



Prakash Industries Limited

Srivan, 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/Q2/2019-20

6th November, 2019

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 6th November, 2019 have approved the following:

1. Unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2019 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. Press Release on the financial results update and key business highlights, copy of the said press release is also enclosed

The Board meeting commenced at 03.30 P.M. and concluded at 04.15 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

Prakash Industries Limited

(CIN : L27109HR1980PLC010724)

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

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Statement of Unaudited Financial Results for the quarter/half year ended 30th September, 2019

(₹ in lakhs)

S.No.	Particulars	Quarter ended			Half Year Ended		Year ended
		30.09.19	30.06.19	30.09.18	30.09.19	30.09.18	31.03.19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations						
	Sales/ Income from operations	76,230	82,542	86,760	1,58,772	1,76,254	3,58,751
	Total Revenue from operations	76,230	82,542	86,760	1,58,772	1,76,254	3,58,751
2	Other Income	145	158	156	303	278	757
3	Total Income (1+2)	76,375	82,700	86,916	1,59,075	1,76,532	3,59,508
4	Expenses						
	a) Cost of material consumed	48,279	57,007	53,238	1,05,286	1,02,713	2,13,735
	b) Changes in inventories of finished goods and work-in-progress	1,377	32	(837)	1409	1109	(933)
	c) Employee benefits expense	6,004	5,815	5,323	11,819	10,467	21,209
	d) Finance costs	2,166	2,459	2,680	4,625	4,800	10,053
	e) Depreciation and amortisation expense	3,446	3,388	3,332	6,834	6,598	13,398
	f) Other expenses	11,789	10,299	11,159	22,088	21,093	46,132
	Total expenses	73,061	79,000	74,895	1,52,061	1,46,780	3,03,594
5	Profit before Exceptional items and Tax(3-4)	3,314	3,700	12,021	7,014	29,752	55,914
6	Exceptional items (refer note 5)	2,400					
7	Less: Transfer from General Reserve	2,400					649
8	Profit before tax(5-6)	3,314	3,700	12,021	7,014	29,752	55,265
9	Tax expenses						
	-Current Tax(MAT)	524	277	2,725	801	6,531	3,784
	-Earlier years Tax						114
	-MAT Credit Entitlement	(524)	(277)	(2,725)	(801)	(4,690)	(2,555)
	Total Tax expense	-	-	-	-	1,841	1,343
10	Profit after tax(7-8)	3,314	3,700	12,021	7,014	27,911	53,922
11	Other Comprehensive Income						
	a) Items that will not be reclassified to Profit or loss						
	-Remeasurement of defined benefit plans	(113)	(112)	(53)	(225)	(106)	(409)
	-Income tax relating to items that will not be reclassified to profit and loss*						
	Total other comprehensive Income	(113)	(112)	(53)	(225)	(106)	(409)
12	Total Comprehensive Income for the period (9+10)	3,201	3,588	11,968	6,789	27,805	53,513
13	Paid up Equity Share Capital (Face Value ₹10 per Share)	17,126	17,126	16,335	17,126	16,335	16,335
13	Earning Per Share (Face value of ₹ 10 each)						
	Before Exceptional Items						
	(a) Basic ₹	1.93	2.24	7.37	4.17	17.50	33.81
	(b) Diluted ₹	1.78	2.07	5.92	3.85	14.80	29.15
	After Exceptional Items						
	(a) Basic ₹	1.93	2.24	7.37	4.17	17.50	33.41
	(b) Diluted ₹	1.78	2.07	5.92	3.85	14.80	28.80

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



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Unaudited Segment Information for the quarter/half year ended 30th September, 2019

(₹ in lakhs)

S.No.	Particulars	Quarter Ended			Half Year Ended		Year ended
		30.09.19	30.06.19	30.09.18	30.09.19	30.09.18	31.03.19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	a) Power	17,890	18,832	19,090	36,722	38,903	79,723
	b) Steel	76,105	82,445	86,594	1,58,550	1,76,024	3,58,364
	Total	93,995	1,01,277	1,05,684	1,95,272	2,14,927	4,38,087
	Less : Inter Segment Revenue	17,765	18,735	18,924	36,500	38,673	79,336
	Sales/Revenue from Operations	76,230	82,542	86,760	1,58,772	1,76,254	3,58,751
2	Segment Results						
	Profit before tax and interest from each segment						
	a) Power	5,452	5,446	12,273	10,898	24,870	50,898
	b) Steel	28	713	2,428	741	9,682	15,069
	Total	5,480	6,159	14,701	11,639	34,552	65,967
	Less: Financial Expenses	2,166	2,459	2,680	4,625	4,800	10,053
	Exceptional Items	-	-	-	-	-	649
	Total Profit before tax	3,314	3,700	12,021	7,014	29,752	55,265
3	Segment Assets						
	a) Power	1,16,701	1,17,278	1,46,187	1,16,701	1,46,187	1,17,324
	b) Steel	2,72,060	2,74,430	2,59,790	2,72,060	2,59,790	2,64,249
	d) Unallocated	12,694	12,459	17,697	12,694	17,697	12,504
	Total	4,01,455	4,04,167	4,23,674	4,01,455	4,23,674	3,94,077
	Segment Liabilities						
	a) Power	28,406	28,782	31,011	28,406	31,011	29,411
	b) Steel	64,456	70,548	75,043	64,456	75,043	69,566
	d) Unallocated	13,870	10,470	16,993	13,870	16,993	9,740
	Total	1,06,732	1,09,800	1,23,047	1,06,732	1,23,047	1,08,717



