



Press Release

## Prakash Industries Limited- Summary of Financial Performance for FY 2010-11

**Sales up 8% at Rs.1821 crores; Profit after Tax at 267 crores  
Declares 10% Dividend**

### Highlights – FY11:

- **Sales** Rs. 1821 Crore
- **EBIDTA** Rs. 349 Crore
- **PAT** Rs. 267 Crore

### Highlights – Q4FY11:

- **Sales** Rs. 433 Crore
- **EBIDTA** Rs. 90 Crore
- **PAT** Rs. 72 Crore

**New Delhi; May 30<sup>th</sup>, 2011: Prakash Industries Ltd (PIL)**, a business house with interests in steel & power has reported the sales growth of 8% to Rs 1821 crores for the year ended March 2011 as against Rs.1691 crores for the year ended March 2010. The Profit After Tax during the year grew to Rs.267 crores as against Rs.266 crores reported in the year 2009-2010. The EBIDTA during the year was at Rs.349 crores.

The Board has recommended a dividend @ 10% per Equity Share of Rs. 10 each of the Company for the year ended 31<sup>st</sup> March, 2011. The proposed dividend translates to a payout ratio of 6% of the consolidated profits for the year.

### OPERATIONAL REVIEW

The performance of the Integrated Steel Plant of the company with capacities for Sponge Iron, Steel Melting, Ferro Alloys and Power Generation has been satisfactory. The Sponge iron production has registered an impressive growth largely due to capacity expansion which was completed in the later part of the previous financial year

The Wire Rod Division of the Company has continued to give impressive performance primarily due to strong positioning of the company's product in the market. The Captive Coal mining division have also performed exceedingly well during the year resulting into substantial cost reduction. Rigid PVC Pipes Division has further improved upon the performance and has achieved highest ever production during the year.

## **FUTURE OUTLOOK**

The company is further enhancing its sponge iron capacity by commissioning an additional module during the current financial year. The company is in the midst of a major expansion in the Power Division and is implementing a total capacity of 625 MW in a phased manner. The first phase of the project is getting completed and is expected to be commissioned by the next quarter. The subsequent phases have been taken for implementation and will be completed in due course of time.

The Company has been making continues efforts to become self-reliant in iron ore supplies. In this direction, various steps have been taken so that the company's iron ore mines may get started soon. The Company has firmed up plans to improve upon the capacity utilization in the finished products of the Company in the current financial year. These steps along with capacity addition in the Sponge Iron and Power generation are expected to improve upon the operating margin of the company substantially in the current financial year.

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