



Prakash Industries Limited

Near I.O.C.L. Depot, Najafgarh - Bijwasan Road,
Bijwasan, New Delhi-110061. CIN : L27109HR1980PLC010724
Tel. : 25305800, 28062115, Fax : 91-11-28062119
E-mail : pilho@prakash.com, Website : www.prakash.com

PIL/SE/UFR/Q3/2017-18

8th January, 2018

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai - 400051

Listing Department
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400001

Company Symbol : PRAKASH

Company Code : 506022

Sub : Outcome of the Board Meeting

Dear Sir,

We would like to inform you that the Board of Directors of the Company in its meeting held on 8th January, 2018 have approved the following:

1. Financial Results :

❖ The Unaudited Financial Results for the quarter/nine months ended 31st December, 2017 with limited review carried out by the Auditors of the Company. Copy of the said results and limited review report are enclosed and results also sent for publication in the prescribed format

2. A Copy of press release on the financial results update and key business highlights.

3. (a) Re-appointed Mr. Vikram Agarwal as Managing Director of the Company for further period from 1st April, 2018 to 31st March, 2021 subject to approval of shareholders in next general meeting.

(b) Re-appointed Mr. M. L. Pareek as Whole-time Director designated as Chief Executive Officer of the Company for further period from 1st April, 2018 to 31st March, 2021 subject to approval of shareholders in next general meeting.

(c) Re-appointed Mr. P. L. Gupta as Whole-time Director designated as Chief Financial Officer of the Company for further period from 1st April, 2018 to 31st March, 2021 subject to approval of shareholders in next general meeting.

Contd.....2



- :: 2 :: -

The details required under Regulation 30 of the listing regulations read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated 9th September, 2015 are given in the enclosed Annexure.

4. Approved the revised terms and conditions of remuneration of Mr. Kanha Agarwal, Joint Managing Director as per recommendation of Nomination and Remuneration Committee and subject to approval of shareholders in next general meeting.

The Board meeting commenced at 11.30 A.M. and concluded at 12.15 P.M.

This information is pursuant to Regulation 33, 52 & 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
For Prakash Industries Limited

Ashwini Kumar

Ashwini Kumar
Company Secretary



Encls : as above

Annexure

Disclosure pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to appointment of Key Managerial Personnel (Managing Director) and Directors:

Disclosure requirement	Name of Director/KMP	Details
(a) Reason for change	1. Mr. Vikram Agarwal	The present term of Mr. Vikram Agarwal, Managing Director will end on 31 st March, 2018. He has been re-appointed for a further term.
	2. Mr. M. L. Pareek	The present term of Mr. M. L. Pareek, Whole Time Director designated as Chief Executive Officer will end on 31 st March, 2018. He has been re-appointed for a further term.
	3. Mr. P. L. Gupta	The present term of Mr. P. L. Gupta, Whole Time Director designated as Chief Financial Officer will end on 31 st March, 2018. He has been re-appointed for a further term.
(b) Date of appointment and term of appointment	1. Mr. Vikram Agarwal	Mr. Vikram Agarwal has been re-appointed as Managing Director at the meeting of Board of Directors of the Company held today. The term of re-appointment is from 1 st April, 2018 to 31 st March, 2021 subject to approval of shareholders in the next general meeting of the Company.
	2. Mr. M. L. Pareek	Mr. M. L. Pareek has been re-appointed as Whole Time Director designated as Chief Executive Officer at the meeting of Board of Directors of the Company held today. The term of re-appointment is from 1 st April, 2018 to 31 st March, 2021 subject to approval of shareholders in the next general meeting of the Company.



	3. Mr. P. L. Gupta	Mr. P. L. Gupta has been re-appointed as Whole Time Director designated as Chief Financial Officer at the meeting of Board of Directors of the Company held today. The term of re-appointment is from 1 st April, 2018 to 31 st March, 2021 subject to approval of shareholders in the next general meeting of the Company.
(c) Brief Profile	1. Mr. Vikram Agarwal	Mr. Vikram Agarwal is Managing Director of the Company since 2012 and actively involved into day to day affairs of the Company.
	2. Mr. M. L. Pareek	Mr. M. L. Pareek has been appointed as Director of the Company since 4 th August, 2012. He is actively involved in Projects and operational activities of the Company.
	3. Mr. P. L. Gupta	Mr. P. L. Gupta has been appointed as Director of the Company since 7 th November, 2011. He is Chartered Accountant and actively involved in accounts and finance activities of the Company
(d) Disclosure of relationships between directors (in case of appointment of a Director)	1. Mr. Vikram Agarwal	Mr. Vikram Agarwal is related to following Director: Mr. Ved Prakash Agarwal, Chairman: Father Mr. Kanha Agarwal, Joint Managing Director: Brother
	2. Mr. M. L. Pareek	Mr. M. L. Pareek is not related to any Director of the Company.
	3. Mr. P. L. Gupta	Mr. P. L. Gupta is not related to any Director of the Company.





Prakash Industries Limited

(CIN : L27109HR1980PLC010724)

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

Corporate Office : SRIVAN, Bijwasan, New Delhi - 110061

Website:www.prakash.com

Statement of Unaudited Financial Results for the quarter and nine months ended 31st December, 2017

(₹ in lakhs)

S.No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.17	30.09.17	31.12.16	31.12.17	31.12.16	31.03.17
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	Revenue from operations	72,597	64,792	52,070	2,09,622	1,71,608	2,41,480
2	Other Income	151	550	55	830	220	332
3	Total Income (1+2)	72,748	65,342	52,125	2,10,452	1,71,828	2,41,812
4	Expenses						
	a)Cost of material consumed	44,762	40,787	30,768	1,27,053	1,05,764	1,49,270
	b)Changes in inventories of finished goods and work-in-progress	12	556	11	942	386	(1052)
	c)Employee benefit expenses	4,870	4,306	3,652	13,919	11,245	15,488
	d)Finance costs	1,890	2,164	1,857	6,113	5,217	7,307
	e)Depreciation and amortisation expenses	3,175	3,145	2,597	9,027	7,729	10,303
	f)Excise duty expenses	-	-	5,217	7,186	17,031	24,130
	g)Other expenses	7,904	7,278	6,212	22,798	19,787	27,526
	Total expenses	62,613	58,236	50,314	1,87,038	1,67,159	2,32,972
5	Profit before Exceptional items and Tax(3-4)	10,135	7,106	1,811	23,414	4,669	8,840
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax(5+6)	10,135	7,106	1,811	23,414	4,669	8,840
8	Tax expenses						
	-Current Tax	2,170	1,516	386	5,004	996	1,887
	-Minimum Alternate Tax Credit Entitlement	(2,170)	(1,516)	(386)	(5,004)	(996)	(1,147)
9	Profit after tax(7-8)	10,135	7,106	1,811	23,414	4,669	8,100
10	Extraordinary items	-	-	-	-	-	-
11	Profit for the period (9+10)	10,135	7,106	1,811	23,414	4,669	8,100
12	Other Comprehensive Income						
	a)Items that will not be reclassified to Profit or loss						
	-Remeasurement of defined benefit plans	(67)	(66)	(86)	(199)	(256)	(265)
	b)Income tax relating to items that will not be reclassified to Profit or Loss*						
	-Remeasurement of defined benefit plans	-	-	-	-	-	-
13	Total Comprehensive Income for the period(11+12)	10,068	7,040	1,725	23,215	4,413	7,835
14	Paid up Equity Share Capital (Face Value ₹10 per Share)	15,261	15,251	13,560	15,261	13,560	13,905
15	Earning Per Share (Face value of ₹ 10 each)						
	(a)Basic ₹	6.68	4.69	1.34	15.63	3.45	5.97
	(b)Diluted ₹	6.60	4.63	1.18	15.26	3.05	5.40
	(figures for the quarter/nine months not annualised)						

*Deferred tax liability is adjusted against Securities Premium Account in terms of an order of the High Court.





