

12th October 2017

PRESS RELEASE

**PRAKASH INDUSTRIES SECURES 100% LONG-TERM COAL
LINKAGES FOR SPONGE IRON**

The Company is pleased to inform that in the recent Coal Linkage auction conducted by Coal India Ltd. (CIL) for Sponge Iron sector, the Company has secured additional coal linkages of **2.10 Lac Tonnes p.a.** for the next 5 years. The Company is going to sign the Fuel supply Agreement (FSA) in the coming weeks and the supplies will commence from November, 2017.

The Company's coal requirement had increased with the commissioning of 5th Sponge Iron Kiln in April, 2017. With this additional quantity, the company has **fulfilled its 100% requirement** for the Sponge Iron Plants from Linkages, which was earlier being met through spot auctions; thereby saving over 20% in coal costs.

Accordingly, with this additional linkage, the profitability will improve by over **Rs. 20 crores**; taking total annual cost savings on total linkage quantity of **15.56 Lac Tonnes p.a.** to over **Rs. 90 crores.**

* * * * *

Disclaimer: This release contains forward-looking statements based on the currently held beliefs and assumptions of the management of Prakash Industries Limited (PIL), which are expressed in good faith and, in their opinion, reasonable. Forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or industry results, to differ materially from the results or performance implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements.