



Prakash Industries Limited

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PIL/SE/MIS/2017

18th October, 2017

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

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

Company Code : 506022

Company Symbol : PRAKASH

**Sub: Intimation under Regulation 30(6) of the Securities and
Exchange Board of India (Listing Obligations and Disclosures
Requirements) Regulations, 2015**

Dear Sir,

**Please find enclosed herewith Presentation on Q2FY18 Results for
your kind information and record. You are requested to kindly
update the same on your website.**

Thanking you,

Yours faithfully,
For **Prakash Industries Limited**

Ashwini Kumar

Ashwini Kumar
Company Secretary

Encls : as above





Prakash Industries Limited

People... Prosperity... Progress

Q2 & H1 FY18 Result Presentation



Disclaimer

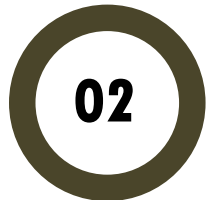
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Result Highlights



Company Overview



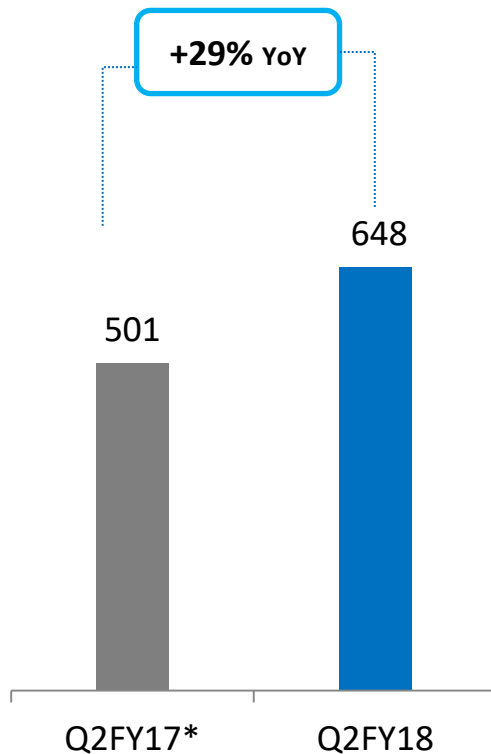


Result Highlights

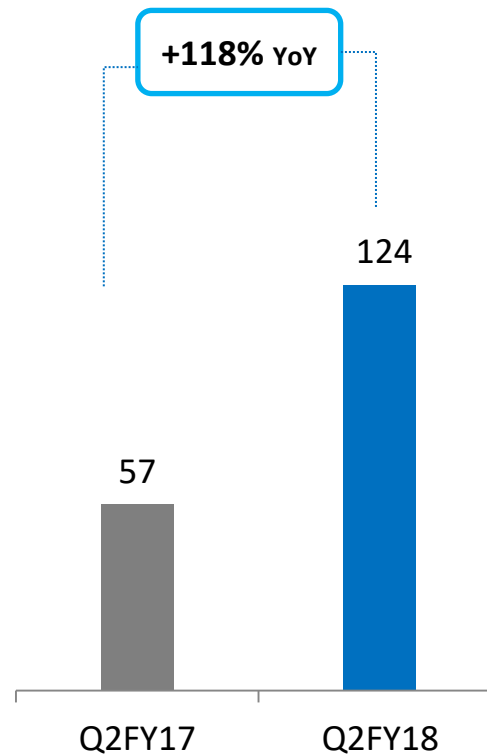


Financial Highlights – Q2FY18

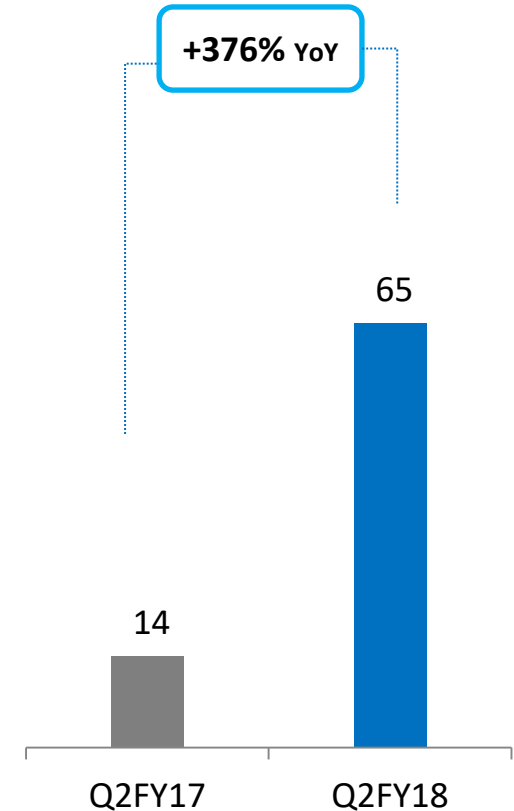
Revenue (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)