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Statement of Assets and Liabilities

(₹ in lakhs)

PARTICULARS	As at Sept 30, 2019 Unaudited	As at March 31, 2019 Audited
ASSETS		
Non Current Assets		
(a)Property, Plant and Equipment	2,32,898	2,35,730
(b)Capital Work-in-progress	75,038	71,024
(c)Financial Assets		
(i)Investments	-	-
(ii)Other Financial Assets	5,963	6,425
(d)Other Non Current Assets	6,581	7,278
(e)Deferred Tax Assets	12,613	12,504
Total Non-current Assets	3,33,093	3,32,961
Current Assets		
(a)Inventories	19,188	23,331
(b)Financial Assets		
(i)Trade Receivable	19,912	15,044
(ii)Cash and Cash Equivalents	2,246	1,562
(iii)Bank Balances other than (ii) above	3,164	2,852
(iv)Other Financial Assets	11,052	5,512
(c)Other Current Assets	12,718	12,815
Total Current Assets	68,280	61,116
TOTAL ASSETS	4,01,373	3,94,077
EQUITY AND LIABILITIES		
Equity		
(a)Equity Share Capital	17,126	16,335
(b)Other Equity	2,77,595	2,69,025
Total Equity	2,94,721	2,85,360
LIABILITIES		
Non Current Liabilities		
(a)Financial Liabilities		
(i)Borrowings	38,724	43,553
(b)Provisions	4,280	3,887
Total Non Current-Liabilities	43,004	47,440
Current Liabilities		
(a)Financial Liabilities		
(i)Borrowings	12,035	15,101
(ii)Trade Payables		
(a) total outstanding dues of micro and small enterprises	2,868	3,053
(b) total outstanding dues other than (ii) (a) above	12,448	11,784
(iii)Other Financial Liabilities	18,053	14,562
(b)Other current Liabilities	10,790	10,924
(c)Provisions	2,108	1,938
(d)Current tax Liabilities	5,346	3,915
Total Current Liabilities	63,648	61,277
TOTAL EQUITY AND LIABILITIES	4,01,373	3,94,077



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Statement of Cash Flow for the half year ended 30th September'2019

(₹ in lakhs)

PARTICULARS	For the period ended 30th September,2019 Unaudited		For the Year ended 30th September,2018 Unaudited	
A. Cash Flow From Operating Activities :				
Profit before tax		7,014		29,752
Adjustments for				
Provision for employee benefit	236		173	
Depreciation expenses	6,834		6,598	
Interest & Other Income	(292)		(274)	
Loss/(profit) on sale of fixed assets	(5)		(4)	
Financial Costs	4,798	11,571	4,808	11,301
Operating Profit before working Capital changes		18,585		41,053
Adjustments for				
Increase in Trade receivables	(4,868)		(9,214)	
Increase in Other financial assets	(5,644)		(4,199)	
Decrease in Other current assets	97		(7,499)	
Decrease in Inventories	4,143		(4,209)	
Increase in Trade payable and other financial liabilities	1,875		6,754	
Increase in Other current liabilities	871	(3,526)	1,058	(17,309)
Cash from operating activities		15,059		23,744
Direct Taxes Paid(Net of refund)		(20)		(26)
Net Cash from operating activities		15,079		23,770
B. Cash Flow From Investing Activities:				
Payment for Property, Plant and Equipment		(10,411)		(20,302)
Movement in Term Deposit		(295)		(422)
Other Assets		1,138		(2,525)
Interest received		400		311
Net cash used in investing activities		(9,168)		(22,938)
C. Cash Flow From Financing Activities :				
Proceeds/(Repayments) from borrowings (Net)		(8,842)		(1,621)
Money received against Share warrants		8,142		5,103
Interest paid		(4,527)		(4,542)
Net Cash from financing activities		(5,227)		(1,060)
Net Changes in Cash & Cash equivalents (A+B+C)		684		(228)
Opening balance of Cash & Cash equivalents		1,562		2,315
Closing balance of Cash & Cash equivalents		2,246		2,087



