**PRISM CEMENT LIMITED**

# Blossoming a Billion Dreams


PRISM CEMENT

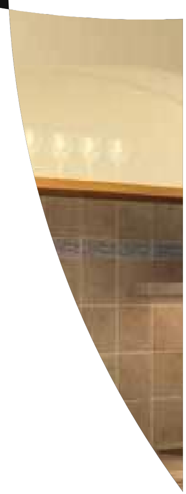
JOHNSON
REDEFINING LIFESTYLES, WORLDWIDE.

RMC
Mix with the Best

**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 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 approving 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 report. Prism Cement Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

# Contents



# Blossoming a Billion Dreams

Geared up to harness the collective strength of 1.2 billion people, abundance of natural resources, plural social fabric and an ever-progressive mindset; India is poised to raise its stake on the global economic platform. Riding the wave of next generation reforms, the country is generating significant interest among global investment community. Government's decisive stand and deep resolve to take the rank and file of its citizenry on the path of progress augurs well.

With the return of healthy demand growth over coming quarters, the onus would shift to enterprises to seize the opportunity and respond well. At Prism Cement, we are much better prepared than ever before to respond with our range of building products and solutions. Uniquely poised to contribute in construction of infrastructure – road, ports and airports and real estate – residential, commercial and retail; at Prism Cement, we envision to strengthen our concurrent national priorities of 'Housing for All', 'Swachh Bharat' (Cleanliness Drive), Employment generation through 'Make in India' and Industrial Corridors among others.

With saleable capacities of 7mtpa of cement and clinker, 54.5 million m2 per annum of tiles, and 7 million m3 per annum of RMC operating at respective capacity utilization levels of 80%, 75%, 40%; we are ready to raise our productive utilization levels in line with the demand growth over coming quarters. In a nutshell, we are ready to make a significant contribution in our national mission of blossoming a billion dreams.

# A Billion Plus Dream of Shelter

We are excited at the opportunity of fulfilling

**the billion plus dream of providing shelters to all.**

We emphatically believe that day will come when every Indian will have his dream home.

Currently **81%** of our sales is trade sales and we predominantly cater to rural and tier II and III cities and are well placed to meet the need for cement in these regions to make their initiative take shape.

**The fact that a large number of Indians do not have a home stands as a contradiction to India's aim of gaining a formidable position in the global arena supported by its growing economic activities. Housing is a basic human need and each Indian desires to have a house - it's a billion plus dream.**

Given this, Government's plan of providing housing to all by 2022 comes as a very big initiative. The plan of building 6 Cr houses in rural and urban areas by 2022 will create a huge requirement for the building material. Rising income in the rural area supported by Government policies ensuring employment generation in villages is also expected to provide a fillip to this cause and shifting more Indians to a Pucca home.

Our cement manufacturing plant at Satna is strategically located, which gives us easy access to markets in Central and Eastern India namely Uttar Pradesh, Madhya Pradesh and Bihar. Currently 81% of our sales is trade sales and we predominantly cater to rural and tier II and III cities and are well placed to meet the need for cement in these regions to make their initiative take shape. Being one of the leading integrated building materials Company, we have all the required products (Cement, RMC, Tiles, Taps, Sanitaryware) and capabilities to stand out to the nation's call for Housing for All.

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# A Billion Plus Dream of Development

**A dream of being an economic super power needs to be supported through a modern infrastructure. A developed network of roads, railways, ports, airports, monorails and metros which will facilitate easy transportation is required at the basic stage to help speed up the economy.**

The central Government has significantly enhanced its focus and has taken the approach of placing infrastructure as the prime mode of growth to refuel the economy which has been at a poor shape for last few years. Large allocation of fund has been proposed in the Union Budget 2015-16 for sectors such as Roads, railways and other mode of mass urban transportation along with ports and airports making them the prime area of focus in the Government's effort of infrastructure improvement. Further to propel the economy, the Government has taken a number of initiatives such as 100 smart cities, Make in India drive and developing dedicated freight and Industrial corridors. This will bring back the shine in the laggard infrastructure sector. The recent announcement to increase the average per day highway development which is less than 10Kms per day (KPD) to 30KPD in next two years depicts Government's impetus on speedy development.

For the speedy development along with assured material quality there is an increasing need for ready mixed concrete. We are currently one of the leading RMC players in India and are ready to address this need by our vast network of 81 RMC plants spread across 35 cities. Our high quality PPC & premium rage of cement under the brand Hi-Tech provides high strength and durability to the structure.

We, at Prism Cement are excited with the grand opportunity to build up the massive infrastructure for the nation and thus fulfilling the billion plus dream for development/growth by imparting the much required momentum.

