

# PRAKASH INDUSTRIES LIMITED



*People... Prosperity... Progress...*

**INVESTOR PRESENTATION | Q1 FY19**

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# AGENDA

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# KEY UPDATES

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## ❖ All Time High Sales Realisation

- During the quarter, the **sales realisation** of the Company was at **All Time High**, as the prices improved by ~ **30%** against Q1FY18

## ❖ Highest Ever Sales Volume

- Achieved highest quarterly sales volume of **~2.40 lac tonnes** in Q1FY19, growth of **26%** against Q1FY18
- Better capacity utilization, supported by steady supply of raw materials from coal linkages & long term supply agreements of high grade iron ore from Odisha resulted in higher **EBITDA** margin of **~25%**

## ❖ Captive Iron ore Mining

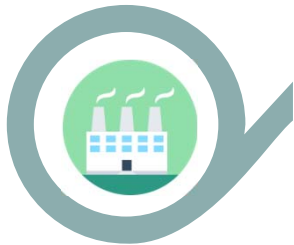
- **Received Stage I approval** & executed the mining lease for Sirkaguttu Iron Ore Mine in Odisha
- **Extraction** from the mine expected by **Q2FY19**

## ❖ PVC Pipe Division

- Company in process of **Demerging** its PVC Pipes & Fittings business
- **Received approval** by Shareholders, Secured Creditors and Unsecured Creditors at meetings convened on 2nd June, 2018
- **Flexible Packaging plant successfully commissioned** to manufacture high performance barrier films & laminates
- Flexible Packaging business form part of the resulting company

