

Prakash Industries Limited

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

Corporate Office : SRIVAN, Bijwasan, New Delhi - 110061

Website:www.prakash.com

Statement of Audited Financial Results for the year ended 31st March, 2017

(₹ in lacs)

S. No.	Particulars	Audited	Unaudited	Audited	Audited	
		Quarter ended (refer note 5)	Quarter ended	Quarter ended (refer note 5)	Year ended	
		31.03.17	31.12.16	31.03.16	31.03.17	31.03.16
1	Income from operations					
	Revenue from operations	69,872	52,070	54,017	2,41,480	2,28,120
2	Other Income	112	55	315	332	481
3	Total Income (1+2)	69,984	52,125	54,332	2,41,812	2,28,601
4	Expenses					
	a)Cost of material consumed	43,506	30,768	32,446	1,49,270	1,45,415
	b)Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1438)	11	289	(1052)	597
	c)Employee benefit expenses	4,243	3,652	3,468	15,488	14,387
	d)Finance costs	2,090	1,857	1,540	7,307	6,945
	e)Depreciation and amortisation expenses	2,574	2,597	2,571	10,303	10,181
	f)Excise duty expenses	7,099	5,217	5,360	24,130	22,791
	g)Other expenses	7,739	6,212	6,918	27,526	25,946
	Total expenses	65,813	50,314	52,592	2,32,972	2,26,262
5	Profit before Exceptional items and Tax(3-4)	4,171	1,811	1,740	8,840	2,339
6	Exceptional Items	-	-	-	-	-
7	Profit before tax(5+6)	4,171	1,811	1,740	8,840	2,339
8	Tax expenses					
	-Current Tax	891	386	351	1,887	440
	-Minimum Alternate Tax Credit Adjustment	(151)	(386)	(351)	(1147)	(439)
9	Net Profit after tax(7-8)	3,431	1,811	1,740	8,100	2,338
10	Extraordinary items	-	-	-	-	-
11	Net Profit for the period (9+10)	3,431	1,811	1,740	8,100	2,338
12	Other Comprehensive Income	(9)	(86)	(128)	(265)	(341)
13	Total Comprehensive Income for the period(11+12)	3,422	1,725	1,612	7,835	1,997
14	Paid up Equity Share Capital (Face Value ₹10 per Share)	13,905	13,560	13,449	13,905	13,449
15	Earning Per Share (of ₹ 10 each)					
	(a)Basic	2.53	1.34	1.29	5.97	1.74
	(b)Diluted	2.29	1.18	1.13	5.40	1.52
	(figures for the quarter not annualised)					



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Audited Segment Information for the year ended 31st March, 2017

(₹ in lacs)

S.No.	Particulars	Audited	Unaudited	Audited	Audited	
		Quarter ended (refer note 5)	Quarter ended	Quarter ended (refer note 5)	Year ended	Year ended
		31.03.17	31.12.16	31.03.16	31.03.17	31.03.16
1	Segment Revenue					
	a) Power	10,298	7,603	8,747	35,858	34,946
	b) Steel	62,611	46,371	46,738	2,12,682	2,02,142
	c) PVC Pipe	7,162	5,566	7,201	28,319	25,621
	Total	80,071	59,540	62,686	2,76,859	2,62,709
	Less : Inter Segment Revenue	10,199	7,470	8,669	35,379	34,589
	Sales/Revenue from Operations	69,872	52,070	54,017	2,41,480	2,28,120
2	Segment Results					
	Profit before tax and interest from each segment					
	a) Power	5,283	1,976	1,750	10,168	4,647
	b) Steel	266	1,059	496	2,671	1,348
	c) PVC Pipe	712	633	1,034	3,308	3,289
	Total	6,261	3,668	3,280	16,147	9,284
	Less: Financial Expenses	2,090	1,857	1,540	7,307	6,945
	Exceptional Items	-	-	-	-	-
	Total Profit before tax	4,171	1,811	1,740	8,840	2,339
3	Segment Assets					
	a) Power	1,42,564	1,44,937	1,45,224	1,42,564	1,45,224
	b) Steel	1,75,981	1,66,608	1,60,889	1,75,981	1,60,889
	c) PVC Pipe	7,150	6,391	4,986	7,150	4,986
	d) Unallocated	24,568	25,878	25,136	24,568	25,136
	Total	3,50,263	3,43,814	3,36,235	3,50,263	3,36,235
	Segment Liabilities					
	a) Power	64,663	67,203	63,366	64,663	63,366
	b) Steel	47,449	43,519	44,918	47,449	44,918
	c) PVC Pipe	1,361	1,270	1,444	1,361	1,444
	d) Unallocated	14,694	12,689	12,763	14,694	12,763
	Total	1,28,167	1,24,681	1,22,491	1,28,167	1,22,491



