished steel segment by setting up a Wire Rod Rolling Mill, which has already commenced commercial production. This will help the company in creating a diversified product range along with substantial value addition. These integration plans will go a long way in giving a positive thrust to the economics of the steel operations.

In addition, the Company is also engaged in manufacturing of Rigid PVC Pipes. The PVC Pipe industry has been identified as one of the fastest growing sector of PVC and has registered growth of 10% p.a. With power management, being the priority sector, the demand for PVC Pipe is expected to increase in future also. The performance of the various other products of the Company as well as the future outlook has been dealt with in the foregoing paragraphs.

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. With the setting up of the new capacities both within the country and abroad is likely to further worsen the situation. 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

The company's manufacturing focus has never been only on the equipments and machines and their productivity, but also the careful management of the environment. During the year, the company has taken significant steps in this regard and has invested in various environmental management measures during the year. The company has set up a waste water treatment plant for recycle and reuse of treated waste water. The company has also commissioned a Rain Water Harvesting System to prevent soil erosion and collect rain water. Various Air Pollution control measures have also been undertaken like installation of additional bag filters in the kiln areas and fume extraction system for furnaces. The company has also procured a road sweeping machine to maintain cleanliness inside the plant. Various steps have been taken for solid waste management also.

As a socially responsible Company, we understand the problems of the society and make all efforts to resolve the same. The extent to which we fulfill our economic, environmental and social responsibility is our yardstick for measuring our success. As a step towards meeting our social responsibilities, the management has undertaken several programmes for the welfare of the Society and upliftment of the economically weaker section concentrating in respect of those who live in areas adjacent to our plants. Certain villages have been adopted by the company in the nearby districts where coaching centers have been established to develop the potential and energies of the children, to improve their personality and leadership qualities and ultimately make them responsible and good citizens of the country.

During the year, the land within and around the plant has been developed into green belt area by undertaking plantation of trees on a large scale. 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.

PRAKASH INDUSTRIES LIMITED**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**

The Board consists of nine Directors. The Chairman is an Executive Director and there are two Whole-time Directors. At any given point of time the number of Independent Directors was more than 50% of the Board strength. Presently also out of nine directors five are Independent Directors (including one nominee Director of IFCI). All Directors, Executive or Non-executive, are professionally competent and highly experienced in their respective fields.

ii) No. of Board Meetings

Five Board Meetings were held during the year 2005-2006 on 28th May, 2005; 20th June, 2005; 31st August, 2005; 28th November, 2005 and 7th March, 2006.

iii) Present Board of Directors and attendance of each Director at the Board meetings & last Annual General Meeting during the year 2005-06 and number of other Directorships and committee memberships/ chairmanships:

S.No.	Name of Directors	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.	Sh.V.P.Agarwal Chairman & Managing Director	Promoter Executive	4	No	-	2	-	-
2.	Dr. S.L. Keswani	Non-executive Independent	5	Yes	-	8	1	3
3.	Dr. Ram K. Vepa	Non-executive Independent	4	No	-	-	-	-
4.	Sh.K.C. Mehra	Non-executive Independent	5	No	-	3	2	-
5.	Sh.Manish Bahl	Non-executive Independent	5	No	-	2	3	3
6.	Sh.R.C.Pandey (Nominee of IFCI)	Non-executive Independent	2	No	-	2	-	-
7.	Sh.S.P.Jakhanwal (Special Director of BIFR)	Non-executive Independent	1*	No	-	-	-	-
8.	Sh.G.L.Mohta	Executive	5	Yes	-	-	-	-
9.	Sh. Vipul Agarwal	Executive	5	Yes	-	1	-	-
10.	Sh. Vikram Agarwal	Promoter Non-executive	4	Yes	-	3	-	-

* Ceased to be a Director w.e.f. 28th June, 2005

PRAKASH INDUSTRIES LIMITED

3. AUDIT COMMITTEE

i) Terms, composition, names of members and chairman

The Company had constituted an Audit Committee in the year 1990. Presently six Directors are members of the Committee and five of them are independent/non-executive and one is non-executive Director.