# 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

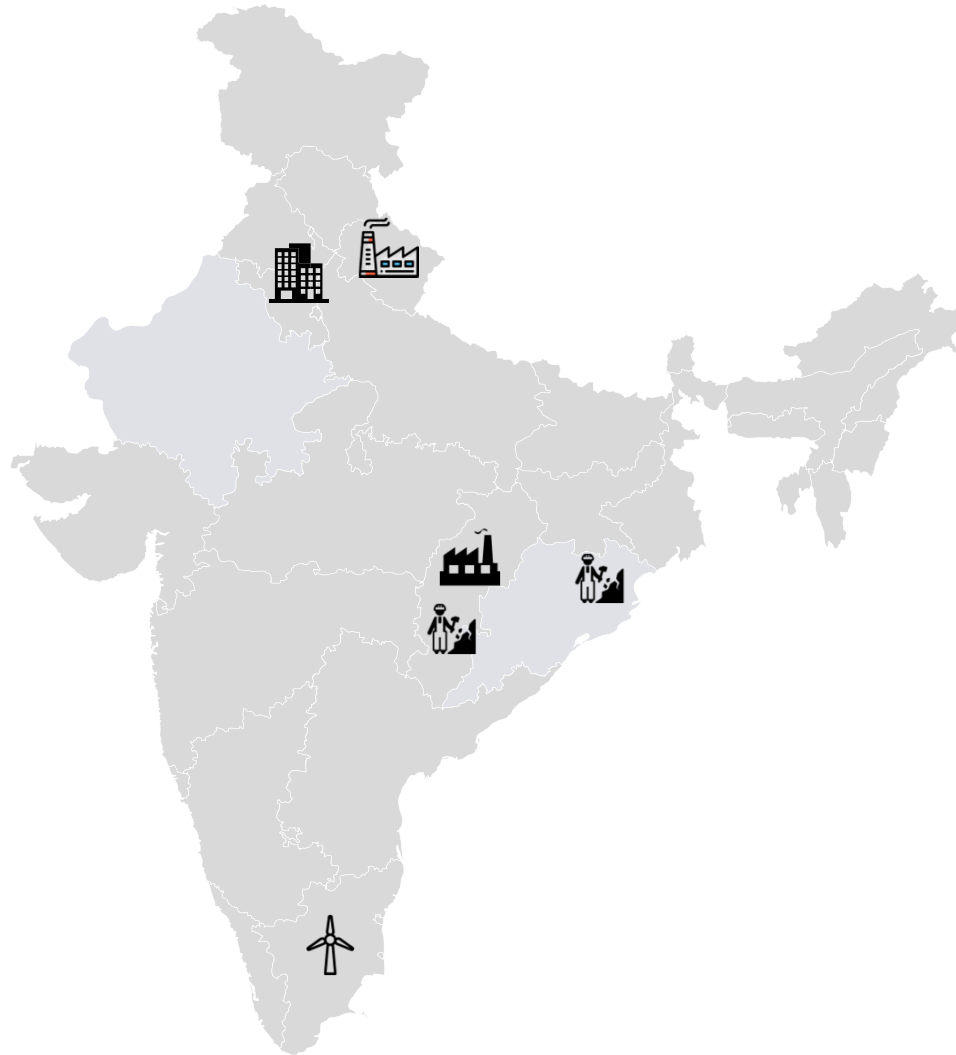


**230MW captive  
power plant** at  
its integrated  
steel plant



PVC Pipes &  
Fittings- **Strong  
brand presence**  
in North India

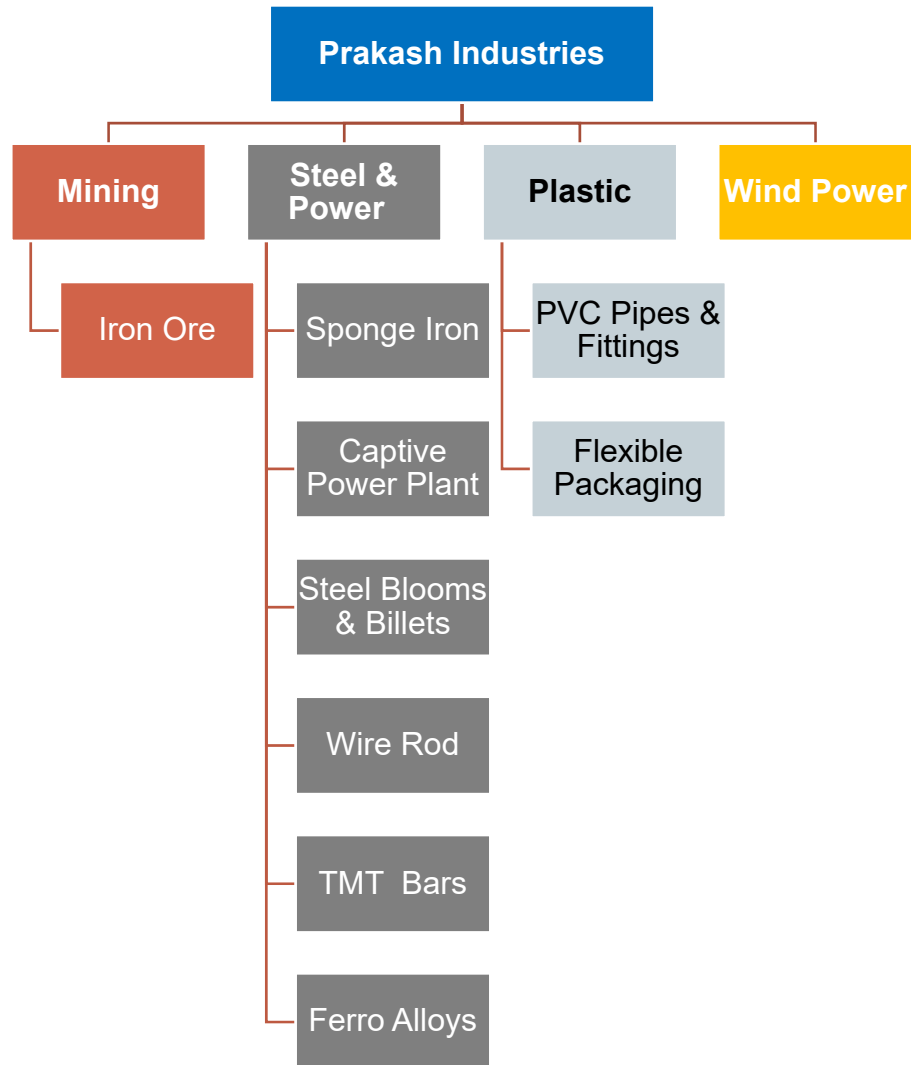
# OUR FOOTPRINTS



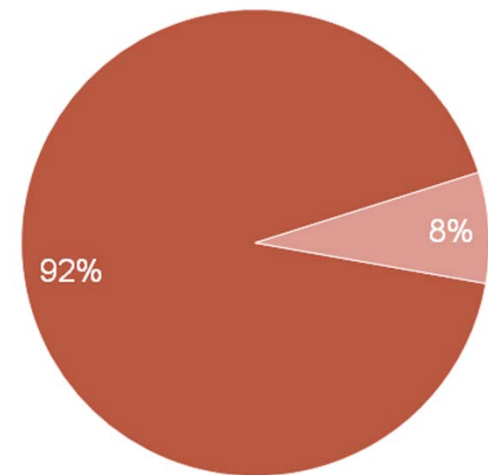
	Corporate Office, New Delhi
	1 Mn Tonne Steel Manufacturing Capacity
	55,000 Tonne PVC Pipes Manufacturing Capacity
	Allotted Kawardha iron ore mine in Chhattisgarh, operational by FY20
	Sirkaguttu Iron Ore Mine in Odisha, operational by Q2FY19
	Windmill , Tamil Nadu



# DIVERSIFIED BUSINESS SEGMENTS

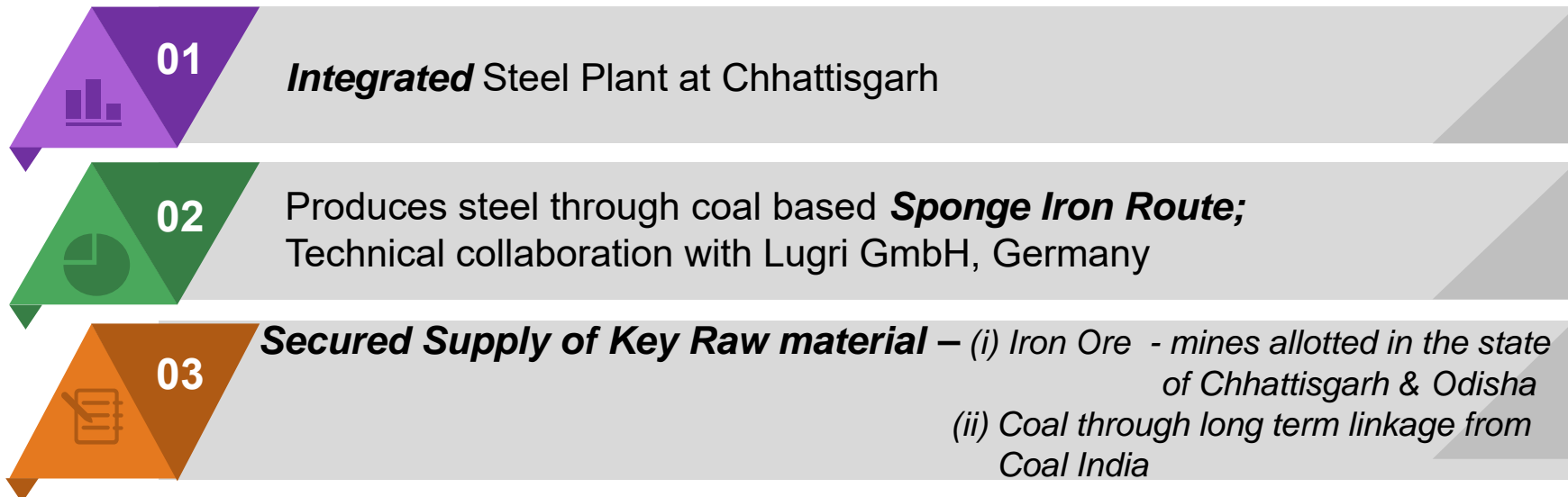


**Revenue Break-up  
Q1FY19**



■ Steel & Power  
■ PVC Pipes & Fittings

# INTEGRATED STEEL BUSINESS



Product	Location	Existing Capacity
Sponge Iron	Champa, Chhattisgarh	1.0 Mn Tons
Steel Billets	Champa, Chhattisgarh	1.1 Mn Tons
Ferro Alloys	Champa, Chhattisgarh	0.13 Mn Tons
Finished Steel ( <i>Wire Rods, TMT Bars, Structural</i> )	Raipur, Chhattisgarh	1.1 Mn Tons

# STEEL – PRODUCT PORTFOLIO



**Wire Rods**



**HB Wire**



**Structural Steel**



**TMT bars**



**Ferro Alloys**

# POWER BUSINESS

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

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

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Out of the **total 230 MW** – **65 MW through Power Co generation** and **165 MW through Thermal route**

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# STEEL & POWER – KEY GROWTH DRIVERS



