

Enhancing Efficiencies Leveraging Opportunities





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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 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 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 of new information, future events or otherwise.



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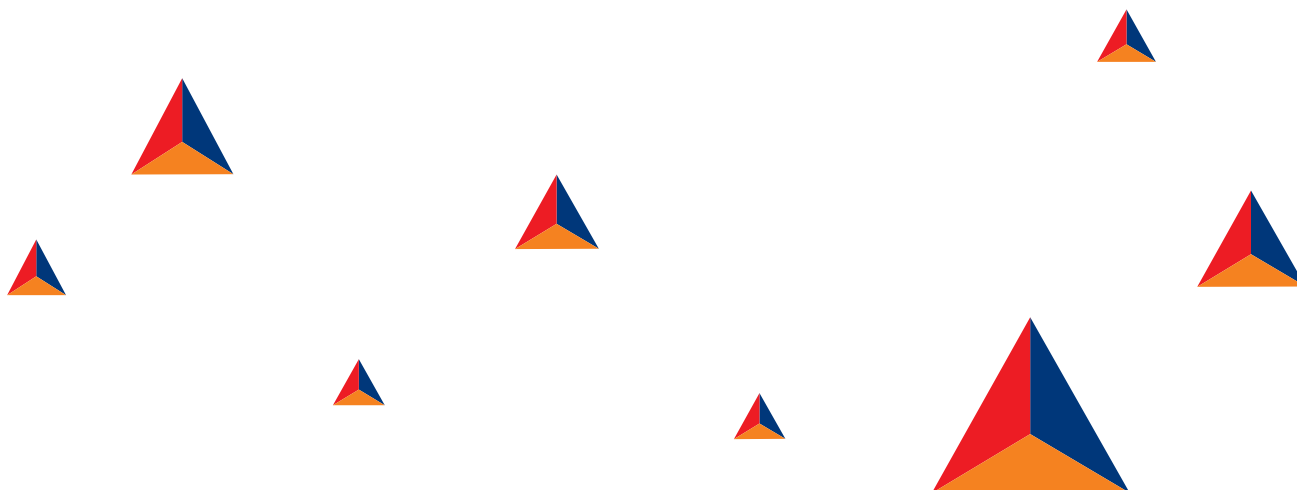
The dynamic business environment of today makes it imperative for business enterprises to become lean and nimble. More so in volatile and uncertain times. FY16 was one such year, where the demand environment was below expectations and volatility in input / commodity prices. Amidst these circumstances, businesses need to calibrate their responses to emerging business situation in real time. At Prism Cement Limited, over the last couple of years the endeavor has been on rationalizing cost, improving utilization levels and enhancing efficiencies across all three Divisions.

Post the challenging period prior to FY15, the last two years were period of consolidation. During these two years our dual focus has been on ramping up operational efficiencies and several measures taken on the cost side. Based on these initiatives there is a cautious optimism within the organization and belief that worst is behind us now.

On the other hand, our opportunity landscape appears to steadily improve. The Government's efforts to revive infrastructure growth seems to percolate at ground level with improved activity

levels seen in road construction, ports, power transmission & distribution. This along with increased rural thrust in the Union Budget 2016, forecast of good monsoon, expected pay hikes and arrears from pay commission and OROP (one rank one pension), etc. augurs well for expansion in consumer demand of construction material and services.

Empowered with under-utilized capacities and efficiencies, we are poised appropriately to mine various growth opportunities in a better way thereby enhancing stakeholders' value.







Enhancing Efficiency

At Prism Cement Limited, we have remained focused on rationalizing cost and improving operating margins. Post re-construction of the new silo, the overall cost of cement production has come down over the last couple of years. Several steps have been taken including increased usage of Petcoke from NIL to nearly 60 percent in last two years, alternate sources of Petcoke and Coal, brought down power consumption and reduced lead distances. The fall in global commodity prices has also helped in improving profitability of the Cement Division.

In our TBK segment, reliable energy supply to our plants based in South India had posed serious challenges. Non-availability of natural gas and power shortages had been handicaps in our efforts to reduce costs. These issues were resolved with the commissioning of coal gassifiers at our Andhra Pradesh plants and natural gas availability at Karnataka plant. Additionally, we acquired onshore micro gas wells and

connected them with our manufacturing units. Brand building and marketing activities were also given additional thrust during the last couple of years. With operational challenges addressed, the focus is to roll out more value added products, increasing utilization levels, consolidating trade channel partners and mapping fixed cost & working capital. These measures should aid to increase our market share and profitability.

In our RMC business, after nearly four years of flattish growth, we are seeing some green shoots especially on the infrastructure segment and affordable housing segment. Going forward, the focus is on the improvement in capacity utilization including deployment of idle plants, increase in sales of value-added products & focus on Individual Home Builder and cost management programs. Above measures should help the Division in improving profitability and better returns on the capital employed.



