

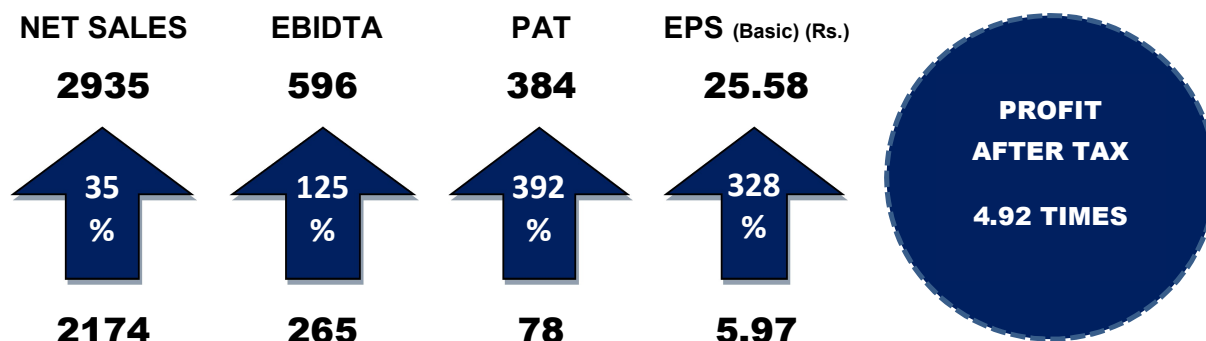
PRESS RELEASE

Date: 30th April, 2018

**FINANCIAL RESULTS FOR THE FINANCIAL YEAR AND QUARTER ENDED
31ST MARCH, 2018**

ANNUAL RESULTS

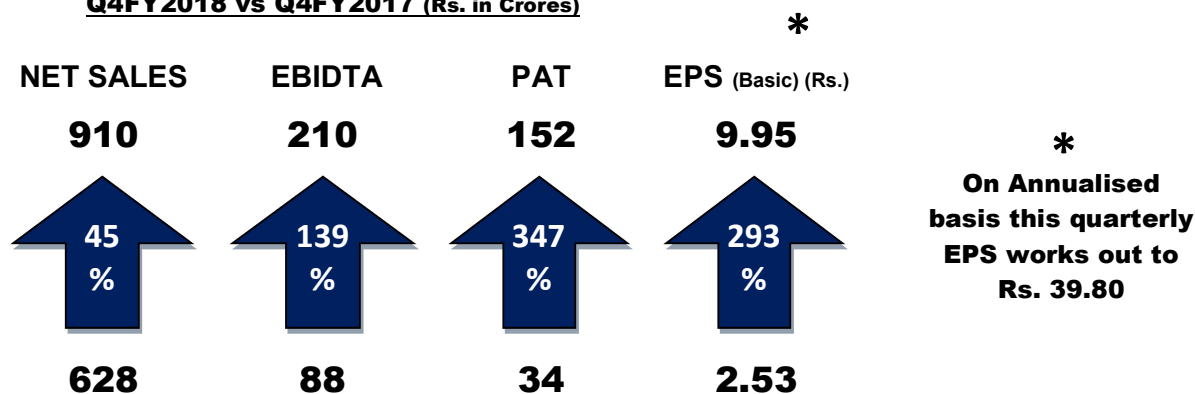
FY2018 vs FY2017 (Rs. in Crores)



During FY2018, the Company has achieved Net Sales of Rs. 2935 Crores and EBIDTA of Rs. 596 Crores, reflecting growth of 35% and 125% respectively over the last financial year. After providing for interest, depreciation and tax, the Net Profit of the Company for FY2018 zoomed by 392% to Rs. 384 Crores as against Rs. 78 Crores in last financial year. The increase in the profitability is due to focused management approach on constant improvement in **operational efficiencies, higher production volumes and better sales realisation.**