Prakash Industries Limited

(CIN : L27109HR1980PLC010724)

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

Corporate Office : SRIVAN, Bijwasan, New Delhi - 110061

Website:www.prakash.com

Unaudited Segment Information for the quarter and nine months ended 31st December, 2017

(₹ in lakhs)

S.No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.17	30.09.17	31.12.16	31.12.17	31.12.16	31.03.17
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue*						
	a) Power	16,408	14,136	7,603	45,218	25,560	35,858
	b) Steel	65,240	58,008	46,371	1,86,725	1,50,071	2,12,682
	c) PVC Pipe	7,196	6,607	5,566	22,441	21,157	28,319
	Total	88,844	78,751	59,540	2,54,384	1,96,788	2,76,859
	Less : Inter Segment Revenue	16,247	13,959	7,470	44,762	25,180	35,379
	Sales/Revenue from Operations	72,597	64,792	52,070	2,09,622	1,71,608	2,41,480
2	Segment Results*						
	Profit before tax and interest from each segment						
	a) Power	8,466	7,312	1,976	22,727	4,885	10,168
	b) Steel	2,839	1,011	1,059	4,138	2,405	2,671
	c) PVC Pipe	720	947	633	2,662	2,596	3,308
	Total	12,025	9,270	3,668	29,527	9,886	16,147
	Less: Financial Expenses	1,890	2,164	1,857	6,113	5,217	7,307
	Exceptional Items	-	-	-	-	-	-
	Total Profit before tax	10,135	7,106	1,811	23,414	4,669	8,840
3	Segment Assets						
	a) Power	1,50,058	1,49,329	1,44,937	1,50,058	1,44,937	1,42,564
	b) Steel	1,82,525	1,69,464	1,66,608	1,82,525	1,66,608	1,75,981
	c) PVC Pipe	7,032	6,801	6,391	7,032	6,391	7,150
	d) Unallocated	29,514	29,965	25,878	29,514	25,878	24,568
	Total	3,69,129	3,55,559	3,43,814	3,69,129	3,43,814	3,50,263
	Segment Liabilities						
	a) Power	54,109	55,274	67,203	54,109	67,203	64,663
	b) Steel	43,816	42,159	43,519	43,816	43,519	47,449
	c) PVC Pipe	1,577	1,730	1,270	1,577	1,270	1,361
	d) Unallocated	19,260	16,616	12,689	19,260	12,689	14,694
	Total	1,18,762	1,15,779	1,24,681	1,18,762	1,24,681	1,28,167

*refer note.5



Notes

1. The above results for the quarter and nine months ended 31st December,2017 have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 8th January, 2018 and the Statutory Auditors of the Company have carried out a limited review.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. During the quarter and nine months ended 31st December,2017, the Company has allotted 1,05,995 and 1,35,67,461 equity shares respectively pursuant to the conversion option exercised by certain Foreign Currency Convertible Bond holders.
4. In accordance with the requirements of Ind AS, revenue from operations is net of Goods & Service Tax (GST) for the period beginning from 1st July,2017. However, revenue from operations for the periods prior to 1st July,2017 is inclusive of Excise Duty. Hence, these figure are not comparable to that extent.
5. In view of revision in inter-unit transfer price of Power with effect from 1st April, 2017, corresponding figures of segment revenue and segment result have been revised and its impact on the Financial Results of the Company related to previous quarter/half year ended 30th September, 2017 is as under:-

Particulars	₹ in lakhs	
	Quarter ended 30 th September, 2017	Half year ended 30 th September, 2017
Profit After tax as per published result	6,583	12,524
Add: - Impact on MAT Credit entitlement	523	755
Profit After tax (Revised)	7,106	13,279

6. Previous period's figures have been regrouped / reclassified, wherever considered necessary.

Place: New Delhi
Date: 8th January, 2018

By order of the Board


Vikram Agarwal
Managing Director



CHATURVEDI & CO.

