

ANNUAL REPORT  
2011-12



**PRAKASH INDUSTRIES LIMITED**

# **PRAKASH INDUSTRIES LIMITED**

## **BOARD OF DIRECTORS**

Shri V. P. Agarwal	Chairman
Shri Vikram Agarwal	Managing Director
Dr. S. L. Keswani	
Shri K. C. Mehra	
Dr. Ram K. Vepa	
Shri Manish Bahl	
Shri Piyoosh Goyal	
Shri M.L. Pareek	Whole - time Director
Shri Vipul Agarwal	Whole - time Director
Shri P.L. Gupta	Whole - time Director

## **COMPANY SECRETARY**

Shri Manoj Aggarwal

## **STATUTORY AUDITORS**

Chaturvedi & Partners  
Chartered Accountants

## **BANKERS**

Corporation Bank  
Kotak Mahindra Bank

# **PRAKASH INDUSTRIES LIMITED**

## **REGISTERED OFFICE**

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

## **CORPORATE OFFICE**

Srivan  
Bijwasan,  
New Delhi-110 061

## **WORKS**

Champa (Chhattisgarh)  
Chotia (Chhattisgarh)  
Raipur (Chhattisgarh)  
Kashipur (Uttarakhand)  
Koirā, Distt. Koenjhar (Odisha)  
Muppandal (Tamil Nadu)

## **WEBSITE**

[www.prakash.com](http://www.prakash.com)

**NOTICE**

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of Prakash Industries Limited will be held on Saturday, the 29<sup>th</sup> September, 2012 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 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Vikram Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. S.L. Keswani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri K.C. Mehra, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration. The term of appointment of M/s Chaturvedi & Partners, Chartered Accountants (Registration No.307068E) expire at the conclusion of this general meeting and being eligible offer themselves for re-appointment to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

**SPECIAL BUSINESS**

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

"RESOLVED THAT Shri P. L. Gupta, who has been appointed as an Additional Director of the Company by the Board of Directors and holds that office under the provisions of Section 260 of the Companies Act, 1956, upto the date of the ensuing general meeting, and in respect of whom the Company has received a notice proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Shri M. L. Pareek, who has been appointed as an Additional Director of the Company by the Board of Directors and holds that office under the provisions of Section 260 of the Companies Act, 1956, upto the date of the ensuing general meeting, and in respect of whom the Company has received a notice proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. 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 Section 198, 267, 269, 309, 310, 311, 317 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), and conditions stipulated in schedule XIII of the said Act, Shri Vikram Agarwal be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> April 2012 to 31<sup>st</sup> March, 2015 subject to the approval of shareholders and other appropriate authorities, if required, on the following terms and conditions:-

1. Salary: ₹ 1,50,000/- p.m.  
(in the grade of ₹ 1,50,000 - 25,000 - 2,00,000)
2. 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 : 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.

**Category 'B'**

The following perquisites will not be included in the computation of the ceiling on remuneration as per Para 2 of 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 the 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 be encashed as per rules of the Company.

**Category 'C'**

- i) Free use of Company's Car with driver for Company's business.
- ii) Free mobile and telephone facility. Personal long distance calls shall be billed by the Company.

Provided that the total of all remunerations as mentioned above 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 any authority/ shareholders and acceptable to Shri Vikram 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."

10. 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, 310 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, Shri P.L. Gupta be and is hereby appointed as a Whole-time Director of the Company w.e.f. 7<sup>th</sup> November, 2011 to 31<sup>st</sup> March, 2015 subject to the approval of shareholders and other appropriate authorities, if required, on the following terms and conditions:-

# PRAKASH INDUSTRIES LIMITED

1. Salary: ₹ 97,000/- p.m. for the period from 7th November, 2011 to 31st March, 2012  
₹ 1,50,000/- (in the grade of ₹ 1,50,000 - 25,000 - 2,00,000)  
w.e.f. 1st April, 2012 to 31st March, 2015
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:

## 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 : 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.

## Category 'B'

The following perquisites will not be included in the computation of the ceiling on remuneration as per Para 2 of 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 with driver for Company's business.
- ii) Free mobile and telephone facility. Personal long distance calls shall be billed by the Company.

Provided that the total of all remunerations as mentioned above 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 any authority / shareholders and acceptable to Shri P.L. Gupta.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take all necessary steps to implement this resolution."

