

# **PRAKASH INDUSTRIES LIMITED**

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

**INVESTOR PRESENTATION | FEBRUARY 2021**

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# CONTENTS



FINANCIAL  
HIGHLIGHTS



COMPANY AT  
GLANCE



CORPORATE  
SOCIAL  
RESPONSIBILITY

# **FINANCIAL HIGHLIGHTS**

# Q3FY21 HIGHLIGHTS



## Financial:

- **Revenue** - INR 891 Crores, up by 17% (QoQ)
- **EBITDA** – INR 89 Crores, up by 37% (QoQ)
- **Profit After Tax** - INR 30 Crores, up by 274% (QoQ)

## Operational:

- Highest quarterly production of 2.5 lakh tonnes of Sponge Iron
- Highest quarterly production of 2.6 lakh tonnes of Steel
- Highest quarterly Power generation of 3267 lakh units

## Mining Operations:

- Mined ~1.8 lakh tonnes of Iron ore from Sirkaguttu mine, Odisha in this quarter
- Entered into agreements with nearby pelletisation plants for conversion of fines into pellets for use in Steel plant at Chhattisgarh

## Expansion in Steel Melting Shop (SMS):

- Commissioned 2 nos. new energy efficient Induction Furnaces
- Enhanced capacity now stands at 12.5 lakh tonnes per annum

# PROFITABILITY HIGHLIGHTS



INR in Cr	FY 2018	FY 2019	FY 2020
Revenue from Operations	2,935	3,588	2,974
Other Income	15	7	7
<b>Total Income</b>	<b>2,950</b>	<b>3,595</b>	<b>2,981</b>
Cost of Raw Material Consumed	1,847	2,128	1,972
Employee Benefits Expense	196	212	242
Other Expenses	310	461	411
<b>EBITDA</b>	<b>596</b>	<b>794</b>	<b>356</b>
Depreciation	121	134	145
Finance Costs	87	101	93
<b>Profit Before Tax</b>	<b>388</b>	<b>559</b>	<b>118</b>
Exceptional Items	-	7	-
Income Tax	2	13	-
Other Comprehensive Income	2	4	4
<b>Profit After Tax</b>	<b>384</b>	<b>535</b>	<b>114</b>

<b>Sales Volume (Lac MT)</b>	<b>7.78</b>	<b>9.44</b>	<b>9.26</b>
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# BALANCE SHEET HIGHLIGHTS



INR in Cr	Mar-20	Mar-19
<b>Equity</b>	<b>2,904</b>	<b>2,854</b>
Equity Share Capital	171	163
Other Equity	2,733	2,690
<b>Non-Current Liabilities</b>	<b>418</b>	<b>474</b>
Long-Term Borrowings	371	435
Long-Term Provisions	47	39
<b>Current liabilities</b>	<b>549</b>	<b>613</b>
Short-Term Borrowings	134	151
Trade Payables	144	148
Other Financial Liabilities	166	146
Short-Term Provisions	23	19
Other Current Liabilities	62	109
Current tax Liabilities	20	39
<b>Total Equity &amp; Liabilities</b>	<b>3,871</b>	<b>3,941</b>

INR in Cr	Mar-20	Mar-19
<b>Non-Current Assets</b>	<b>3,315</b>	<b>3,330</b>
Fixed Assets	3,183	3,068
Financial Assets	64	64
Other Non-Current Assets	63	73
Deferred Tax Assets	5	125
<b>Current Assets</b>	<b>556</b>	<b>611</b>
Inventories	137	233
Trade Receivables	195	150
Cash & Cash Equivalents	30	16
Bank Balance (other than above)	29	29
Other Financial Assets	79	55
Other Current Assets	86	128
<b>Total Assets</b>	<b>3,871</b>	<b>3,941</b>

Key Balance Sheet Ratios	Mar-20
Debt to Equity	0.2
Book Value per Equity Share	Rs. 170

# COMPANY AT GLANCE



# COMPANY OVERVIEW



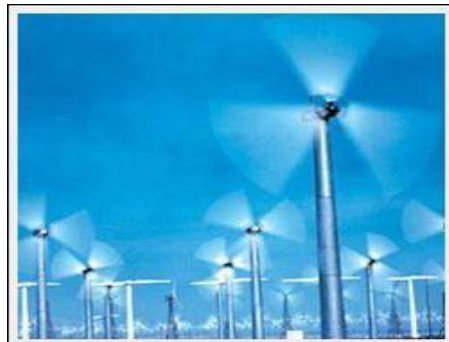
**1.2 Mn TPA Integrated Steel Plant in Chhattisgarh**



**245 MW Captive Power Plant in Chhattisgarh**



**Captive Iron Ore Mine in Odisha**



**6 MW Windmill unit at Tamil Nadu**

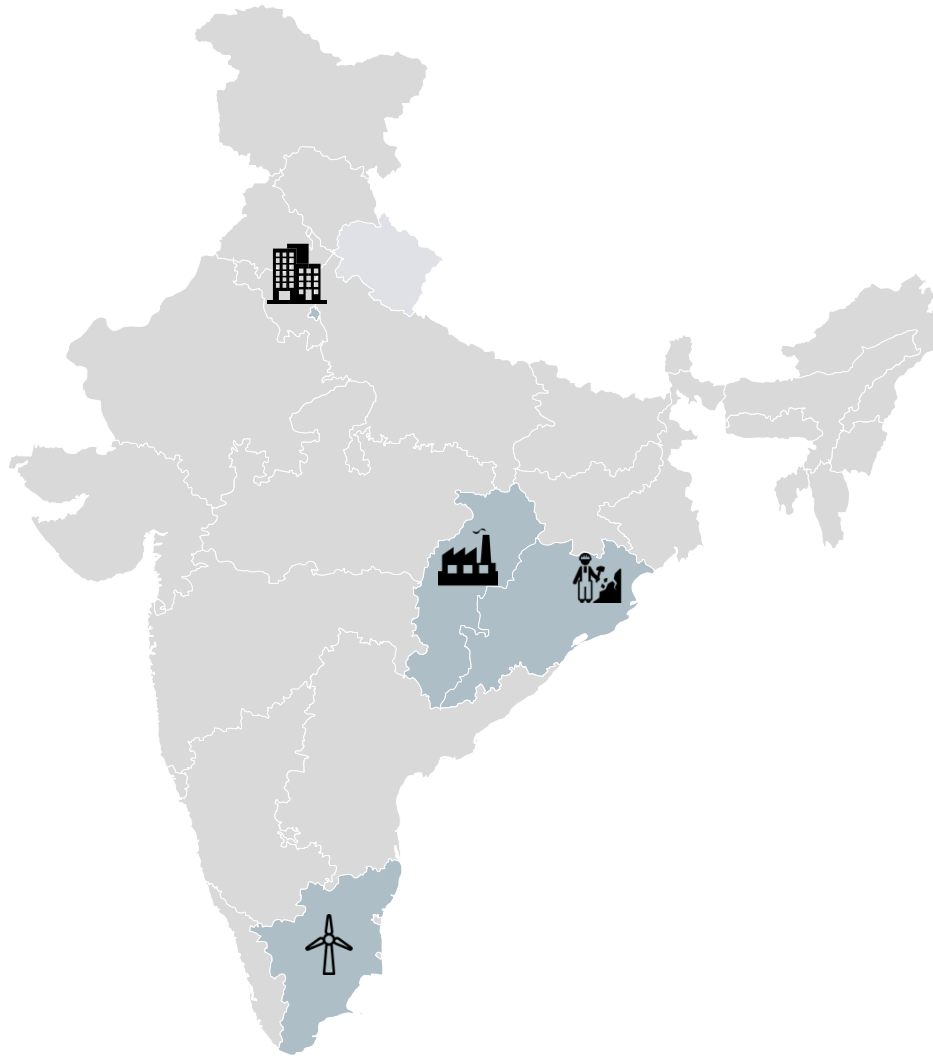


**Strategically located in major mineral belt of the Country**






**One of the lowest leveraged Company in the industry**

# OUR FOOTPRINTS



	Corporate Office, New Delhi
	1.2 Mn TPA Integrated Steel Manufacturing Capacity, Chhattisgarh
	Sirkaguttu Iron Ore Mine, Odisha
	Windmill , Tamil Nadu



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**01** *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) *Captive Operational Iron Ore Mine in the state of Odisha*  
 (ii) *Coal through long term linkages from Coal India*

Product	Location	Capacity
Sponge Iron	Champa, Chhattisgarh	1.20 Mn TPA
Steel Billets	Champa, Chhattisgarh	1.25 Mn TPA
Ferro Alloys	Champa, Chhattisgarh	0.13 Mn TPA
Finished Steel	Raipur, Chhattisgarh	1.10 Mn TPA



## INTERMEDIARY PRODUCTS



**SPONGE IRON DRI**



**STEEL BILLETS**



**FERRO ALLOYS**

## FINISHED PRODUCTS



**WIRE RODS**

Applications include Binding wire, GI wire, Barbed wire, Armored sealed wire, Nut bolts, Nails, Screws, Alpine. Wire ropes. Wire mesh etc.



**HB WIRES**

Applications include manufacturing of cycle spokes, G.I. wire, Binding wire, welding electrodes etc.



**TMT BARS**

Applications include housing and commercial construction, bridges, flyovers and civil construction works etc.



Operating **245 MW captive power** at its Integrated Steel Plant, Chhattisgarh

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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 245 MW** – **80 MW through Power Co generation**  
– **165 MW through Thermal route**

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# KEY GROWTH DRIVERS



## **Iron Ore Mine**

Extraction of Iron Ore from Sirkaguttu mine, Odisha commenced. Going forward, the ramped up extraction will result in higher EBITDA margins

## **Coal Linkages In Place**

Sufficient Long Term Coal Linkages from Coal India Ltd for Sponge Iron and Power plant operations

## **Deleveraging the Balance Sheet**

Free Cash Flows from the operation to be utilized towards deleveraging the Balance Sheet. To become Net Debt Free Company in next 2 years

## **Equity Infusion by Promoter**

Promoter has subscribed to issuance of convertible Equity Warrants on preferential basis. Post conversion the Promoter's stake will increase from 42.04% to 44.47%

# **CORPORATE SOCIAL RESPONSIBILITY**

# CORPORATE SOCIAL RESPONSIBILITY



- 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
  - Measures for reducing inequalities
  - Ensuring environment sustainability
  - Promotion and development of traditional arts
  - Training to rural sports
  - Mid-day meal scheme

CSR Projects	Area
Drinking Water Facility	Champa & Raipur, Chhattisgarh
Training Programme & Promotion of Education	Champa & Raipur, Chhattisgarh
Social Causes	Champa, Chhattisgarh
Environment Awareness	Champa & Raipur, Chhattisgarh
Protection of Art & Culture	Champa, Chhattisgarh
Rural Sports	Champa & Raipur, Chhattisgarh
Poverty & Malnutrition	Delhi, NCR





# Thank You

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