Chartered Accountants

203 KUSAL BAZAR, 32-33 NEHRU PLACE, NEW DELHI-110019
Phones: 26432388 / 26463013 / 26284488 Fax: 26467586
E-mail: delhi@chaturvedico.com * Website: www.chaturvedico.com

Independent Auditor's Review Report on Interim Financial Results of Prakash Industries Limited for the Quarter and nine months ended December 31, 2017 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Prakash Industries Limited

1. We have reviewed the accompanying Statement of unaudited Financial Results of **Prakash Industries Limited** ("the Company") for the Quarter and nine months ended December 31, 2017 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement, which is the responsibility of the company's management and approved by the Board of Directors, has been compiled from the related interim financial statements which has been prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), specified under Section 133 of the Companies Act 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our review of such financial statements.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. We refer that in terms of a court order, the deferred tax liability of Rs 282 lakhs and Rs. 867 lakhs for the quarter and nine months ended December 31, 2017 respectively has been adjusted against Securities Premium Account. Had the deferred tax liability been accounted for pursuant to Ind AS -12 'Income Taxes', total comprehensive income after tax for the quarter and nine months ended December 31, 2017 would have been lower by Rs. 282 lakhs and Rs. 867 lakhs respectively.
4. Based on our review conducted as above, except for the effect of our observation stated in para 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters:
 - a. The provision for tax expenses made by the Company is subject to assessment by the tax authorities and set off of MAT credit entitlement is subject to availability of taxable income in future periods within the prescribed time limit as per the relevant provisions of the Income Tax Act, 1961.



CHATURVEDI & CO.

Chartered Accountants

203 KUSAL BAZAR, 32-33 NEHRU PLACE, NEW DELHI-110019
Phones: 26432388 / 26463013 / 26284488 Fax: 26467586
E-mail: delhi@chaturvedico.com * Website: www.chaturvedico.com

- b. The Coal mine blocks allocated to two Joint Venture Companies have been cancelled pursuant to an order of Hon'ble Supreme court. No provision has been made for any diminution in the value of investments of Rs. 218 lakhs made by the Company in these companies and the advance of Rs. 189 lakhs given by the Company.
- c. The Company has not received the full and final compensation for the assets of Chotia coal mine transferred in terms of a government order. The necessary adjustment for the gain/loss on transfer of these assets will be made after receipt of full and final amount of compensation.

Our report is not qualified in respect of these matters.

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E



[Handwritten Signature]

PANKAJ CHATURVEDI
Partner
Membership No. 091239

New Delhi
January 08, 2018

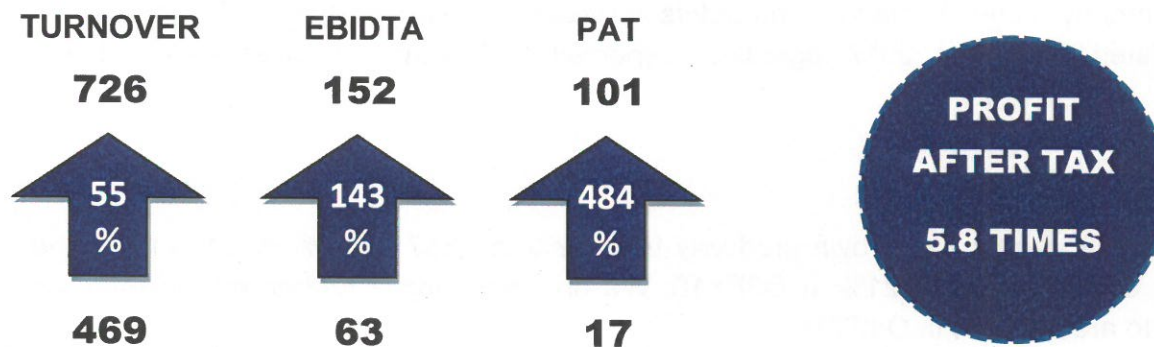
PRESS RELEASE

Date: 8th January, 2018

FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2017

Q3FY2018 (YoY)

(Rs. in Crores)



The Company has achieved a **Turnover of Rs. 726 crores** and **EBIDTA of Rs. 152 crores**, reflecting growth of 55% and 143% respectively over the corresponding quarter of the last financial year. After providing for interest, depreciation and tax, the **Net Profit** of the Company jumped **5.8 times to Rs. 101 crores** as against **Rs. 17 crores** in Q3FY17. The growth in the profitability is on the back of better sales realisation, higher volumes and major cost savings.