11. 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, 310 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, Shri M. L. Pareek be and is hereby appointed as a Whole-time Director of the Company

w.e.f. 4th August, 2012 to 31st March, 2015 subject to the approval of shareholders and other appropriate authorities, if required, on the following terms and conditions:-

1. Salary: ₹ 2,00,000/- p.m.  
(in the grade of ₹ 2,00,000 - 40,000 - 2,80,000)
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:

## 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 : 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.

## Category 'B'

The following perquisites will not be included in the computation of the ceiling on remuneration as per Para 2 of 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 with driver for Company's business.
- ii) Free mobile and telephone facility. Personal long distance calls shall be billed by the Company.

Provided that the total of all remunerations as mentioned above 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 any authority / shareholders and acceptable to Shri M. L. Pareek.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take all necessary steps to implement this resolution."

By order of the Board  
**For Prakash Industries Limited**

Registered Office:  
15 Km. Stone,  
Delhi Road,  
Hissar – 125044 (Haryana)  
Dated : 4th August, 2012

**Manoj Aggarwal**  
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/HERSELF AND SUCH 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 attendance slip to the meeting along with their copy of Annual Report.
4. Register of Members and Share Transfer Books will remain closed from 25th September, 2012 to 29th September, 2012 (both days inclusive).
5. Members are requested to:
  - i) Quote their Folio/ DP and Client 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 No.
    - 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. Members who have not received/encashed their dividend warrants for the financial year 2010-11 may please write to the Company for claiming the said dividend.
7. The shares of the Company w.e.f. 26th February, 2001 are being traded in DEMAT form only. Those shareholders of the Company who may like to have their shares in demat form may send their shares through their respective DPs for demat.
8. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under section 109A of the Companies Act, 1956 are requested to send the prescribed Form 2B to the Corporate / Registered Office of the Company. The form 2B for the purpose would be available at the corporate office of the Company on demand or may be downloaded from the Company's website [www.prakash.com](http://www.prakash.com).
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members who are holding shares in demat form are therefore, requested to submit the self attested copy of the PAN card to their Depository Participants with whom they are maintaining their demat account(s). Members who are holding shares in physical form can submit self attested copy of PAN card to the Company.
10. **Payment of dividend :**

To enable the Company to make payment of dividend through National Electronic Clearing Service (NECS)/ Electronic Clearance Service (ECS) and to provide protection against fraudulent encashment of Dividend Warrants, shareholders holding shares in physical form are requested to submit particulars of their bank account viz. name and address of the branch of the bank, 9 digit MICR code of branch, type of account and account number to the Company's office at SRIVAN, Najafgarh - Bijwasan Road, Bijwasan, New Delhi- 110061. NECS / ECS form for providing bank details is available on the Company's website [www.prakash.com](http://www.prakash.com)

Shareholders holding shares in electronic form are requested to submit particulars of their bank account to their respective depositories for payment of dividend. The Company cannot act on any request received directly from any shareholder holding shares in electronic form for bank mandates or any change of bank particulars.

## 11. Information as required under Clause 49 IV(G) of the Listing Agreement with respect to the Directors who are retiring by rotation and being eligible seeking re-appointment is as under:

### a) Information regarding Shri Vikram Agarwal proposed for re-appointment as Director:

Shri Vikram Agarwal retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. He has been allotted Director Identification No.00054125.

Shri Vikram Agarwal joined the Board of the Company in the year 2005. He is the Managing Director of the Company and is also a member of the Audit Committee of the Company.

Shri Vikram Agarwal is a young industrialist and has gained considerable experience in the management and working of the Company. His re-appointment would be beneficial to the Company.

#### Directorship(s) held in other Companies :

Fatehpur Coal Mining Company Pvt. Ltd.

### b) Information regarding Dr. S.L. Keswani proposed for re-appointment as Director:

Dr. S.L. Keswani retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Dr. Keswani has been allotted Director Identification No.00190790.

Dr. S.L. Keswani joined the Board of the Company in the year 1980. He is Chairman of Audit, Remuneration and Shareholders' / Investors' Grievances Committees of the Company.

Dr. S.L. Keswani is an experienced technocrat 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.

