

ENHANCING EFFICIENCIES LEVERAGING OPPORTUNITIES





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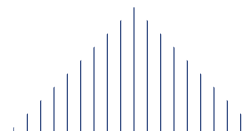
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Cautionary Statement Regarding Forward-Looking Statement

This Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties economics and other important factors, such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this presentation. Prism Cement Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.



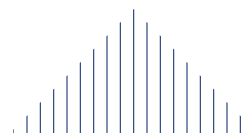
ENHANCING EFFICIENCIES LEVERAGING OPPORTUNITIES

Just like a prism that alters the mere nature of white light and transforms it into seven beautiful colours, we at Prism Cement help render a new definition to any structure or building. We aim to grow, leveraging the inherent strength of the organization and create a better brand proposition for the entity. Our effort towards achieving excellence can be seen in every element of our business, right from operations to logistics. We pay heed to every detail and our quest for fineness provides us the strength in further consolidating our Company's position in the market. Though, a good part of FY17 witnessed a pecuniary turmoil of demonetization and heavy monsoon, we could sustain the overall performance, with Cement Division standing out. The government's thrust on pushing infrastructure, real estate projects and other construction activities have steered clear the way for growth and we believe better times ahead.

Last year, we continued to consolidate our position in the industry and build a strong portfolio through value-addition and stimulating our core competencies. As an ongoing focus on cost rationalization and improvement in efficiencies, we took slew of measures such as optimizing on logistic costs, signing of supply agreement with ECO Cements Ltd (ECL), improving plant efficiencies, reducing power & fuel costs and optimizing channel distribution. We are expanding reach by focusing on newer geographies especially in Tiles and Ready Mixed Concrete businesses.







INDIA BUILDS MORE

Time to leverage our integrated value proposition

With India opening its gate to a better infrastructural development, need for cement is set to grow in coming days, thus, creating better prospects for Prism Cement. According to an estimate, the demand for cement is set to pick up at better rate as compared to last 4-5 years, owing to focus on housing (affordable housing) and infrastructure push from Government (roads, railways, ports and airports). In addition, the probability of recovery in rural demand due to the expectation of a better monsoon, good crops and better realizations for crops.

We are also seeing a better business opportunity in government schemes and policies. The Government's thrust on infrastructure development, Smart Cities scheme, Swachh Bharat Abhiyan, Make in India initiative, 'Housing for all' scheme, clearing of Real Estate Bill by several states and RERA induced discipline in real estate sector will act as a booster shot for the economy and for all the three businesses of the Company.

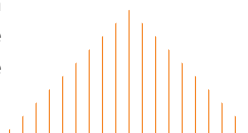
Among all the segments, housing sector happens to be the biggest demand driver of cement and accounting for about 67% of the total consumption. Rest of the sectors includes infrastructure at ~13%, commercial construction at ~11% and industrial construction at ~9%.