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Audited Statement of Assets and Liabilities

(₹ in lacs)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
ASSETS		
Non Current Assets		
(a)Property, Plant & Equipment	157,813	163,494
(b)Capital Work-in-progress	114,145	95,521
(c)Financial Assets		
(i)Investments	218	218
(ii)Loans	189	189
(iii)Other Financial Assets	4,778	2,298
(d)Non-Current Tax Assets	267	270
(e)Other Non Current Assets	31,929	33,148
Total Non-current Assets	309,339	295,138
Current Assets		
(a)Inventories	18,775	18,258
(b)Financial Assets		
(i)Trade Receivable	7,633	7,994
(ii)Cash & Cash Equivalents	1,664	928
(iii)Bank Balances other than (ii) above	1,147	1,075
(iv)Other Financial Assets	3,057	8,824
(c)Other Current Assets	8,648	4,018
Total Current Assets	40,924	41,097
TOTAL ASSETS	350,263	336,235
EQUITY AND LIABILITIES		
Equity		
(a)Equity Share Capital	13,905	13,449
(b)Other Equity	208,191	200,296
Total Equity	222,096	213,745
LIABILITIES		
Non Current Liabilities		
(a)Financial Liabilities		
(i)Borrowings	57,681	54,379
(ii)Other Financial liabilities	165	126
(b)Provisions	2,913	2,377
(c)Deferred tax liabilities (Net)	8,653	8,889
Total Non Current-Liabilities	69,412	65,771
Current Liabilities		
(a)Financial Liabilities		
(i)Borrowings	14,331	8,110
(ii)Trade Payables	9,700	8,888
(iii)Other Financial Liabilities	26,485	31,799
(b)Other current Liabilities	5,111	6,425
(c)Provisions	1,275	1,103
(d)Current tax Liabilities (Net)	1,853	394
Total Current Liabilities	58,755	56,719
TOTAL EQUITY AND LIABILITIES	350,263	336,235



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 May 22, 2017.
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 recognized accounting practices and policies to the extent applicable. Beginning April 1, 2016. The Company has for the first time adopted Ind AS with a transition date of April 1, 2015.
3. The Company, has allotted 34,44,862 and 45,57,817 equity shares during the quarter and year ended March 31, 2017, respectively pursuant to the conversion option exercised by the FCCB holders. The Company has further allotted 59,35,764 equity shares during April'2017 on such conversion.
4. The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

(₹. in Lacs)

Description	Quarter ended 31.03.2016	Year ended 31.03.2016
Net Profit as per Indian GAAP	1626	2058
Actuarial gain on employees defined benefits plans recognized	128	341
Others	(14)	(61)
Impact of Deferred Tax on above adjustments*	-	-
Profit as per Ind AS	1740	2338
Other Comprehensive income (net of income tax)*	(128)	(341)
Total Comprehensive Income	1612	1997

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

5. The Figures of current quarter (i.e., three months ended on March 31, 2017) and the corresponding previous quarter (i.e. three months ended March 31, 2016) are the balancing figures between the audited figures in respect of the full financial year and the published figures upto the end of third quarter of the respective financial years.
6. The Company has taken up expansion in its Sponge Iron capacities by setting up a Rotary Kiln which has been completed and commissioned in May'2017. This will result in further integration of capacities and cost reduction.
7. Previous year/quarter figures have been regrouped/ reclassified wherever necessary.