Highlights:

▪ **Steel Industry Outlook:**

- “The dynamics of the Steel Industry evolved rapidly during the quarter on account of production cut in steel capacity taken by China, increase in exports by India, and improvement in domestic demand, thereby creating steel shortage indigenously and resulting in elevated steel prices.

Indian Steel sector is in the midst of a multi-year upcycle driven by higher spreads (on improving global steel dynamics) and rising domestic capacity utilization. This upcycle, which is led by supply discipline in China, is likely to see strong steel prices...” – *Goldman Sachs Equity Research*

▪ **Sales Realisation at all time high**

During Q3FY18, the domestic steel and ferro alloys prices have witnessed a steep rise of more than 20%, improving the turnover and profitability margins of the Company.

▪ **Growth in Sales Volumes**

During the quarter, the sales volume of semi-finished and finished steel products recorded a growth of over 39% as against the corresponding quarter of the last financial year.

The sales volume of PVC Pipes & Fittings recorded a growth of over 45% as against the corresponding quarter of the last financial year.



▪ **Higher Capacity Utilization**

With the installation of the 5th Sponge Iron Kiln, the Company's Integrated Steel Plant capacity stands at 1 Mn tonnes p.a. The plant has been operating at around 80% utilization level in Q3FY18, which is likely to operate at 100% capacity utilization. Subsequent to the installation of our 6th Sponge Iron Kiln by September, 2018, our rated capacity will go up to 1.2 Mn tonnes p.a.

▪ **Secured Coal Linkages**

The Company has secured 100% requirement of coal through Long Term Coal Linkages totalling 1.56 Mn tonnes p.a. for a period of 5 years, which has insulated the Company against the volatility in the prices of coal and has given stability in the supply chain. Total annual cost savings through these linkages is expected to be over Rs. 100 crores.

▪ **Update on Iron Ore Mines**

The Company is awaiting final regulatory clearances for its Sirkaguttu Iron Ore Mine in Odisha and hence, expects mining operations to start by April 2018. The Kawardha Iron Ore Mine in Chhattisgarh is likely to be commissioned by April 2019.

▪ **Next Phase of Growth in Steel**

The Company is firming up plans to expand its 1.2 Mn tonnes p.a. integrated steel plant capacity to 3 Mn tonnes p.a. at its existing location in Champa, Chhattisgarh over the next 5 years in a phased manner. The expansion is being planned entirely through internal accruals.

▪ **PVC Pipes Division**

- The Company is doubling its PVC Pipes and Fittings capacity to 1,10,000 TPA in a phased manner by September 2019.
- The Company is extending the brand 'Prakash[®]' by penetrating into new territories and enhancing the product mix.
- Current growth trajectory is expected to be supported by the Government's focus on housing, rural infrastructure, agriculture, and irrigation.
- The Scheme of Demerger is filed with SEBI and Stock Exchanges. Their approval is expected shortly.



▪ **Reduction of Debt**

The Company has reduced its Debt by around Rs. 160 Crores during the nine months ended 31st December, 2017. Loan accounts with all the lenders are regular. Further, the Company is confident to be debt free in the next two years.

▪ **SEBI order:**

The Company wishes to place on record its appreciation towards SEBI for revoking its earlier order dated 7th August, 2017 regarding suspected shell company, which was inadvertently issued.

▪ **Forward Guidance**

The EBIDTA margin has grown gradually from 12% in FY17 to 17% in Q1FY18, further to 19% in Q2FY18, and to 21% in Q3FY18. We are expecting a further improvement in the margin to around 25% in Q4FY18.

Our capacity utilisation in Q4FY18 is expected to be near 100% which will help us to achieve higher sales volume and turnover.

Owing to above factors and favourable market outlook, the sales volume and turnover are likely to witness growth of around 35% and 60% respectively in Q4FY18 (YoY).

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. The risks and uncertainties, relating to these statements include but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Steel Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, reduced demand for steel, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital and general economic conditions affecting our industry. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