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**81 RMC**

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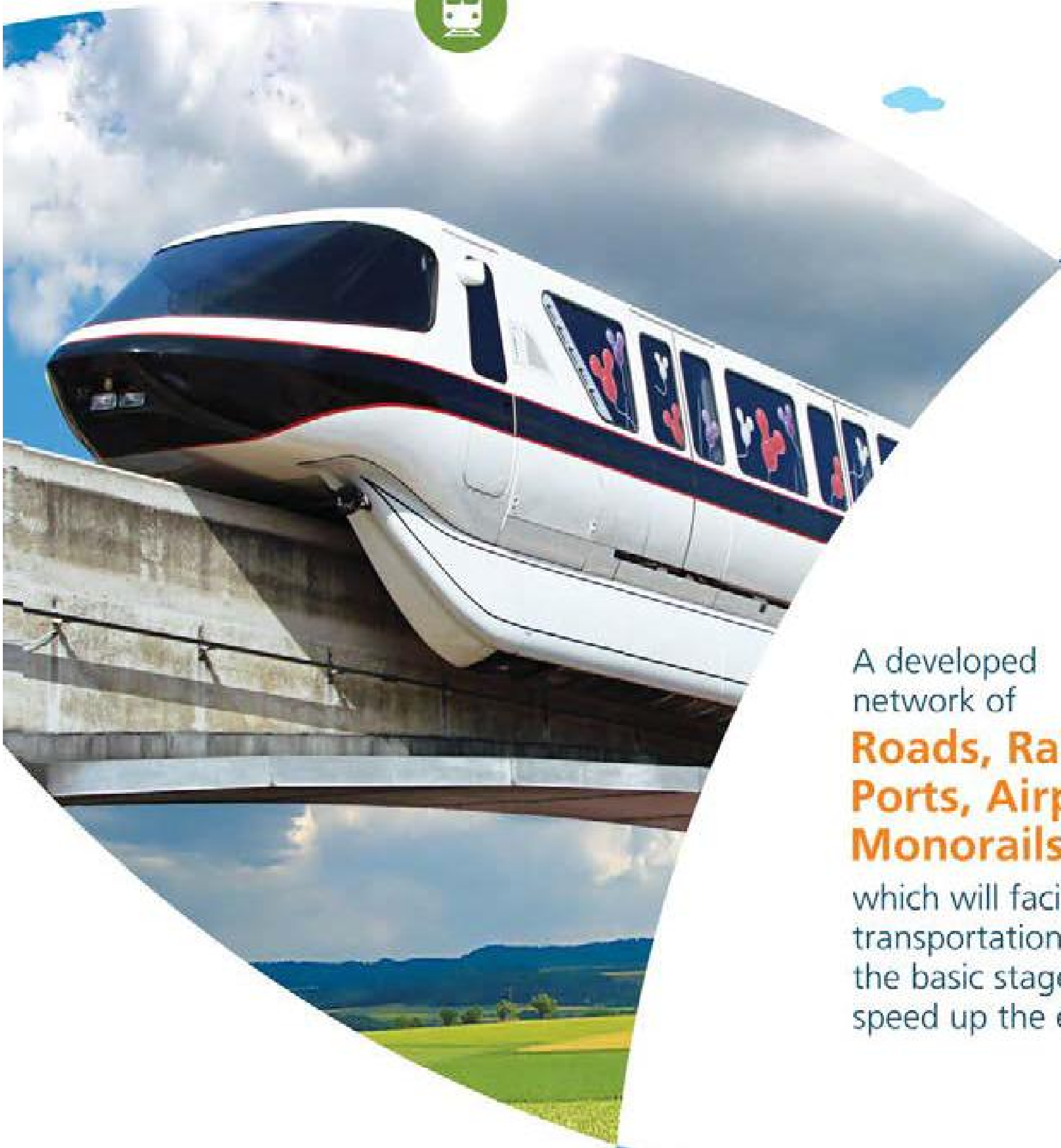


A developed network of

## Roads, Railways, Ports, Airports, Monorails & Metros

which will facilitate easy transportation is required at the basic stage to help speed up the economy.

