Financial Performance for the period ended March 2010

Net Profits Grows 30% to Rs. 266 Crore

New Delhi, 28th May , 2010 - Prakash Industries Ltd (PIL), a business house with interests in steel & power has reported a strong financial performance for the year ended March 2010.

Prakash Industries Ltd. reported highest ever net profit of Rs.266 core for the FY -2009-10 as against Rs.204 crore in FY 2008-09 showing a growth of 30% as compared to the previous year mainly driven by marked improvement in capacity utilization, higher integration and resultantly reduced cost. The company has achieved growth of more than 22% in its sales volumes as compared to the previous year which helped the Company to improve its operating margins. The company reported net sales of Rs.1568 crore in FY 2009-10 as against Rs.1526 crore in FY 2008-09.

The company has reported EBIDTA of Rs. 360 crore for the year ended March 31,2010 which has grown by more than 18% from Rs. 304 crore as compared to the previous year.

Particulars	Year ended (Amt. In Rs. Crore)		Growth
	31st March., 2009	31st March., 2010	%
EBDITA	304	360	18
PAT	204	266	30
EPS (Rs.)	18	23	29

The performance of the wire rod manufacturing unit has been exceedingly encouraging in the current year also as the unit operated at its optimum capacity contributing significantly to the bottom line. The company successfully implemented its plan of more than doubling the capacity in the division by adding additional capacity and also balancing the existing one.

The company has taken a step forward in its steel operations by enhancing capacity in sponge iron division and also expanding its Steel Melting Capacity which has resulted in

significant saving in the raw material costs and has also enhanced the self reliance quotient of the company.

The captive coal mine operations performed exceedingly well and achieved record production during the year and the Company has been awarded " coal India Project Implementation Trophy" by the mining Geological and Metallurgical Institute of India . This is the for the first time that any company in private sector has been awarded this Trophy.

Commenting on the results, Mr. VP Agarwal, CMD – Prakash Industries said, ***"The strong financial performance is a result of improved production levels & efficiencies and greater level of integration that we have achieved. We expect the trends to continue going forward."***

FUTURE OUTLOOK

The company's ambitious plans to foray in the power sector in a big way are progressing at a fast pace and it plans to add 625 MW in its captive power generation capacity in the next 3 years. The first phase is expected to be commissioned in the current year and thereafter subsequent phases shall come up in a phased manner in the next three years. PIL already has a coal mine allotted to it for this project. The Company is poised to be a major player in the merchant power business in the coming years.

The company has also taken up expansion in its steel making capacities to make the entire operations fully integrated, this plan is expected to be completed in the next two years.

The efforts of the company in past so many years to become self reliant in iron ore bore fruit and it is expected that the company's Iron Ore mines both in Chhattisgarh and Orissa will be operational in the current year which shall give a substantial boost to the company's bottom line.