

New Delhi/Mumbai, 7th November, 2011

Prakash Industries Limited

Q2FY12 FINANCIAL RESULTS

Prakash Industries Ltd (PIL), a business house with interests in steel & power has reported financial results for the quarter ended September 30, 2011 (Q2FY12).

Net Sales / Income from operations during the quarter was Rs.458.1 crore. The EBITDA for the quarter stood at Rs.77.3 crore and PAT (Profit After Tax) at Rs. 54.8 crore.

OPERATIONAL REVIEW

The performance of the Integrated Steel plant of the company with capacities for Sponge iron, Steel Melting, Wire Rods, TMT Bars, Structural, Ferro Alloys and Power Generation has been affected by the volatility in the industry during the quarter.

OUTLOOK

The quarter was difficult due to volatility in the input prices and subdued demand for steel. To mitigate the cyclic impact of the steel industry, the company is setting up 625 MW power plant in a phased manner. 1st phase of 125 MW is under advance stage of implementation and is expected to be completely operational by Q4FY12. The company is also planning to expand its steel capacity during FY12 for achieving higher level of integration. The company is also integrating backwards to ensure constant supply of raw material by getting into captive iron ore mining. All of this, along with capacity addition in the sponge iron and power generation are expected to improve upon the operating margins of the company in the coming years.