## 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** from 61 kg currently
- **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

# PVC PIPES BUSINESS – DEMERGED ENTITY



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

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

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Enhanced product portfolio with PVC fittings and Garden Pipes

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Ventured into Flexible Plastic Packaging business at Kashipur

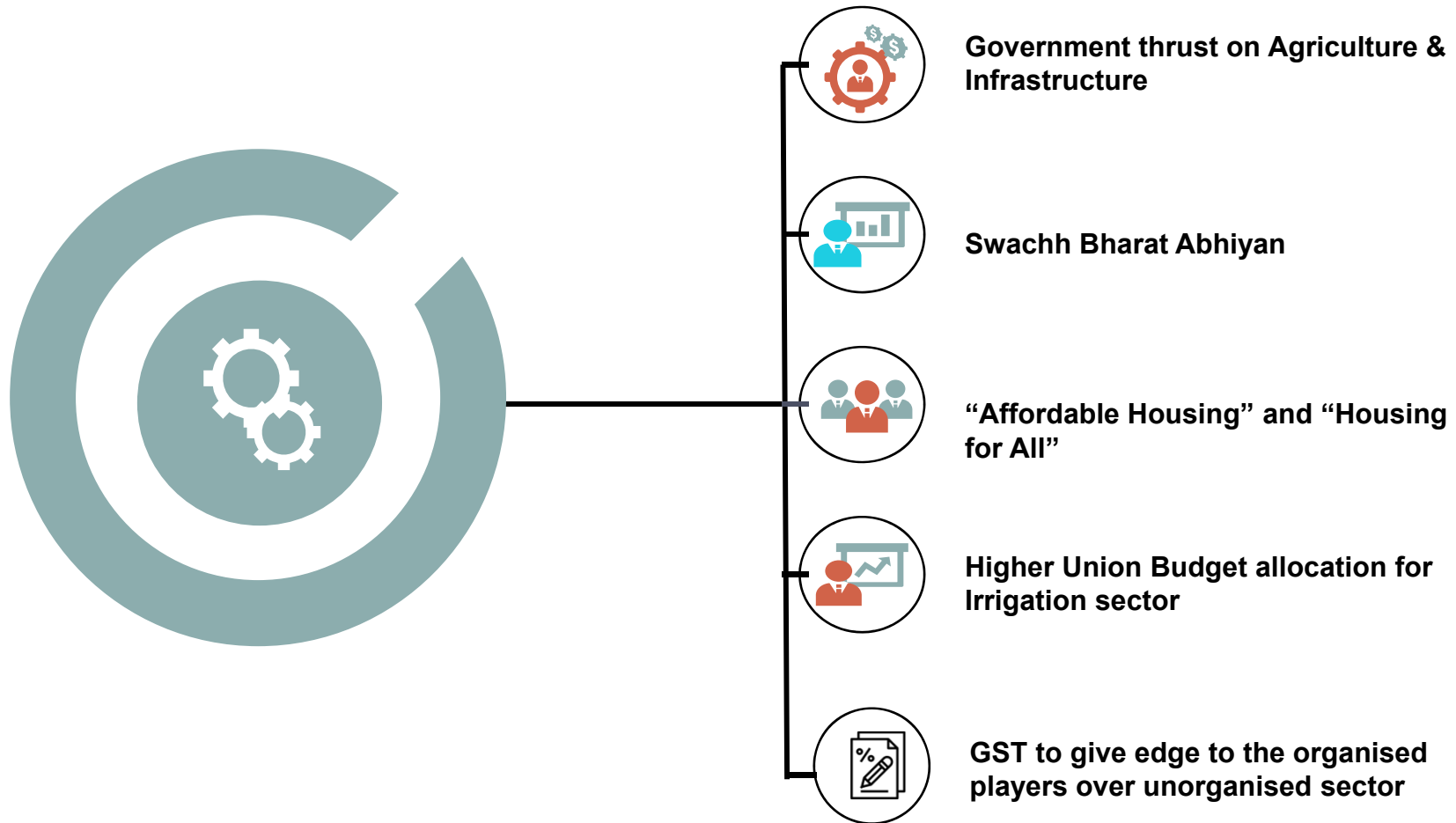
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# PVC PIPES – PRODUCT PORTFOLIO