#### Directorship(s) held in other Companies :

Company's Name	Committee Chairmanship	Committee Membership
Chemproject Consulting Pvt. Ltd.	-	-
Kashipur Sugar Mills Ltd.	-	Member
Khatema Fibres Ltd.	-	Member
Chemcon Fabricators (Delhi) Pvt. Ltd.	-	-
AEN Associates Pvt. Ltd.	-	-
Fuelco Coal India Ltd.	-	-
Fuelco Ispat (India) Ltd.	-	-
Fuelco Washeries (India) Ltd.	-	-
Fuelco Power and Mining Ltd.	-	-
Perfectpac Ltd.	-	-

As on 31st March, 2012, Dr. Keswani is holding 12,000 equity shares of Prakash Industries Ltd.

# PRAKASH INDUSTRIES LIMITED

## c) Information regarding Shri K.C. Mehra proposed for re-appointment as Director:

Shri K.C. Mehra retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Shri Mehra has been allotted Director Identification No.00128733.

Shri K.C. Mehra joined the Board of the Company in the year 1985. He is a member of Audit and Remuneration Committees of the Company.

Shri K.C. Mehra is a retired banker and has served at senior positions in various banks during his tenure of services.

Because of his vast experience his re-appointment would be beneficial to the Company.

### Directorship(s) held in other Companies

Company's Name	Committee Chairmanship	Committee Membership
Seasons Textiles Ltd.	Chairman	-
Seasons Furnishing Ltd.	Chairman	-

As on 31st March, 2012, Shri K.C. Mehra is not holding any equity shares of Prakash Industries Ltd.

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No.7

Shri P.L. Gupta is an experienced professional and was appointed by the Board of Directors of the Company as an additional Director with effect from 7th November, 2011. As per the provisions of Section 260 of the Companies Act, 1956, an additional Director holds office upto the date of the next Annual General Meeting of the Company. The terms of the above named Director will, therefore, expire at this Annual General Meeting. Because of his experience, his appointment as a Director would be beneficial to the Company.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member notifying his intention to propose the name of Shri P.L. Gupta for his appointment as a Director of the Company liable to retire by rotation.

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

### Item No.8

Shri M.L. Pareek is an experienced professional and was appointed by the Board of Directors of the Company as an additional Director with effect from 4th August, 2012. As per the provisions of Section 260 of the Companies Act, 1956, an additional Director holds office upto the date of the next Annual General Meeting of the Company. The terms of the above named Director will, therefore, expire at this Annual General Meeting. Because of his experience, his appointment as a Director would be beneficial to the Company.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member notifying his intention to propose the name of Shri M.L. Pareek for his appointment as a Director of the Company liable to retire by rotation.

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

### Item No.9

Shri Vikram Agarwal is an experienced Industrialist hailing from a reputed business house. He has joined the Board of the Company w.e.f. 28th May, 2005 and became Joint Managing Director w.e.f. 1st February, 2009. He is thus conversant with all the facets of the working of the Company. His terms of appointment is expiring on 31st March 2012.

Considering the increase in the business activities of the Company which resulted in increase in work and responsibility, the Board of Directors in their meeting held on 29th May 2012 considered it necessary that Sh. Vikram Agarwal be redesignated as Managing Director of the Company and thus deemed it fit to approve the appointment of Shri Vikram Agarwal as Managing Director of the Company for the period from 1st April, 2012 to 31st March, 2015 on the terms and conditions and remuneration as mentioned in the resolution as set out at item No.9 of the Notice subject to the approval of shareholders.

The matter was discussed and recommended by the Managerial Remuneration Committee also.

A copy of the resolution passed by the Board of Directors relating to the terms and conditions of appointment and payment of remuneration and other relevant documents are open for inspection for the members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting and also at the meeting.

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 Vikram Agarwal and Shri V.P. Agarwal father of Shri Vikram Agarwal are interested in the resolution.

Your Directors recommend the resolution for your approval.

### Item No 10

Shri P.L. Gupta is a Chartered Accountant and has experience of 35 years. He has been working in the Company in various capacities and was holding the post of President. He is thus conversant with all the facets of the working of the Company.

Having regard to the professional experience and knowledge of Shri P. L. Gupta, the Board of Directors appointed Shri P.L. Gupta as a Whole-time Director of the Company for the period from 7th November, 2011 to 31st March, 2015 on the terms and conditions and remuneration as mentioned in the Resolution as set out at item No.10 of the Notice subject to the approval of shareholders.