The basic terms of reference of the Committee include the following:

- * Reviewing the adequacy of internal control systems and the internal audit reports and compliance thereof.
- * Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- * Recommending the appointment of external auditors and fixation of their audit fees and also approval for payment of any other services.
- * Reviewing with the management, the quarterly and annual financial statements before submission to the Board.

Dr. S.L. Keswani (independent / non-executive Director) is the Chairman of the Audit Committee and Dr. Ram K. Vepa, Shri K. C. Mehra, Shri Manish Bahl (all are independent Directors), Shri Vikram Agarwal (non-executive Director) and Shri R. C. Pandey (nominee of IFCI) are the members of the Audit Committee.

ii) No. of Audit Committee Meetings

The Audit Committee met four times during the year 2005-2006 on 20th June, 2005; 30th July, 2005; 27th October, 2005 and 30th January, 2006.

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

- * Appointed as a member of the Committee w.e.f. 20th June, 2005.

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

4. MANAGERIAL REMUNERATION COMMITTEE

i) Terms, composition, names of members and chairman

The Company had constituted a Managerial Remuneration Committee in the year 2002. The Committee in its meetings held on 28th May, 2005 and 30th January, 2006 approved the terms and conditions of appointments and remuneration of managerial personnel viz. Managing Director and Whole-time Directors and recommended the

same for approval of the Board. The Committee comprises of four independent/non-executive Directors.

Dr. S.L. Keswani (independent / non-executive Director) is the Chairman of the Managerial Remuneration Committee and Shri K. C. Mehra, Shri Manish Bahl and Shri R.C. Pandey (all independent / non-executive Directors) are members of the Managerial Remuneration Committee of the Board of Directors.

S.No.	Name of Director	Status	Meetings Attended
1.	Dr. S.L. Keswani	Chairman	2
2.	Sh. K.C. Mehra	Member	1
3.	Sh. Manish Bahl	Member	2
4.	Sh. S.P. Jakhanwal	Member	1*
5.	Sh. R.C. Pandey	Member	-**

- * Ceased to be a Director w.e.f. 28th June, 2005

- ** Appointed as a member of the Committee w.e.f. 7th March, 2006

ii) Details of remuneration paid to Directors for the period from 1st April, 2005 to 31st March, 2006:

S.No.	Name of Director	Salary	*Perquisites	Commission Options	(Amount in Rs.) Stock Fee	Sitting
1.	Sh. V.P. Agarwal (Chairman and Managing Director)	15,00,000	10,50,851	Nil	Nil	N.A.
2.	Dr. S.L. Keswani	Nil	Nil	Nil	Nil	77,500
3.	Dr. Ram K. Vepa	Nil	Nil	Nil	Nil	62,500
4.	Sh. K.C. Mehra	Nil	Nil	Nil	Nil	57,500
5.	Sh. Manish Bahl	Nil	Nil	Nil	Nil	67,500
6.	Sh. R.C. Pandey (Nominee of IFCI)	Nil	Nil	Nil	Nil	12,500
7.	Sh. S.P. Jakhanwal** (Special Director of BIFR)	Nil	Nil	Nil	Nil	10,000
8.	Sh. G.L. Mohta (Whole time Director)	4,80,000	2,50,089	Nil	Nil	N.A.
9.	Sh. Vipul Agarwal (Whole time Director)	5,40,000	3,12,290	Nil	Nil	N.A.
10.	Sh. Vikram Agarwal	Nil	Nil	Nil	Nil	37,500

- * Excluding PF contribution

- ** Ceased to be a Director w.e.f. 28th June, 2005

iii) Details of Service Contracts of Directors:

S.No.	Name of Director	Period of Contract	Date of Re-appointment	Notice Period
1.	Shri V.P. Agarwal	5 years	01.04.2004	Nil
2.	Shri G.L. Mohta	3 years	02.05.2003	One month
3.	Shri Vipul Agarwal	5 years	01.10.2005	One month

iv) Details of shareholding of non-executive Directors in the Company as on 31st March, 2006 :

S.No.	Name of Director	No. of shares held
1.	Dr. S.L. Keswani	7403
2.	Dr. Ram K. Vepa	3281
3.	Shri K.C. Mehra	-
4.	Shri R. C. Pandey	-
5.	Shri Manish Bahl	1750
6.	Shri Vikram Agarwal	356605

PRAKASH INDUSTRIES LIMITED**5. (A) SHARE-CUM-DEBENTURE TRANSFER COMMITTEE**

There is a Share-cum-Debenture Transfer Committee of the Board of Directors of the Company which meets twice a month to approve the transfer and transmission of shares/debentures, issue of duplicate share certificates, consolidation and subdivision of share, etc.