# KEY GROWTH DRIVERS – PVC BUSINESS





# CAPACITY EXPANSION TO ADD VALUE IN FY19



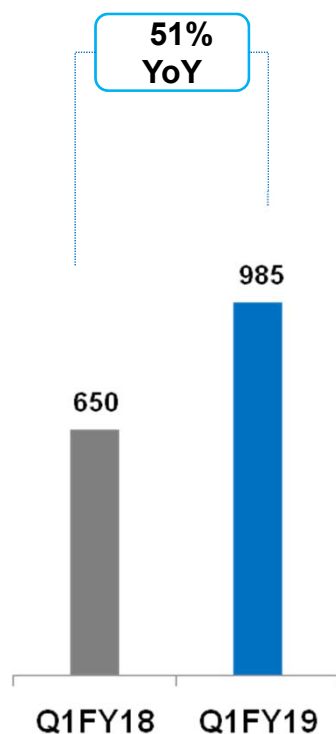
Product	Location	Existing Capacity	Future Capacity	Total Capacity	Time Line
<b>Integrated Steel</b>					
<b>Finished Steel</b>	Raipur, Chhattisgarh	1.1 Mn Tons	-	1.1 Mn Tons	-
<b>Sponge Iron</b>	Champa, Chhattisgarh	1.0 Mn Tons	0.40 Mn Tons	1.4 Mn Tons	Mar, 2019
<b>Steel Billets</b>	Champa, Chhattisgarh	1.1 Mn Tons	-	1.1 Mn Tons	-
<b>Ferro Alloys</b>	Champa, Chhattisgarh	0.13 Mn Tons	-	0.13 Mn Tons	-
<b>Power</b>	Champa, Chhattisgarh	230 MW	30 MW	260 MW	Mar, 2019
<b>PVC Pipes</b>	Kashipur, Uttarakhand	55,000 Tons	10,000 Tons	65,000 Tons	Sep, 2018
<b>Flexible Packaging</b>	Kashipur, Uttarakhand	5,400 Tons	-	5,400 Tons	-

# FINANCIAL HIGHLIGHTS

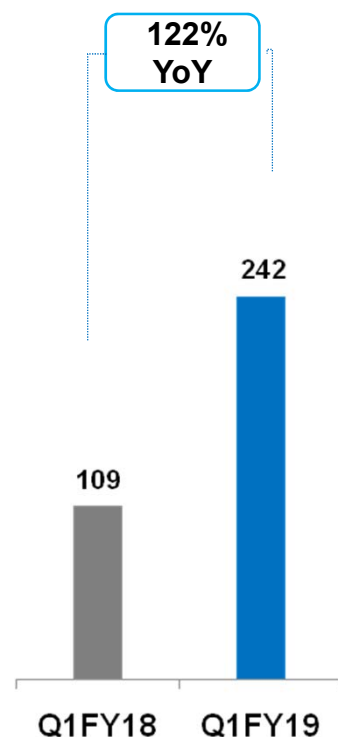
# FINANCIAL HIGHLIGHTS – Q1FY19



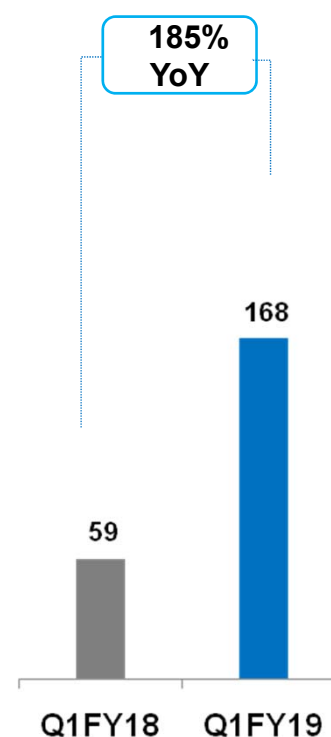
## Revenue (Rs. Cr)



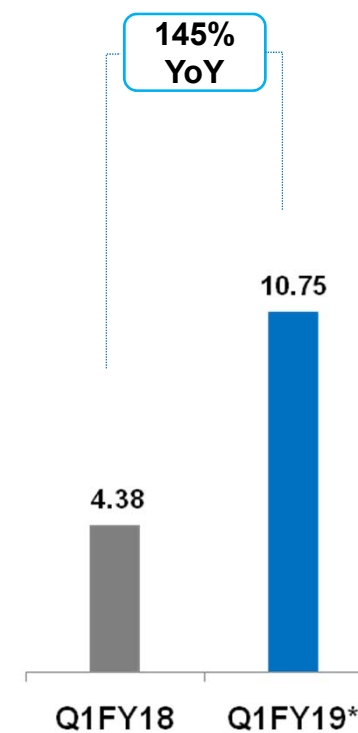
## EBITDA (Rs. Cr)