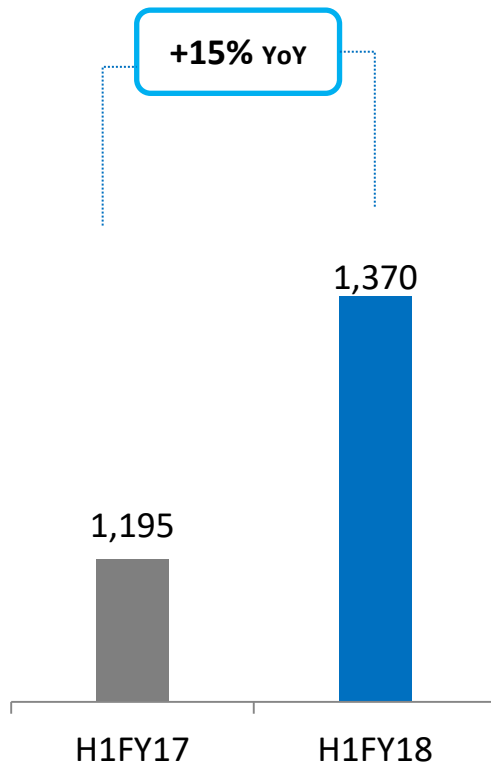


* Revenue for Q2FY17 adjusted as per GST

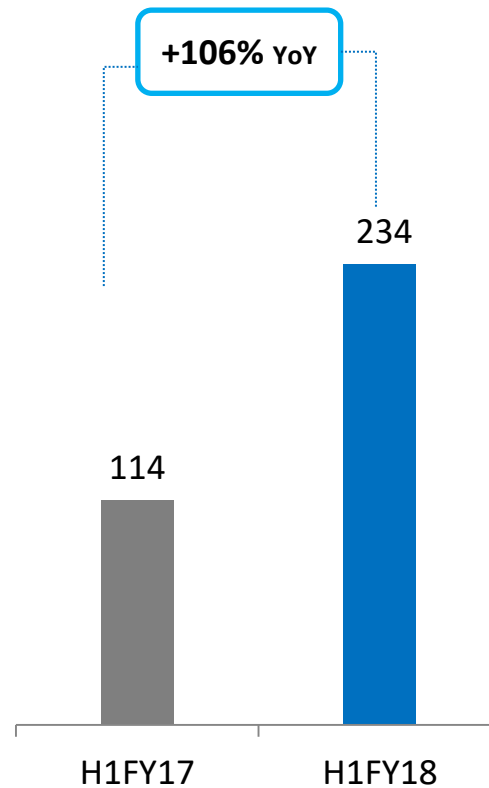


Financial Highlights – H1FY18

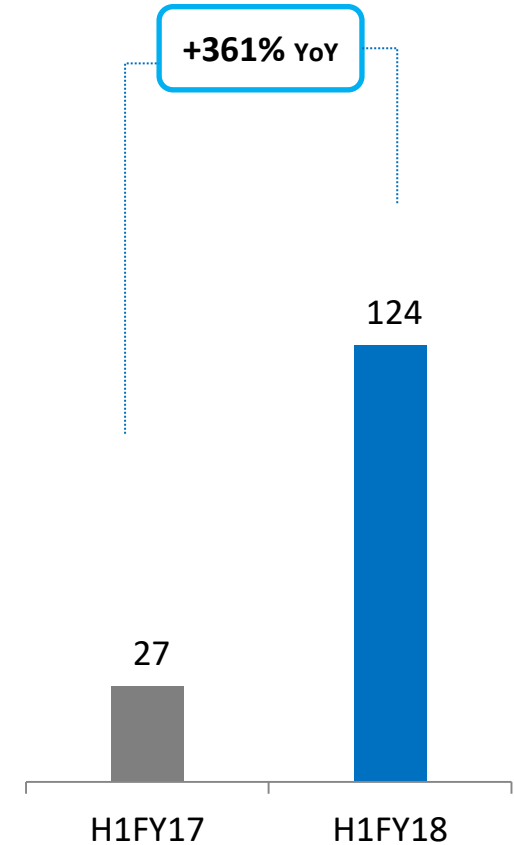
Revenue (Rs. Cr)



EBITDA (Rs. Cr)



PAT (Rs. Cr)