QUARTERLY RESULTS

Q4FY2018 vs Q4FY2017 (Rs. in Crores)



During Q4FY2018, the Company has achieved Net Sales of Rs. 910 Crores and EBIDTA of Rs. 210 Crores, reflecting growth of 45% and 139% respectively over the corresponding quarter of the last financial year. After providing for interest, depreciation and tax, the Net Profit of the Company for Q4FY2018 zoomed by 347% to Rs. 152 Crores as against Rs. 34 Crores in Q4FY2017. Further, Company's rating has been upgraded to "**CARE BB**" with **stable outlook.**

Future Outlook:

- **Sales Realisation at All Time High**

The Steel industry is in the midst of multi- year up-cycle driven by higher spreads. Presently, the sales realisation of the Company is at All Time High, as the prices have improved by over 30% from the level of April, 2017.

- **Targeting Four Times Revenue at around Rs. 12000 Crores by FY 2023**

The Company has undertaken expansion plans to increase its Integrated steel plant capacity from 1.20 Million tonnes per annum to 3.00 Million tonnes per annum over the **next 5 years through Internal accruals** at its existing location in Champa, Chhattisgarh.

- **Expansion in Sponge Iron, Steel and Power co-generation capacity in FY 2019**

The Company successfully commissioned 0.20 Million tonnes per annum Sponge Iron Rotary Kiln alongwith 15 MW Waste Heat Power co-generation in April, 2017. Further, in the current year, the Company is expanding the capacity of Sponge Iron Plant by 0.40 Million tonnes per annum i.e. 0.20 Million tonnes per annum by September, 2018 and 0.20 Million tonnes per annum by March, 2019 and power co-generation capacity by 30 MW, i.e. 15 MW by September, 2018 and 15 MW by March, 2019.

- **Efficient Raw Material Management**

The Company has signed Long Term Fuel Supply Agreement with Coal India Limited for its coal requirements at stable prices. Further the company has tied up the supplies of iron ore from Odisha miners and NMDC on long term basis.

- **Captive Iron Ore Mining**

The Sirkaguttu Iron Ore Mine of the Company in Odisha is going to commence production in the current quarter. Further, the Kawardha mine in Chhattisgarh is likely to be operational by April, 2019.

- **PVC Pipe Division**

The Company is doubling its PVC Pipes and Fittings production capacity by next year.

The Company, in its newly ventured Flexible Plastic Packaging business, will manufacture high performance barrier films and laminates that find application in packaging of food, beverages, oil, personal care and pharmaceutical products and the production is likely to commence by June, 2018.

The **Demerger of the PVC Pipe business** is progressing fast as NSE & BSE have already conveyed their consent to the Draft Scheme of Arrangement and other clearances are in progress.

- **Preferential Issue to Promoters**

The Company had issued Convertible Equity Warrants (Warrants) to the Promoters of the Company for a total amount aggregating to Rs. 208 crores. Promoters have since subscribed to the Warrants.

Further, in view of higher Internal Accruals and funds being raised through Preferential Issue of Warrants to the Promoters, the Company does not envisage raising of funds through Qualified Institutional Placement (QIP).

Forward Guidance:

The Revenue of the Company is likely to grow over 60% in FY 2019(YoY) to around Rs. 4,700 crores with improved EBITDA margin of around 25% owing to expansion, higher utilisation of capacities, better sales realisation and **start of mining operations at its Sirkaguttu Iron Ore Mine in Odisha this quarter.**

Disclaimer: This release contains forward-looking statements based on the currently held beliefs and assumptions of the management of Prakash Industries Limited (PIL), which are expressed in good faith and, in their opinion, reasonable. Forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or industry results, to differ materially from the results or performance implied by such forward-looking statements. Unless otherwise indicated, the information contained herein is preliminary and indicative and is based on management information, current plans and estimates. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. PIL does not undertake any obligation to update or revise these forward-looking statements to reflect future events or developments.