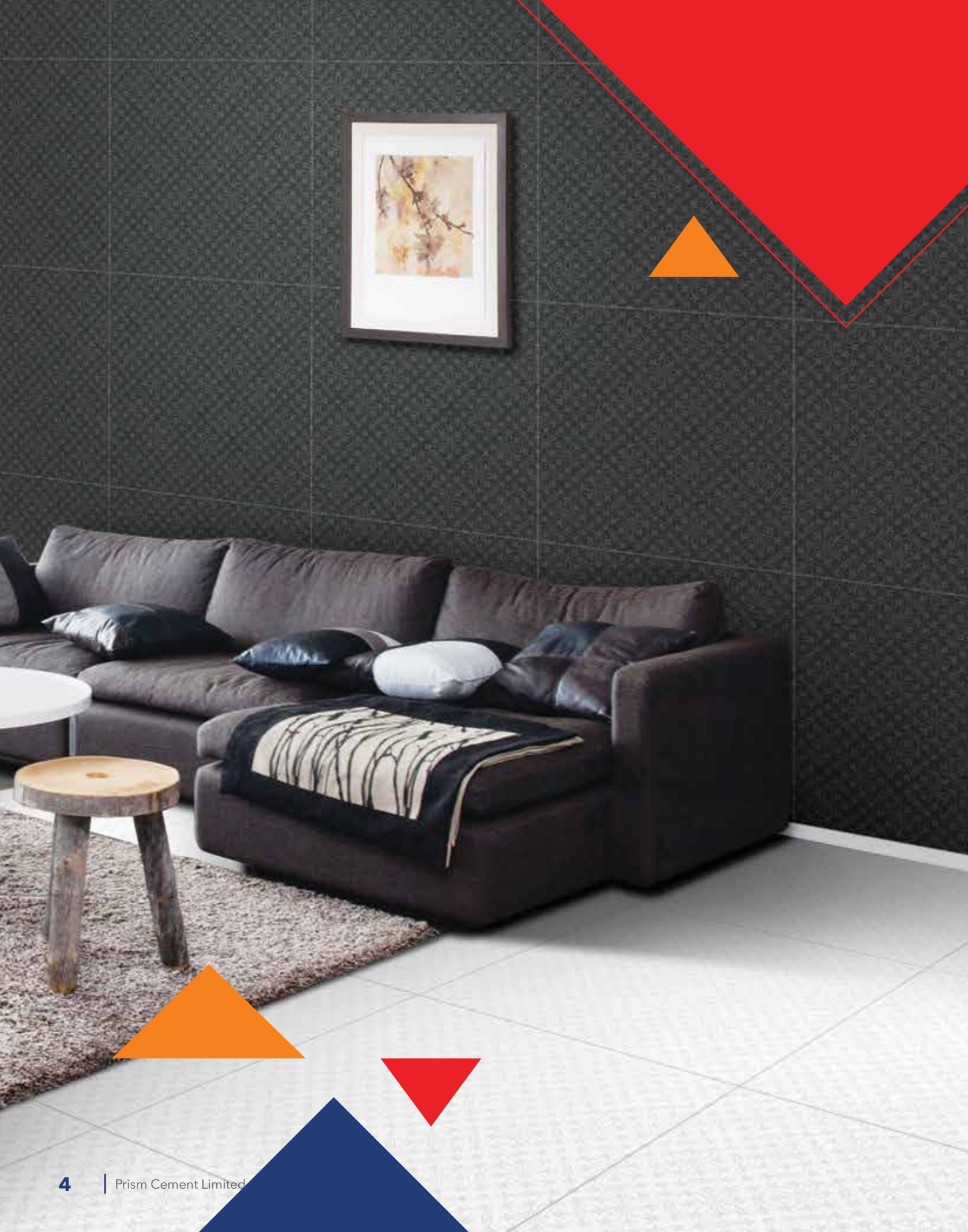
We seek to further consolidate our position and mine the opportunity landscape as highlighted above. Though we were

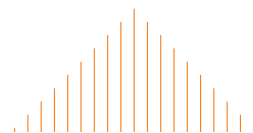
subjected to several roadblocks in last few years, our integrated bouquet of products like cement, TBK and RMC provides a unique opportunity to capture the demand.

This fiscal, our focus is on consolidating our position in the market and leveraging our value proposition by bridging the gaps. The cement division has witnessed an improvement in operating performance on the back of ongoing cost rationalization measures. We have tried to be cost-effective by reducing power cost through captive sourcing and optimizing logistic cost involved in cement production. We signed power agreement with BLA Power for sourcing 25 MW of power in order to reduce power cost.

In TBK, we are focusing on scaling up of marketing activities and improving utilization levels & efficiencies, covering white spaces and optimizing working capital. We are also working on improving the product mix and motivating the sales team to generate demand for dealers through strong influencer connect. With the Mega Projects Vertical, RMC Division is focusing to cater the infrastructure segment, which has witnessed significant increase in order book. The Company has taken measures, which going forward would help to improve operational efficiency and productivity.







INDIA SPENDS MORE

Time to strike a better value volume balance



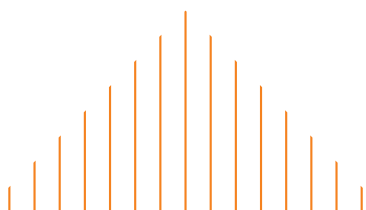
The rising household incomes, changing consumer preferences, rise in aspirational living and increased global exposure of the consumer has opened a plethora of opportunities for the cement industry in India. Unlike the olden days, a house in India today is considered as an expression of one's individuality, therefore, people tend to have a closer association with the real estate segment these days. Moreover, the increased urbanization and policies like 'housing for all' are helping us perk up our brand value. Cement demand encompasses the entire gamut of real estate including rural housing, urban housing and commercial real estate as well as construction/infrastructure/industrial activities.

Interestingly, the downward spiral in the interest rates and the introduction of the 7th Pay Commission will trigger the demand for cement, TBK and RMC. These pent-up demands have created an ideal situation for us to increase utilization, introduce differentiated and value-added products, consequently aiding in leveraging brand equity, generating premium towards market share and focus on margin improvements. In addition, we have improved operating performance on the back of ongoing cost rationalization measures in Cement Division.