Leveraging Opportunity

The macro business environment in India is steadily improving. The government thrust on speedy development of infrastructure, housing, sanitation, manufacturing, urbanization and agriculture has started to lend strength to the overall economic activity. Lower commodity prices, inflation and lending rates are gradually pushing up the consumer demand as well. The last lever of economic growth, the private sector investment, too appears to have start rolling.

The real estate sector has witnessed moderate growth for quite a long period in recent times. The forecast of good monsoon, expected pay hikes emanating from pay commission & OROP and lower interest rates shall help revive housing demand in the coming years. Passage of Real Estate Bill might lead to better demand over the longer period. The big-ticket government projects in the transport infrastructure domain - road, rail, port and airport - augurs well for the construction industry. Construction and building material industry has a significantly large stake in Government programs and missions like 'Housing for All', 'Dedicated freight Corridors', 'Make in India', 'Namami Gange', 'Smart Cities', 'Sagarmala', 'Railway Modernisation', etc.

The above growth triggers would entail a healthy and sustained cement demand growth going forward. The Company's operating region of central India is well positioned to benefit from the favourable demand-supply balance, in view of lack of new capacities getting upstream in coming quarters. Our recent launch of premium products 'DuraTech' and 'Champion Plus' and cost reduction measures would help us maximize from the unfolding demand growth.

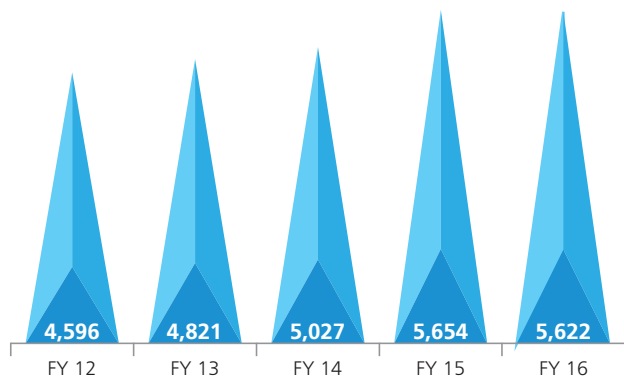
In our TBK business too, imposition of provisional anti-dumping duty on Chinese tiles import augurs well for the industry. Reduced fuel cost shall lower our manufacturing cost. The RMC Division is well placed to grab opportunities derived from demand drivers such as urbanization, infrastructure and affordable housing.

In a nutshell, we are entering a phase of sustained and profitable growth on the back of four key factors. First, our capacities stand ready to clock higher throughput. Second, our product-mix stands skewed towards value-added products that helps improve margins. Third, the demand for construction materials and allied solutions are headed northwards, that too for a considerably long time. Fourth, our operating geographies for all the three business segments are sweetly positioned.

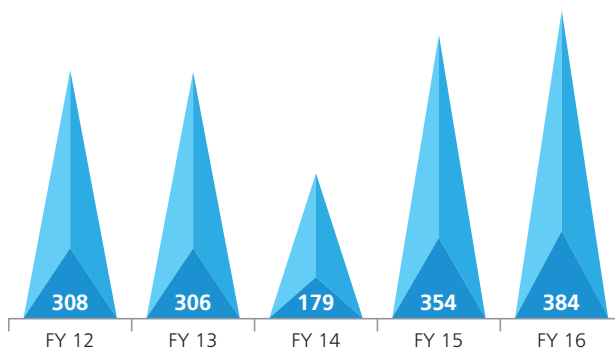


Financial Highlights

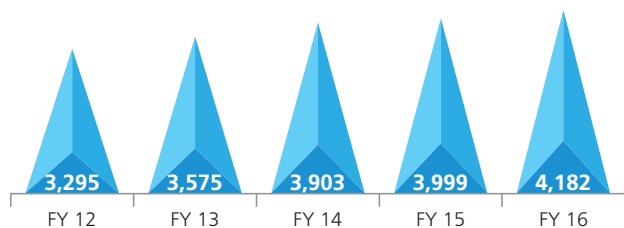
Income from operations (₹ cr)



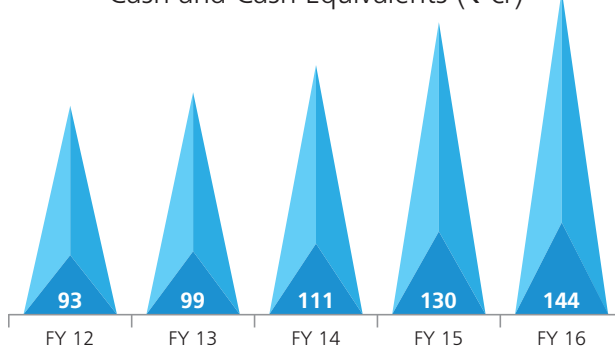
EBITDA (₹ cr)