The matter was discussed and recommended by the Managerial Remuneration Committee also.

Shri P.L. Gupta is holding directorship in Prakash Thermal Power Ltd. and Radhikapur (West) Coal Mining Pvt. Ltd.

A copy of the resolution passed by the Board of Directors relating to the terms and conditions of appointment and payment of remuneration and other relevant documents are open for inspection for the members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting and also at the meeting.

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.

## **PRAKASH INDUSTRIES LIMITED**

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

Your Directors recommend the resolution for your approval.

### **Item No 11**

Shri M.L. Pareek has wide experience in the steel and power sector of over 40 years and has been associated in installation and operating a number of plants.

Having regard to the wide knowledge and experience of Shri M.L. Pareek, the Board of Directors appointed Shri M.L. Pareek as a Whole-time Director of the Company for the period from 4th August, 2012 to 31st March, 2015 on the terms and conditions and remuneration as mentioned in the Resolution as set out at item No.11 of the Notice subject to the approval of shareholders.

The matter was discussed and recommended by the Managerial Remuneration Committee also.

Shri M.L. Pareek is holding directorship in ECO Vision Infratech Pvt. Ltd.

A copy of the resolution passed by the Board of Directors relating to the terms and conditions of appointment and payment of remuneration and other relevant documents are open for inspection for the members at the Registered Office of the Company

between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting and also at the meeting.

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 M.L. Pareek is interested in the resolution.

Your Directors recommend the resolution for your approval.

By order of the Board  
**For Prakash Industries Limited**

Registered Office:

15 Km. Stone,  
Delhi Road,  
Hissar – 125044 (Haryana)  
Dated : 4th August, 2012

**Manoj Aggarwal**  
Company Secretary



# PRAKASH INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 31<sup>st</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

## FINANCIAL RESULTS

		(₹ in Crores)
	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
Net Sales & Other Income	<b>2,109.39</b>	1,672.83
EBIDTA	<b>368.14</b>	349.25
Depreciation	<b>75.56</b>	67.26
Financial Expenses	<b>13.86</b>	5.69
Expenses Amortised	<b>2.69</b>	2.69
Profit before tax	<b>276.03</b>	273.61
Provision for Taxes	<b>7.87</b>	6.53
Profit after tax	<b>268.16</b>	267.08
Balance brought forward	<b>14.61</b>	13.16
	<b>282.77</b>	280.24
Transfer to General Reserve	<b>250.00</b>	250.00
Proposed Dividend	<b>13.45</b>	13.45
Tax on Dividend	<b>2.18</b>	2.18
Carried over to next year	<b>17.14</b>	14.61

## PERFORMANCE

During the year under review, the Company has achieved net sales revenue of ₹ 2,109 crores as against ₹ 1,673 crores in the previous year. After providing for interest, depreciation and tax, the net profit of the Company stands at ₹ 268 crores during the year under review.

## DIVIDEND

The Board has recommended dividend of 10% i.e. ₹ 1 per equity share on 13,44,88,514 equity shares of ₹ 10 each of the Company for the year ended 31<sup>st</sup> March, 2012, subject to the approval of the Members at the ensuing Annual General Meeting.

## OPERATIONAL REVIEW

Your Directors are pleased to inform you that the performance in all segments of the integrated steel plant of the Company has been quite satisfactory. During the year the Company has successfully commissioned a Sponge Iron kiln which has resulted in further integration of capacities and substantial cost reduction. Further the Company has made additions in its power generation capacities also. These capacity additions have helped the Company achieve highest ever production in the Sponge Iron and Power segments. In the steel segment the turnover has registered impressive growth resulting from stable demand and much higher realisation. Captive coal mining operations and production have been as per the targets. Rigid PVC Pipes has improved upon the performance and has achieved highest ever production during the year. The Company's products are strongly placed in the market due to their superior quality which gives them a distinct edge over competitors.

## FUTURE PROSPECTS

The Company has undertaken further expansion in its Sponge Iron capacity and is setting up an additional module. In addition, the Company has also taken up expansion in its Steel Billet and Ferro Alloys capacity to reach the next level of integration and to captively utilise the surplus power generation arising out of the new capacity set up in this year.

