

**PRISM CEMENT LIMITED**

"Rahejas", Main Avenue, V.P. Road,
Santacruz (W), Mumbai - 400 054.
Tel.: +91-22-6675 4142 / 43 Fax : 2600 1304
website : www.prismcement.com



Ref : ASK/UD/848/AR 2015-16

August 26, 2016

The National Stock Exchange (India) Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.	The Bombay Stock Exchange, Corporate Relationship Department, P. J. Towers, Dalal Street, Fort, Mumbai – 400 023.
Code : PRISMCEM	Code : 500338

Sub. : Annual Report of the Company for the year 2015-16

Ref. : Intimation under Regulation 34(1) of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the year 2015-16 approved and adopted by the shareholders of the Company as per the provisions of the Companies Act, 2013, at the 24th Annual General Meeting held on August 23, 2016, at Taj Mahal Hotel, 4-1-999, King Koti Road, Abids, Hyderabad – 500 001.

Kindly take the same on records.

Thanking you,

Yours faithfully,

for **PRISM CEMENT LIMITED**

ANEETA S. KULKARNI
COMPANY SECRETARY

Enhancing Efficiencies Leveraging Opportunities



Mix with the Best



Contents

Corporate Overview

Business Overview	1
Financial Highlights	6
Corporate Information	8
Letter from The Managing Director	9
The World of Prism Cement Limited	10
Segment Review	12
Awards & Accolades	18

Reports

Management Discussion and Analysis	19
Report on Corporate Governance	25
Directors' Report	38

Financial Statements

Standalone

Independent Auditors' Report	62
Balance Sheet	68
Statement of Profit and Loss	69
Cash Flow Statement	70
Notes	72

Consolidated

Independent Auditors' Report	106
Balance Sheet	110
Statement of Profit and Loss	111
Cash Flow Statement	112
Notes	114

Shareholders Information

Notice	154
Attendance Slip/Proxy	

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.



Enhancing Efficiencies Leveraging Opportunities

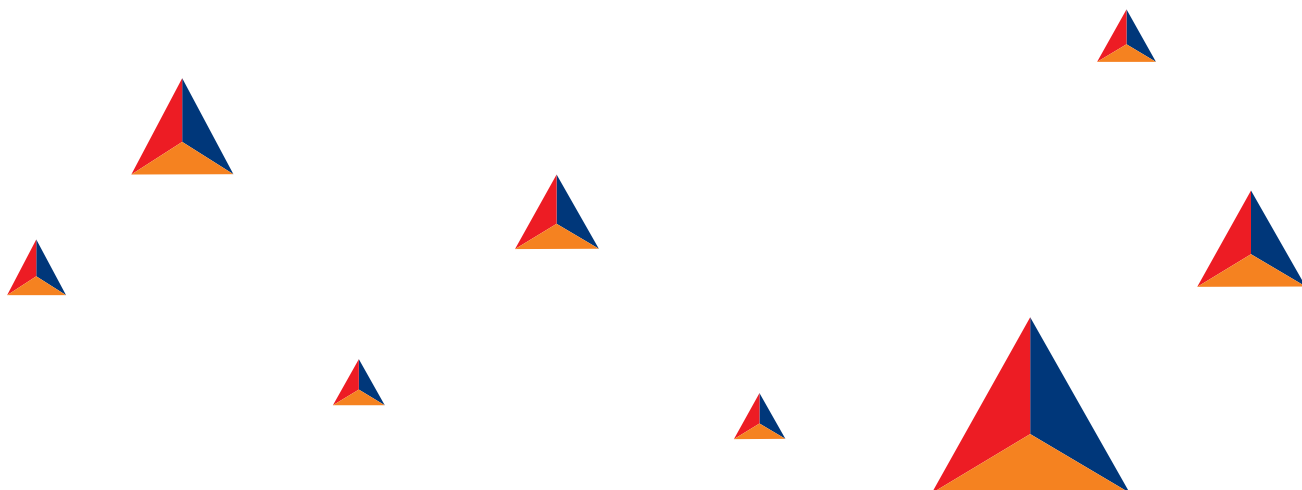
The dynamic business environment of today makes it imperative for business enterprises to become lean and nimble. More so in volatile and uncertain times. FY16 was one such year, where the demand environment was below expectations and volatility in input / commodity prices. Amidst these circumstances, 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.