## PAT (Rs. Cr)

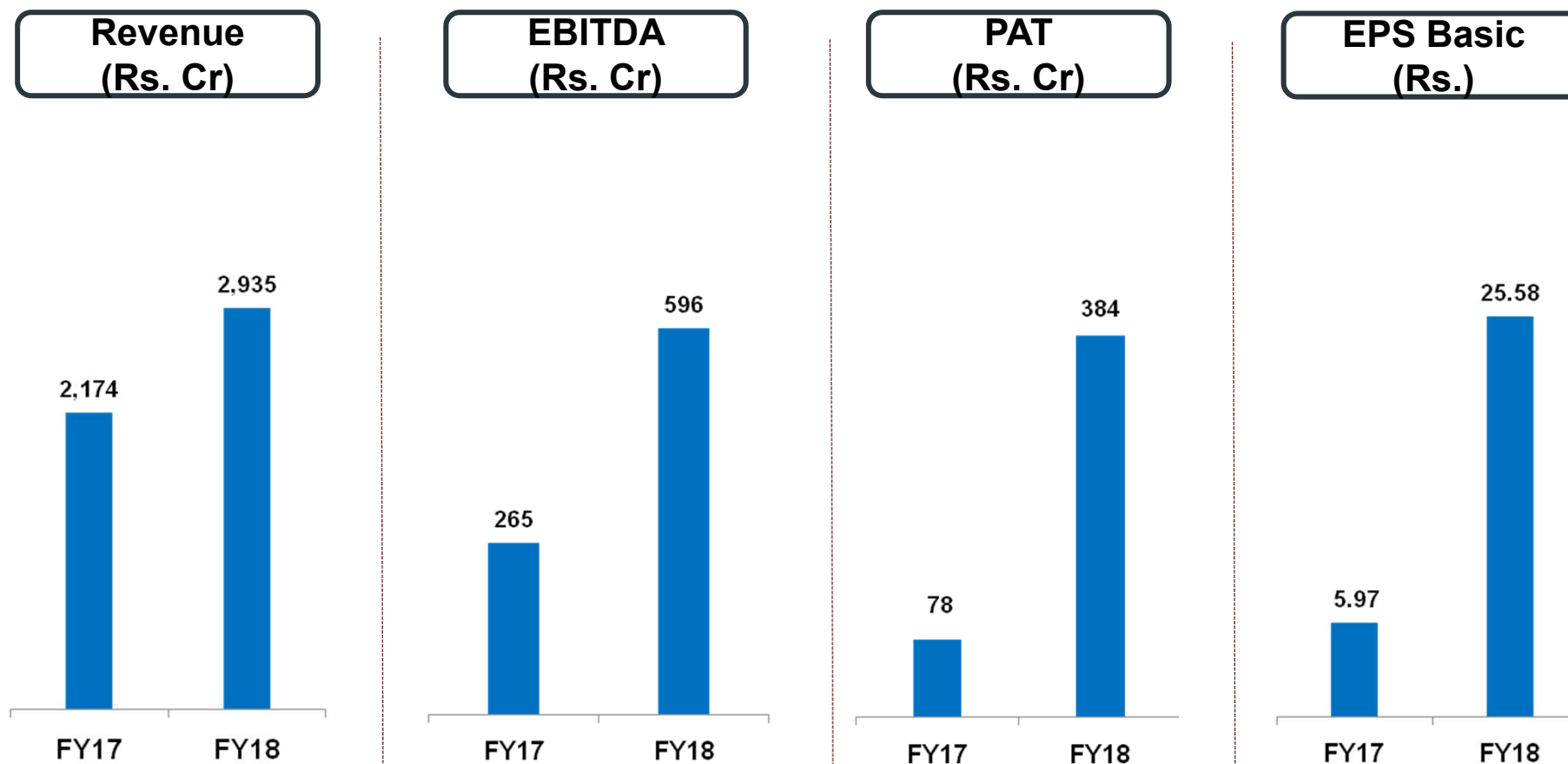


## EPS Basic (Rs.)



\* On Annualized basis this quarterly EPS works out to Rs. 43

# FINANCIAL HIGHLIGHTS - FY18



*Constant improvement in operational efficiencies, higher production volumes, & better sales realization led to increase in profitability*