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

As required by the Stock Exchanges, the Company has appointed Shri I.D. Sharma, Company Secretary as the Compliance Officer to monitor the transfer process and liaison with the regulatory authorities. The Company complies with the various requirements of the listing agreements and the depositories with respect to transfer of shares. The requisite certificates are sent to the transferees within the prescribed time.

(B) SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE OF DIRECTORS

The Committee has the mandate to review and redress shareholders / investors grievances. The Committee met four times during the year 2005-2006 on 2nd May, 2005, 25th July, 2005, 25th October, 2005, and 21st January, 2006 and attendance of members at the meeting was as follow:

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

Compliance Officer : Shri I.D. Sharma,
Company Secretary

Number of shareholders/ investors complaints received upto 31st March, 2006 : 54
 Number of complaints not solved to the satisfaction of Shareholders / investors : Nil
 Number of pending share transfers : Nil
 (None of the transfer was pending for more than a fortnight)

6. GENERAL BODY MEETINGS

Last three Annual General Meetings of the Company were held at the Registered Office of the Company at 15 Km. Stone, Delhi Road, Hissar - 125044 (Haryana) on the following dates and times:

Year	Date	Time
2004-2005	30.09.2005	12.30 p.m.
2003-2004	30.09.2004	12.30 p.m.
2002-2003	16.08.2003	12.30 p.m.

No special resolution was passed through postal ballot during the year under review.

7. MEANS OF COMMUNICATIONS

The quarterly/half yearly and annual results of the performance of the Company were published in "Indian Express" (English) Chandigarh and "Hari Bhoomi" (Hindi) Rohtak. The results are promptly sent to the Stock Exchanges for their record and information of all the valued members of Stock Exchanges.

The quarterly results were announced on:

i) First Quarter (Unaudited)	30th July, 2005
ii) Second Quarter (Unaudited)	27th October, 2005
iii) Third Quarter (Unaudited)	30th January, 2006

8. GENERAL SHAREHOLDERS' INFORMATION**a) Annual General Meeting:**

Date & Time : 22nd July, 2006 at 12.30 p.m.
 Venue : 15 Km. Stone, Delhi Road, Hissar-125044

Financial Calendar:

Financial Year : 1st April to 31st March

Book Closure : 18th July, 2006 to 22nd July, 2006
 (both days inclusive)

b) The Shares of the Company are listed on the following Stock Exchanges:

S.No.	Name of the Stock Exchange	Stock Code
1.	The Delhi Stock Exchange Association Ltd.	116002
2.	Bombay Stock Exchange Ltd.	506022
3.	National Stock Exchange of India Ltd.	PRAKASH
4.	The Calcutta Stock Exchange Association Ltd.	26003

- Delisting of shares from Delhi and Calcutta Stock Exchanges is expected shortly.

Company's ISIN No. : INE603A01013

c) Market Price Data :

Market price of Company's Equity Share of Rs.10/- each during the year from April, 2005 to March, 2006 at Bombay and National Stock Exchanges are given below:

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April, 2005	24.901	9.50	24.85	19.05
May, 2005	23.501	9.95	23.30	19.70
June, 2005	37.001	9.50	37.00	19.25
July, 2005	32.002	6.10	31.85	26.55
August, 2005	34.802	6.50	35.10	26.50
September, 2005	38.002	6.20	37.00	26.10
October, 2005	31.202	1.55	31.60	21.50
November, 2005	30.202	2.00	30.15	22.05
December, 2005	27.752	3.00	28.15	22.50
January, 2006	25.902	1.30	25.50	21.10
February, 2006	25.801	9.60	26.30	19.70
March, 2006	26.502	1.50	26.65	21.60