Business Updates

❖ Expansion in Sponge Iron & Power Co-generation capacity

- Setting up 6th Sponge Iron Rotary Kiln of 0.2 Mn TPA with 15 MW Co-generation plant
- To be commissioned by September 2018; increasing the Integrated Steel capacity to 1.2 Mn TPA

❖ Secured Additional Long Term Coal Linkages

- Secured additional Long Term Coal Linkages of 0.21 Mn TPA from Coal India Limited
- This fulfils 100% requirement of coal for Sponge Iron plants
- Total quantity secured through linkages stands at 1.56 Mn TPA for the next 5 years

❖ Expansion in PVC Pipes Capacity

- PVC Pipes & Fittings capacity to double to 1,10,000 TPA by September 2019 from existing 55,000 TPA

❖ Demerger of PVC Pipes Business

- Board of Directors have approved the demerger of PVC Pipes Division and scheme of demerger submitted to SEBI and Stock Exchanges
- Appointed date expected to be 1st April, 2018, subject to all mandatory clearances
- Equity Shareholders of Prakash Industries Ltd will receive 1 equity share of Prakash Pipes Ltd. for every 8 equity shares held in the Company





Debt Updates

❖ Allotment of Equity shares to FCCB holders

- During the Q2FY18, Company allotted 30,20,881 equity shares pursuant to the conversion option exercised by certain FCCB holders
- After conversion of FCCB, paid-up share capital of the Company has increased from Rs 149.49 Cr to Rs 152.51 Cr

❖ Reduction in debt liability on account of conversion of FCCBs into Equity Shares and repayment of Term Loans

- During H1FY18, Debt has reduced by ~ Rs 80 cr on account of conversion of FCCB.
- During H1FY18, Debt has reduced by ~ Rs 40 cr on account of repayment of Debt
- The company had issued US\$ 17.85 mn FCCB in Sep-15, out of which, US\$ 17.00 mn bonds have since been converted



Profitability Highlights

Rs. in Cr	Q2FY18	Q2FY17	YoY	H1FY18	H1FY17	YoY	FY17
Revenues	648	556	16%	1,370	1,195	15%	2,415
Other Income	5.5	1.2		6.8	1.7		3.3
Total Income	653	558	17%	1,377	1,197	15%	2,418
Raw Material	413	343		832	754		1,482
Employee Expenses	43	38		90	76		155
Other Operating Expenses	73	119		221	254		517
EBITDA	124	57	118%	234	114	106%	265
EBITDA Margin (%)	19.2%	10.2%		17.0%	9.5%		10.9%
Depreciation	31	26		59	51		103
Interest	22	17		42	34		73
Profit Before Tax	71	15	389%	133	29	365%	88
Tax	5	-		8	-		7
Net Profit	66	15	353%	125	29	338%	81
Net Profit Margin (%)	10.1%	2.6%		9.1%	2.4%		3.3%
Other Comprehensive income	(1)	(1)		(1)	(2)		(3)
Total Comprehensive Income	65	14	376%	124	27	361%	78



Balance Sheet Highlights

Rs. Crore	Sep-17	Mar-17
Shareholder's Funds	2,398	2,221
Share capital	153	139
Other Equity	2,245	2,082
Non-current liabilities	607	694
Long term borrowings	483	578
Long-Term Provisions	32	29
Deferred tax liability	92	87
Current liabilities	551	588
Short Term Borrowings	99	143
Trade Payables	109	97
Other Financial Liabilities	252	265
Short-term provisions	14	13
Other Current liabilities	48	51
Deferred tax liability	28	19
Total Equities & Liabilities	3,556	3,503

Rs. Crore	Sep-17	Mar-17
Non-current assets	3,114	3,093
Fixed assets	2,840	2,771
Non Current Tax Asset	3	3
Other non-current assets	272	319
Current Assets	442	409
Investments	33	-
Inventories	176	188
Trade receivables	92	76
Cash & Cash equivalents	11	17
Bank Balance (other then Cash equivalents)	35	11
Other Current Assets	95	117
Total Assets	3,556	3,503

Key Balance Sheet Ratios	FY17
Gross Debt to Equity	0.35x
Fixed Asset Coverage Ratio	5.7x
Working Capital Days	25 Days



Company at Glance



Company Overview

*One of the Largest **Integrated Steel Manufacturers** in India*

*Strategically located plants in **Chhattisgarh**, one of the major coal and Iron ore belts*

***Captive Iron ore mines** in Odisha & Chhattisgarh; Step towards Backward integration*

***230MW captive power plant** at its integrated steel plant*

*PVC pipes & fittings- **Strong brand presence** in North India*





Diversified Business Segments



Steel



Power



PVC Pipes





Integrated Steel Business

01



Fully Integrated steel plant at Chhattisgarh

02



Produces steel through coal based **Sponge Iron Route** ;
Technical collaboration with Lugri GmbH, Germany