The Company is in the midst of a major expansion the Power Generation capacity and is implementing a total capacity of 625 MW in a phased manner. The first phase of 100 MW has been commissioned towards the end of the last fiscal year and the balance capacity shall be taken in a phased manner in due course of time.

The Company is planning to further improve upon the capacity utilization in the TMT division of the Company in the current financial year. The iron ore mines allotted to the Company are under advanced stages of clearances with the Government departments. With the mines becoming operational, the Company shall be fully self reliant in terms of raw material requirement. All these steps are expected to give further boost to the profitability of the Company in the coming year.

## ENVIRONMENT AND SOCIAL RESPONSIBILITY

Company firmly believes that it should behave as a good corporate citizen, by recognizing its responsibility towards the society and the environment. It respects the expectations of the society and attempts to provide maximum contribution to the society while making profit. It recognises the importance of minimising the impact its business has on the environment and works hard to implement policies and procedures which have both immediate and long term positive effects on our environment.

As a responsible corporate citizen, the Company has taken effective measures in the areas of waste management, effective resource utilisation, pollution control and also initiated several waste reduction mechanisms. The plant has also implemented de-dusting system, fume extraction system, fog systems, electrostatic precipitators and coal dust injection system in its integrated steel plant to minimize pollution. The Company has developed thick green belts inside and around the plant for maintaining the ecological balance and to provide green and clean environment to its employees.

As a responsibility towards the society, the company is continually involved in various social efforts and initiatives for upliftment of the people in the areas around the plant like organising health camps, free medical aids, maintaining temples and recreational facilities, providing aid to educational institutions and adopting villages.

## DIRECTORS

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

Shri P.L. Gupta and Shri M.L. Pareek were appointed as additional Directors designated as Whole-time Directors of the Company w.e.f. 7th November, 2011 and 4th August 2012 respectively by the Board of Directors and hold office upto the date of the ensuing Annual General Meeting. Notices in terms of Section 257 of the Companies Act, 1956 have been received from two members proposing their names to be Directors of the Company. Their appointment as Directors is to be approved by the members in the ensuing Annual General Meeting. Shri G.L. Mohta, Whole time Director, has resigned from the Board w.e.f. 25th July, 2012.

# PRAKASH INDUSTRIES LIMITED

Shri V.P. Agarwal, Chairman and Managing Director has been redesignated as Chairman of the Company and Shri Vikram Agarwal, Joint Managing Director has been redesignated as Managing Director w.e.f. 29th May 2012. The terms of appointment of Shri Vikram Agarwal is also expiring and he is being re-appointed.

Appropriate resolutions for the re-appointment / appointment of the aforesaid Directors which the Board recommends are being moved at the ensuing Annual General Meeting for your approval.

## FIXED DEPOSITS

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- i). That in the preparation of the annual accounts for the financial year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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;
- 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, 2012 on a 'going concern' basis.

## AUDITORS

M/s Chaturvedi and 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 the 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. Your Directors recommend their re-appointment as Auditors of the Company.

## COST AUDITORS

M/s N.K. Jain and Associates were appointed as Cost Auditors for auditing the Cost Accounts of the Company for the financial year 2011-12.

The Cost Audit reports are required to be filed within 180 days from the end of financial year. The Cost Audit reports for the financial year ended 31st March, 2012 will be filed in due course.

## AUDITORS' OBSERVATIONS

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

## PARTICULARS OF EMPLOYEES

As required by the provisions 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 'A' 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 as annexure 'B' to this report.

## CORPORATE GOVERNANCE

The significance of Corporate Governance has always been recognized by the Company. A separate report on Corporate Governance and Management Discussion and Analysis alongwith a certificate from the Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement of Stock Exchanges is attached and forms part of this Report.

## ACKNOWLEDGEMENT

Your Directors take this opportunity to offer their sincere thanks to shareholders, various departments of Central and State Governments, Financial Institutions, Banks, Customers and Suppliers for their continued support and look forward to having the same support in all our future endeavours.

Your Directors place on record their sincere appreciation of the dedicated and significant contribution made by officers, staff and workers of the Company at all levels and look forward to their continued support.

By Order of the Board

Place : New Delhi  
Dated : 4<sup>th</sup> August, 2012

V. P. Agarwal  
Chairman