Notes

1. The above results were reviewed and recommended by the Audit Committee and approved subsequently by the Board of Directors at their respective meetings held on 6th November, 2019.
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 half year ended 30th September, 2019, the Company has allotted 79,17,023 equity shares on conversion of share warrants.
4. Effective 01 April, 2019, the Company has adopted Ind AS 116 "Leases", applied to the lease contract existing on 1st April, 2019 using the modified retrospective method. The effect of this adoption is not material to the profit for the period and earnings per share.
5. Exceptional items represent liability of Rs.2400 lakhs being amount paid / to be paid pursuant to a settlement of a claim through mediation in a court which has been adjusted by withdrawing an equivalent amount from the general reserve.
6. In view of the Demerger of PVC pipes undertaking with effect from 1st April, 2018 (the appointed date), the published figures for the quarter ended 30th September, 2018 and the figures up to the second quarter ended 30th September, 2018 have been restated to exclude the financial results of PVC Pipes undertaking. The management has exercised necessary due diligence to prepare the statement of cash flow for the half year ended 30th September, 2018 and the figures have not been subjected to limited review.
7. Previous period's figures have been regrouped / reclassified, wherever considered necessary to make them comparable.

Place: New Delhi

Date: 6th November, 2019

By order of the Board


Vikram Agarwal

Managing Director



CHATURVEDI & CO.

Chartered Accountants

203 KUSAL BAZAR, 32-33 NEHRU PLACE, NEW DELHI-110019

Phone: 011-41048438

E-mail: delhi@chaturvedico.com * Website: www.chaturvedico.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF

PRAKASH INDUSTRIES LIMITED

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Prakash Industries Limited ('the Company') for the quarter and six months ended September 30, 2019. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We refer:
 - a) that the deferred tax liability of Rs. 369 lakhs and Rs. 691 lakhs for the quarter and half year ended on September 30, 2019 has been adjusted against Securities Premium Account by the Company in terms of a court order. Had the deferred tax liability been accounted for pursuant to Ind AS -12 'Income Taxes', net profit and total comprehensive income after tax for the quarter and half year ended on September 30, 2019 would have been lower by Rs. 369 lakhs and Rs. Rs. 691 lakhs respectively.
 - b) Note 5 of the statement of financial results, in respect of adjustment of liability of Rs. 2,400 lakhs being amount paid/payable pursuant to a settlement of claim by the Company through mediation in court, by withdrawing an equivalent amount from general reserve. Had this adjustment not been made, net profit after tax and total comprehensive after tax for the half year ended on September 30, 2019 would have been lower by Rs. 2,400 lakhs.
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 of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

New Delhi
November 06, 2019



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


PANKAJ CHATURVEDI
Partner
Membership No. 091239

PRAKASH INDUSTRIES LIMITED**FINANCIAL RESULTS FOR THE QUARTER ENDED 30th SEPTEMBER, 2019**

During the quarter, the Company has achieved Net Sales of Rs. 762 Crores and EBITDA of Rs. 89 Crores. After providing for interest, depreciation and tax, the Net Profit of the Company for the quarter is Rs. 32 Crores.

Highlights:**• Record Quarterly Production**

The Sponge Iron division and Finished Steel division achieved highest ever quarterly production of 2.05 lakh tonnes and 2.16 lakh tonnes respectively during Q2FY20, up by around 10% over Q2FY19.

• Expansion in Sponge Iron and Power Co-Generation capacity

The Company has commissioned its 6th Sponge Iron Rotary Kiln and the commercial production has started. The Kiln has a capacity of 2 lakh tonnes per annum of sponge iron and 15 MW of power through co-generation by recovering the waste heat from the kiln. The commercial production from the new Sponge Iron Rotary Kiln with additional power will result in significant cost savings to the Company.

• Expansion in Steel Melting Shop (SMS) capacity

The Company has expanded the installed capacity in its SMS division by commissioning 4 nos. new energy efficient Induction Furnaces. The enhanced capacity now stands at 1.176 million tonnes per annum. The installation of these Induction Furnaces will result in further cost savings to the Company.

• Commencement of Captive Iron Ore Mining operations

The Company has commenced the mining operations at its Sirkaguttu Iron and Manganese ore mine in the state of Odisha and the extraction of minerals from the mine is expected to scale up within November, 2019. This is an important mile stone for the Company and will result in significant cost reduction in the cost of iron ore, which is a key input for steel making.

• Emerges as Highest Bidder for Bhaskarpara Coal Mine

The Company today participated in the 8th tranche of Coal Blocks auction, conducted by Ministry of Coal and has emerged as the highest bidder for the Bhaskarpara Coal Mine, which is nearby to our Integrated Steel Plant at Champa (Chhattisgarh). The mine has an extractable reserve of 24.06 Million tonnes. It is expected that the vesting order for the mine by the Nominated Authority of Ministry of Coal may be issued to the Company in the due course of time. Availability of coal from the Bhaskarpara Coal Mine will substantially enhance the operating margins of the Company.

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. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements.