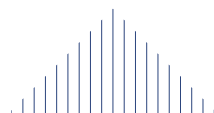
Our H & R Johnson (India) Division that flaunts a wide-ranging of products like tiles, baths, and kitchens has been consolidating its distribution network. Besides, it exhibits strong brand equity and is emphasizing on magnifying the utilization levels and improving working capital management. The division intends to further improve the product visibility and availability by value-addition, innovation and styling.

In RMC Division, we are expecting better prospects due to the robustness of the India economy and recommencement of construction activities. Our major focus area is the infrastructure segment, which is indicating a strong comeback. We have seen a substantial upsurge in the order book for the Mega Vertical of this Division. The markets in Tier II & Tier III cities have also been showing maturity, which in turn, will accelerate growth.

Overall, we have managed to cut cost, increase efficiency and sustained operational performance and value-add to our product line.







STAKEHOLDERS DESERVE MORE

Time to elevate our operational benchmark

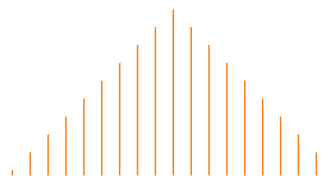
Going in sync with the changing trend, we at Prism Cement strive to integrate the element of safety and security for our consumers as well as stakeholders. One of the focus areas where we expect to constantly evolve is the operational efficiency. Our effort to improve operating performance on the back of ongoing cost rationalization measures has led us to several initiatives during the year. Under cement division, we have signed a power supply agreement with BLA Power for sourcing 25 MW of power from its Unit I and have acquired the equity stake in BLA Power Pvt Ltd under the Captive Arrangement as per the Electricity Rules, 2005.

The division also managed to optimize on logistic costs despite an increase in fuel price in the later part of the year and enter into a supply agreement with ECO Cements Ltd (ECL). This association will help us to enhance our logistic costs as well as improve local availability in that market. In another development, we have also successfully won the bid for 1,38,300 tonnes per annum of coal from South Eastern Coalfields Ltd in two auctions, thus ensuring part fuel requirement for the next 5 years.

Our RMC Division operates pan India with 87 concrete plants. We are looking to further expand our reach. We are aiming at improving utilization levels and cost management at the plants. Further emphasis is on building the order book of Mega Vertical and increased sale of value-added products. We also envision to magnify the use of transportation and pumping resources.

As far as H & R Johnson Division that drives the TBK (Tiles, Bath and Kitchen) segment is concerned, we are increasing our marketing activities through various initiatives like strengthening and consolidation of distribution network. We have initialized steps to control cost in operation and logistics. We are exploring to strengthen presence in white spaces.

All our initiatives and efforts are in line to push existing benchmarks and lead towards improving overall performance of the Company.





LETTER FROM THE MANAGING DIRECTOR

Dear Shareholders,

I am enthused to connect with you once again to share a bit on global economy and the overall performance of your Company.

During the year 2016, the world economy grew at 3.1%. The recent forecast suggests better growth going ahead on the back of better global demand and optimistic financial markets. China grappled with slowdown in its GDP growth rate which stood at 6.7% in 2016 and further deceleration is expected to continue over the next two years. On the other hand, Indian economy being the bright spot on global map grew at 7.1% in FY17. The softening of oil prices has been favorable for our economy; however they have started firming up of late which might push the upward trajectory of inflation and current account deficit.



The long awaited GST Bill has seen the light of the day. This would lead to transparency in the way of doing business leading to gradual shift in business from unorganized to organized players over medium to long time. Two of the Company's Division, Tiles and RMC have large presence of unorganized players. The implementation of RERA would bring further transparency and better execution in the real estate segment, leading to better demand for Company's products in the medium term. The government initiatives like 'Make in India', 'Housing for All', 'Smart Cities' and particularly the Infrastructure status that

has been granted for affordable housing in the Union Budget 2017-18 augurs well for the construction industry. Many States have also re-aligned with Government's thrust on development as core agenda with increased spend on infrastructure and housing in State Budgets.

Coming to Company's performance for the FY17, it should be viewed in light of two major events, the heavy monsoons in the region that the Company sells cement and demonetization. Cement division was particularly impacted as Satna belt saw one of the highest rainfalls in several decades. While business activities are back to pre-demonetization period, it created impact on all the three Divisions in the short term.

Despite the uncertainties due to above events the Company was able to sustain overall performance as compared to previous year. The Cement Division benefitted from the ongoing cost rationalization measures. The Company undertook several initiatives in past years like increase in pet coke usage, resorting to imported coal and reduction in power consumption.

I would take this opportunity to highlight few key developments during FY17. Further details are part of MD&A.

▲ Company signed a power supply agreement with BLA Power for sourcing 25 MW of power for its plant under