Place: New Delhi
Date: May 22, 2017

By order of the Board


Vikram Agarwal
Managing Director



ANNEXURE-1

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Audited Financial Results

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
{See Regulation 33 of the SEBI (LODR) (Amendment) Regulations,2016}**

I.	SL No.	Particulars	Audited Figures (as reported Before adjusting For qualification)	Adjusted Figures (audited figures after adjusting for qualifications)
			Rs. In Lakhs	Rs. In Lakhs
	1.	Turnover / Total Income	241,812	241,812
	2.	Total Expenditure	233,712	235,185
	3.	Net Profit / (Loss)	8,100	6,627
	4.	Earnings Per Share	5.97	4.89
	5.	Total Assets	350,263	352,441
	6.	Total Liabilities	128,167	130,345
	7.	Net Worth	222,096	222,096
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

- a) In terms of a court order, the deferred tax liability of Rs 236 lakhs for the year ended on March 31, 2017 has been adjusted against Securities Premium Account. Had the deferred tax liability been accounted for pursuant to Ind AS -12 'Income Taxes', total comprehensive income after tax for the year ended on March 31, 2017 would have been higher by Rs. 236 lakhs.
- b) No provision for interest aggregating to Rs. 1,126 lakhs for the year and Rs. 2,178 lakhs as at March 31, 2017 in respect of restructured Foreign Currency Bonds/Convertible Bonds. Also, no provision of interest (amount not ascertained) has been made in respect of other matured Foreign Currency Convertible Bonds as at March 31, 2017. Had such provision for interest been made, Capital work in progress and Other Current financial liabilities would have been higher to that extent. Further, the Company has classified matured Foreign Currency Convertible Bonds of Rs. 15,756 lakhs as borrowings under the head "Non-Current Financial liabilities" instead of 'Current Financial liabilities'.
- c) MAT credit entitlement expired during the year amounting to Rs. 1709 lakhs has been adjusted against the retained earnings. Had this been adjusted in the Statement of Profit & Loss, profit for the year would have been lower by such amount.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification:

Qualification II(a)(a),(b) and (c) have been appearing from the financial year ended March 31, 2016.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

- a. The net deferred tax liability computed in terms of Ind AS – 12 "Income Tax" amounting to Rs 236 lakhs has been adjusted against Securities Premium Account. This has been in terms of Hon'ble Punjab & Haryana High Court order dated 23rd August 2007.

- b. The Company had restructured Foreign Currency Convertible Bonds (FCCB) of US\$ 35.7 mn as



per terms accepted by FCCB holders. The company has partly paid interest on the same upto September 30, 2015. The company has initiated discussions with the bondholders for waiver of the interest and restructuring of these FCCB for further period of five years, which is in advanced stage. Accordingly, no provision of interest has been made in the books of accounts on these FCCB towards unpaid interest dues and matured FCCB of Rs. 15,756 lakhs are continued to be shown as "Non-Current Liabilities"

- c. Considering the future profitability and taxable position in the subsequent years, the Company has recognized Minimum Alternate Tax (MAT) credit as an asset by crediting the Statement of Profit & Loss and including the same under "Other Non-Current Assets. In case the company is not able to utilize this credit within the time limit prescribed under the Income Tax Act, the same is set off against the retained earnings as tax credit pertains to an earlier year.

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

In respect of II(a)(b) for non- provision of interest on FCCB pending for restructuring.

(i) **Management's estimation on the impact of audit qualification:**
Not ascertainable

(ii) **If management is unable to estimate the impact, reasons for the same:**
For other matured FCCB, the Company is in an advanced stage for deciding the terms and conditions for restructuring the same. As such, the Company has not provided interest on these FCCB pending finalization of settlement terms

(iii) **Auditor's Comments on (i) or (ii) above:**
The Company had not ascertained the interest amount as stated above.

III. **Signatories:**


Vikram Agarwal
Managing Director


P.L. Gupta
Whole Time Director & Chief Financial Officer

For **CHATURVEDI & CO.**
Chartered Accountants
Firm Registration No. 302137E


PANKAJ CHATURVEDI
Partner
Membership No. 091239


Dr. S.L. Keswani
Audit Committee Chairman

Date: May 22, 2017
Place: New Delhi



CHATURVEDI & CO.