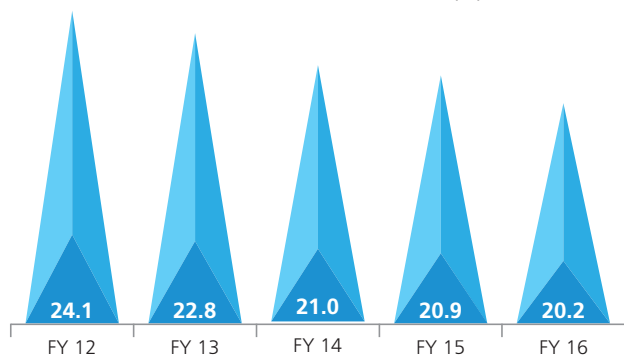
Gross Block (₹ cr)



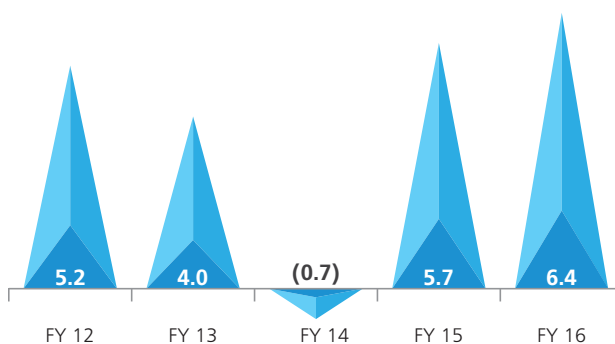
Cash and Cash Equivalents (₹ cr)



Book Value Per Share (₹)



RoCE (%)





Consolidated Financials (₹ cr)

Particulars	FY16	FY15	FY 14	FY 13	FY 12
Total Income from Operations (net)	5,621.6	5,654.4	5,026.6	4,820.6	4,596.2
EBITDA	384.3	353.5	179.3	305.7	308.3
EBITDA Margin (%)	6.8	6.3	3.6	6.3	6.7
EBIT	205.7	188.7	(21.1)	125.8	146.1
EBIT Margin (%)	3.7	3.3	(0.4)	2.6	3.2
PAT	3.3	2.6	(86.2)	(62.5)	(18.4)
Net Profit Margin (%)	0.1	0.0	(1.7)	(1.3)	(0.4)
Equity	1,016.2	1,054.3	1,058.8	1,148.6	1,210.6
Gross Block	4,181.6	3,998.8	3,902.5	3,575.3	3,295.1
Gross Debt	2,182.3	2,237.9	2,105.3	2,022.1	1,597.0
Current Investments	116.5	86.1	114.6	106.2	120.4
Cash & Cash Equivalents	144.3	129.6	110.7	98.9	92.6
D/E (x)	2.1	2.1	2.0	1.8	1.3
RoCE (%)	6.4	5.7	(0.7)	4.0	5.2
Book Value per Share, ₹	20.2	20.9	21.0	22.8	24.1

Corporate Information

Board of Directors

Mr. Rajesh G. Kapadia
Chairman

Mr. Rajan B. Raheja

Mr. Vijay Aggarwal
Managing Director

Mr. Vivek Agnihotri
Executive Director & CEO (Cement)
From August 17, 2015

Mr. Joydeep Mukherjee
Executive Director & CEO (HRJ)
From March 3, 2016

Mr. V. M. Panicker
Executive Director & CEO (RMC)

Mr. J. A. Brooks

Ms. Ameeta A. Parpia

Mr. Shobhan M. Thakore

Mr. Ganesh Kaskar
Executive Director & CEO (HRJ)
Upto March 2, 2016

Chief Financial Officer

Mr. Pramod K. Akhramka

Company Secretary

Ms. Aneeta S. Kulkarni

Investor Relations

Mr. Munzal Shah
General Manager (Investor Relations)
Tel: 91 22 66754142-46
Email: investorrelations@prismcement.com

Corporate Office

'Rahejas', Main Avenue, 2nd Floor, V. P. Road
Sanataacruz (West), Mumbai-400054

Registered Office

305, Laxmi Niwas Apartments
Ameerpet, Hyderabad-500016.

Registrar & Transfer Agent

Karvy Computershare Private Limited
Unit : Prism Cement Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad-500032.

Bankers

Axis Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Indian Overseas Bank
IndusInd Bank
Kotak Mahindra Bank
Vijaya Bank
Yes Bank Limited
Standard Chartered Bank

Auditors

G. M. Kapadia & Co., Mumbai