03



Secured Supply of Key Raw material – (i) Iron Ore through allotted mines in the state of Chhattisgarh & Odisha
(ii) Coal through long term linkage from Coal India

Product	Location	Existing Capacity
Sponge Iron	Champa, Chhattisgarh	1.0 Mn Tons
Steel Billets	Champa, Chhattisgarh	1.1 Mn Tons
Ferro Alloys	Champa, Chhattisgarh	0.1 Mn Tons
Finished Steel (<i>Wire Rods, TMT Bars, Structural</i>)	Raipur, Chhattisgarh	1.1 Mn Tons





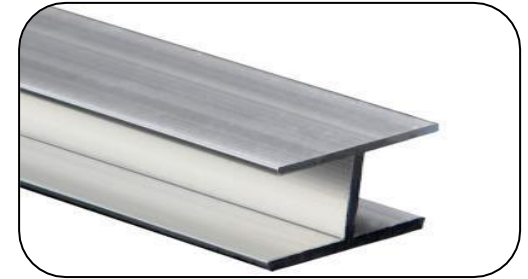
Steel Business – Product Offerings



Wire Rods



HB Wire



Structural Steel



TMT bars



Ferro Alloy





Power Business



Operating **230 MW captive power** at its Integrated Steel Plant



Power generated partly by **harnessing waste gases** emanating from Sponge Iron process and partly through **Thermal route**



Newly commenced Fifth Sponge Iron Rotary Kiln generating **additional 15MW power**





Key Growth Drivers – Steel & Power Business

National Steel Policy 2017

- Build a globally competitive industry with a crude steel capacity of **300 MT by 2030-31**
- Increase per Capita Steel Consumption to **160 Kg by 2030-31**
- **Domestically meet entire demand** of high grade automotive steel, electrical steel, special steels and alloys for strategic applications by 2030-31
- **Become net exporter** of steel by 2025-26
- **World leader** on energy and raw material efficient steel production by 2030-31
- Develop and implement **quality standards** for domestic steel products
- Development of **power evacuation** infrastructure

Focus on Affordable Housing & Infrastructure

- Emphasis on **Housing for All by 2022** by the Government
- Aim to build **50 million** new low-cost houses over the next **5 years**
- **Incentivizing Affordable Housing** by increasing project completion timeline to 5 years from 3 years
- **Interest subsidy & Tax** incentives for the Affordable housing Projects
- **Governments push for infrastructure development**
 - Railways
 - Defence
 - Roadways
 - Inland Waterways
 - Metros
 - Ports
 - Airports





Rigid PVC Pipes Business



Plant Strategically located in Uttarakhand;
with current capacity of **55,000 MTPA**



Strong Brand presence in the states of UP, Uttarakhand, Delhi,
Haryana & Punjab



Witnessing Revenue Growth of **16% CAGR** in last 5 years
Operating profit margin growth at **26% CAGR** since last 5 years



Enhanced product portfolio with PVC fittings and Garden Pipes





Rigid PVC Pipes – Product Portfolio



UPVC Pipes



SWR Pipes



Plumbing Pipes



Column Pipes



UPVC Fittings



Casing Pipes





Key Growth Drivers – PVC Pipes Business

Government thrust on Agriculture & Infrastructure

Swachh Bharat Abhiyan

“Affordable Housing” and “Housing for All”

Higher Union Budget allocation for Irrigation sector

GST to give edge to the organised players over unorganised sector





Capacity Expansion Update

Product	Location	Existing Capacity	Future Capacity	Total Capacity	Time Line
<i>Integrated Steel</i>					
<i>Finished Steel</i>	Raipur, Chhattisgarh	1.1 Mn Tons	-	1.1 Mn Tons	-
<i>Sponge Iron</i>	Champa, Chhattisgarh	1.0 Mn Tons	0.20 Mn Tons	1.2 Mn Tons	Sept, 2018
<i>Steel Billets</i>	Champa, Chhattisgarh	1.1 Mn Tons	-	1.1 Mn Tons	-
<i>Ferro Alloys</i>	Champa, Chhattisgarh	0.13 Mn Tons	-	0.13 Mn Tons	-
<i>Power</i>	Champa, Chattisgarh	230 MW	15 MW	245 MW	Sept, 2018
<i>PVC Pipes</i>	Kashipur, Uttarakhand	55,000 Tons	Phase I – 10,000 Tons	65,000 Tons	Mar, 2018
			Phase II – 45,000 Tons	1,10,000 Tons	Sep, 2019



Thank You



For more information visit:
www.prakash.com