Chartered Accountants

203 KUSAL BAZAR, 32-33 NEHRU PLACE, NEW DELHI-110019
Phones: 26432388 / 26463013 / 26284488 Fax: 26467586
E-mail: delhi@chaturvedico.com * Website: www.chaturvedico.com

Independent Auditor's Report on Financial Results of Prakash Industries Limited for year ended on March 31, 2017 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Prakash Industries Limited

1. We have audited the accompanying statement of financial results ("the Statement") of **Prakash Industries Limited** ("the Company") for the year ended on March 31, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement, which is the responsibility of the company's management and approved by the Board of Directors has been compiled from the related financial statements which has been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such financial statements.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Statement.

3. We refer to following matters:
 - a. In terms of a court order, the deferred tax liability of Rs 236 lakhs for the year ended on March 31, 2017 has been adjusted against Securities Premium Account. Had the deferred tax liability been accounted for pursuant to Ind AS -12 'Income Taxes', total comprehensive income after tax for the year ended on March 31, 2017 would have been higher by Rs. 236 lakhs.
 - b. No provision for interest aggregating to Rs. 1,126 lakhs for the year and Rs. 2,178 lakhs as at March 31, 2017 in respect of restructured Foreign Currency Bonds/Convertible Bonds. Also, no provision of interest (amount not ascertained) has been made in respect of other matured Foreign Currency Convertible Bonds as at March 31, 2017. Had such provision for interest been made, Capital work in progress and Other Current financial liabilities would have been higher to that extent. Further, the Company has classified matured Foreign Currency Convertible Bonds of Rs. 15,756 lakhs as borrowings under the head "Non-Current Financial liabilities" instead of 'Current Financial liabilities'.
 - c. MAT credit entitlement expired during the year amounting to Rs. 1709 lakhs has been adjusted against the retained earnings. Had this been adjusted in the Statement of Profit & Loss, profit for the year would have been lower by such amount.

Other Offices: * Kolkata * Mumbai * Chennai * Kanpur * Lucknow



4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 in this regard except for the effects / possible effects of matters described in paragraph 3; and
 - ii. give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information for the year ended on March 31, 2017 except for the effects / possible effects of matters described in paragraph 3.
5. We draw attention to the following matters:
- a. The provision for tax expenses made by the Company is subject to assessment by the tax authorities and set off of MAT credit entitlement is subject to availability of taxable income in future periods within the prescribed time limit as per the relevant provisions of the Income Tax Act, 1961.
 - b. The Coal mine blocks allocated to two Joint Venture Companies have been cancelled pursuant to an order of Hon'ble Supreme court. No provision has been made for any diminution in the value of investments of Rs. 218 lakhs made by the Company in these companies and the advances of Rs. 189 lakhs given by the Company.
 - c. The Company has not received the full and final compensation for the assets of Chotia coal mine transferred in terms of a government order. The necessary adjustment for the gain/loss on transfer of these assets will be made after receipt of full and final amount of compensation.
 - d. Managerial remuneration amounting to Rs. 523 lakhs paid/provided for the financial year ended March 31, 2016 is subject to awaited approval of the Central Government.
- Our report is not qualified in respect of these matters.
6. The Statement includes the results for the Quarter ended March 31, 2017 being the balancing figure between the audited figures in respect of the full financial year and the published figures upto the third quarter of the current financial year, which were subject to limited review.

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



PANKAJ CHATURVEDI
Partner
Membership No. 091239

New Delhi
May 22, 2017





Prakash Industries Limited

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E-mail : pilho@prakash.com, Website : www.prakash.com

PIL/NSE/MIS/2017

5th June, 2017

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

Sub: Compliance of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Please refer to your letter No.NSE/LIST/7842 dated 31st May 2017 regarding submission of equity reconciliation.

We are submitting herewith the reconciliation of total equity as previously reported (referred to as I GAAP) and as per IND-AS as mentioned below:

Particulars	As on 31.03.2016 (Rs in Lacs)
Total Equity (Shareholder's Funds) as per I GAAP	220644
Adjustment on account of adoption of Cost model on Property, Plant and Equipment (PPE)	(8812)
Impact on re-measurement of fair value of leasehold land	(101)
Impact of Fair valuation of Financial Instruments	3091
Re-measurement of defined benefit plans	(245)
Deferred Tax impact on above adjustments	(832)
Total Equity as per Ind AS	213745

Hope that your good self will find the above submission in order.

Thanking you,

Yours faithfully,
for Prakash Industries Limited


Vikram Agarwal
Managing Director