# PROFITABILITY HIGHLIGHTS – Q1FY19



Rs. in Cr	Q1FY19	Q1FY18	YoY	Q4FY18	QoQ	FY18
<b>Revenues</b>	<b>985</b>	<b>650</b>	<b>51%</b>	<b>910</b>	<b>8%</b>	<b>2,935</b>
Other Income	2	1		7		15
<b>Total Income</b>	<b>987</b>	<b>652</b>		<b>917</b>		<b>2,950</b>
Raw Material	585	419		568		1,847
Employee Expenses	54	47		57		196
Other Operating Expenses	106	76		82		310
<b>EBITDA</b>	<b>242</b>	<b>109</b>	<b>122%</b>	<b>210</b>	<b>15%</b>	<b>596</b>
<b>EBITDA Margin (%)</b>	<b>25%</b>	<b>17%</b>		<b>23%</b>		<b>20%</b>
Depreciation	34	27		31		121
Interest	21	21		25		87
<b>Profit Before Tax</b>	<b>187</b>	<b>62</b>		<b>154</b>		<b>388</b>
Tax	18	2		2		2
Other Comprehensive income	-1	-1		0		-2
<b>PAT</b>	<b>168</b>	<b>59</b>	<b>185%</b>	<b>152</b>	<b>11%</b>	<b>384</b>
<b>PAT Margin (%)</b>	<b>17%</b>	<b>8%</b>		<b>17%</b>		<b>13%</b>

# BALANCE SHEET HIGHLIGHTS - FY18



Rs. Crore	Mar-18	Mar-17
<b>Shareholder's Funds</b>	<b>2,736</b>	<b>2,221</b>
Share capital	157	139
Other Equity	2,579	2,082
<b>Non-current liabilities</b>	<b>635</b>	<b>608</b>
Long term borrowings	601	579
Long-Term Provisions	34	29
<b>Current liabilities</b>	<b>522</b>	<b>587</b>
Short Term Borrowings	115	143
Trade Payables	141	97
Other Financial Liabilities	158	265
Short-term provisions	16	13
Other Current liabilities	38	51
Current tax liability	54	18
<b>Total Equities &amp; Liabilities</b>	<b>3,893</b>	<b>3,416</b>

Rs. Crore	Mar-18	Mar-17
<b>Non-current assets</b>	<b>3,363</b>	<b>3,003</b>
Fixed assets	3,067	2,720
Non Current Tax Asset	136	129
Deferred Tax assets	160	154
<b>Current Assets</b>	<b>529</b>	<b>413</b>
Other Financial Assets	42	35
Inventories	251	188
Trade receivables	99	76
Cash & Cash equivalents	23	17
Bank Balance (other then Cash equivalents)	24	11
Other Current Assets	90	86
<b>Total Assets</b>	<b>3,893</b>	<b>3,416</b>

Key Balance Sheet Ratios	FY18
Total Debt to Equity	0.31
Fixed Asset Coverage Ratio	4.5x

# CORPORATE SOCIAL RESPONSIBILITY

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Corporate Social Responsibility (CSR) has been integral part of the Company's business since inception.

Following are the broad areas of the initiatives:

- Providing safe drinking water facilities
- Conducting training programs for promotion of vocational skills & environmental sustainability
- Promoting health care programs
- Maintaining sports & recreational facilities
- Generating employment opportunities for local people

CSR Projects	Area
Drinking Water Facility	Champa, Chhatisgarh Raipur, Chhatisgarh
Training Programme & Promotion of Education	Champa, Chhatisgarh Mathura, Uttar Pradesh
Health Care	Champa, Chhatisgarh
Environment Awareness	Champa, Chhatisgarh Raipur, Chhatisgarh
Social Causes	Champa, Chhatisgarh Raipur, Chhatisgarh
Poverty	Delhi, NCR



# ... BETTERMENT OF THE COMMUNITY



**"Mission 500" – Baal Sanskar Kendras**



**Clean & Safe Water**



**Preliminary Medicare Centre's**



**Renovation of Public Places**



**Education**



**Wasteland Reclamation & Plantation**



# Thank You

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