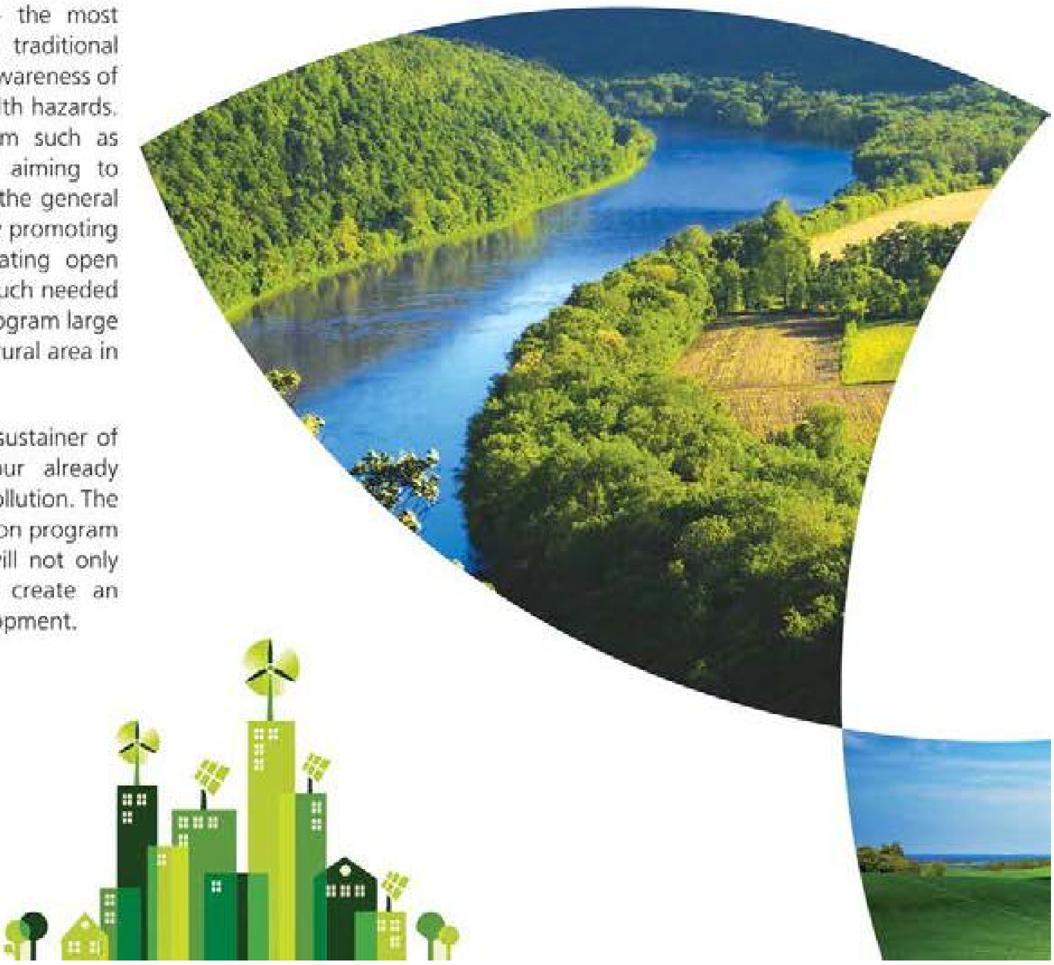
# A Billion Plus Dream of Cleanliness

**India has finally awakened to the famous saying 'Health is wealth' and the Government has significantly increased its focus on cleanliness which single handedly can eradicate many diseases.**

Sanitation which should be a way of life to safeguard health is still inadequate in India. The practice of open defecation in India is due to a combination of factors – the most prominent of them being the traditional behavioural pattern and lack of awareness of people about the associated health hazards. Launching of ambitious program such as 'Swatch Bharat Mission (SBM)' aiming to bring about an improvement in the general quality of life in the rural areas by promoting cleanliness, hygiene and eliminating open defecation points towards the much needed issue of hygiene. Through this program large number of toilets will be built in rural area in the next 5 years.

Water being the harbinger and sustainer of life, it is essential to save our already contaminated rivers from more pollution. The river development and rejuvenation program aiming to clean up the rivers will not only ensure water quality but also create an environment of sustainable development.

Given our unique business model of integrated building material solution offering products ranging from Cement to Tiles, Taps and sanitary ware we are best placed in the industry to support the cleanliness drive. Our 9 manufacturing plants with capacity to supply 54.5 million m2 of ceramic tiles are ready to cater to this need across India. We, at Prism Cement are geared up to take this opportunity to accelerate our business and to realize the dream of making India a clean nation.



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# Financial Highlights

Consolidated Financials (₹ Cr)

| PARTICULARS | FY15 | FY14 | FY13 | FY12 | FY11 |
|---|---|---|---|---|---|
| Total Income from Operations (net) | 5,654.4 | 5,026.6 | 4,820.6 | 4,596.2 | 3,447.4 |
| EBITDA | 351.2 | 179.3 | 305.7 | 308.3 | 377.4 |
| EBITDA Margin (%) | 6.2 | 3.6 | 6.3 | 6.7 | 10.9 |
| EBIT | 186.4 | (21.1) | 125.8 | 146.1 | 250.5 |
| EBIT Margin (%) | 3.3 | (0.4) | 2.6 | 3.2 | 7.3 |
| Net Profit | 2.6 | (86.2) | (62.5) | (18.4) | 105.0 |
| Net Profit Margin (%) | 0.0 | (1.7) | (1.3) | (0.4) | 3.0 |
| Equity | 1,054.3 | 1,058.8 | 1,148.6 | 1,210.6 | 1,250.6 |
| Gross Block | 3,998.8 | 3,902.5 | 3,575.3 | 3,295.1 | 2,995.9 |
| Gross Debt | 2,237.7 | 2,105.3 | 2,022.1 | 1,597.0 | 1,364.4 |
| Current Investments | 86.1 | 114.6 | 106.2 | 120.4 | 113.4 |
| Cash & Cash Equivalents | 129.6 | 110.7 | 98.9 | 92.6 | 90.9 |
| D/E (x) | 2.1 | 2.0 | 1.8 | 1.3 | 1.1 |
| RoCE (%) | 5.7 | (0.7) | 4.0 | 5.2 | 9.6 |
| Book Value per Share (₹) | 20.9 | 21.0 | 22.8 | 24.1 | 24.8 |