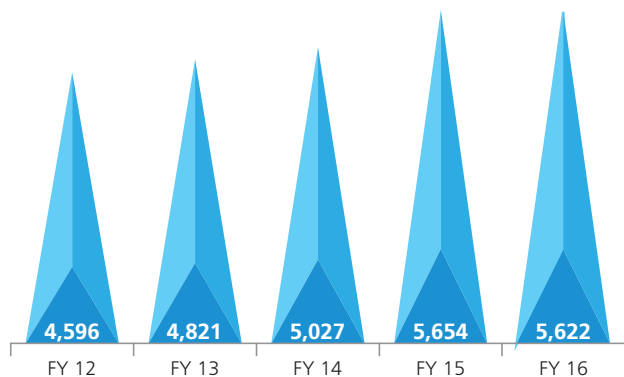
In our TBK business too, imposition of provisional anti-dumping duty on Chinese tiles import augurs well for the industry. Reduced fuel cost shall lower our manufacturing cost. The RMC Division is well placed to grab opportunities derived from demand drivers such as urbanization, infrastructure and affordable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

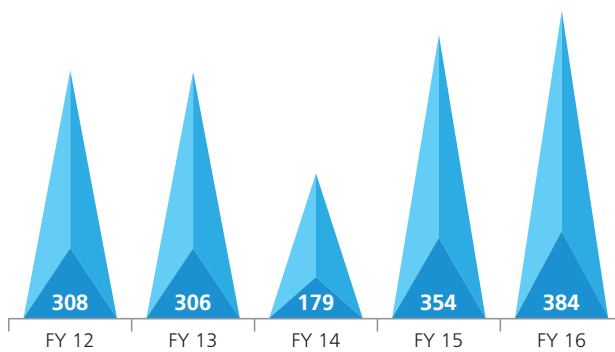


Financial Highlights

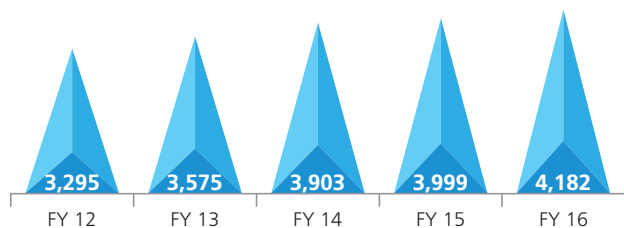
Income from operations (₹ cr)



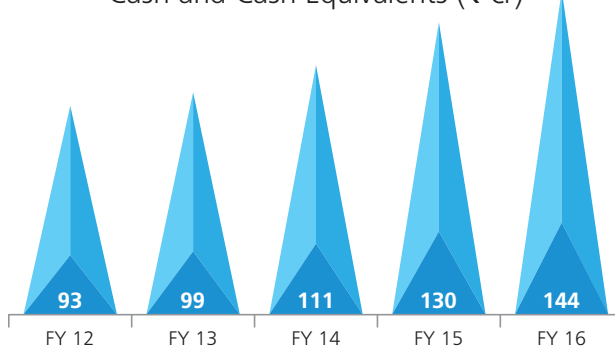
EBITDA (₹ cr)



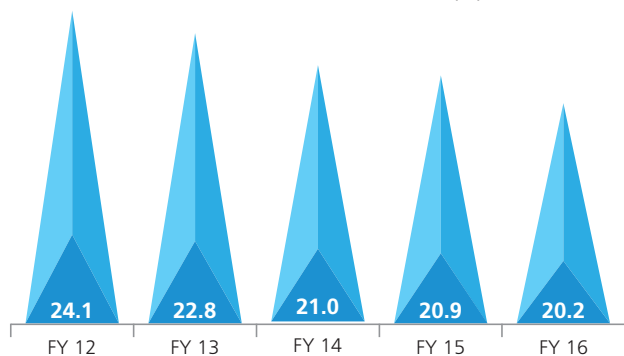
Gross Block (₹ cr)



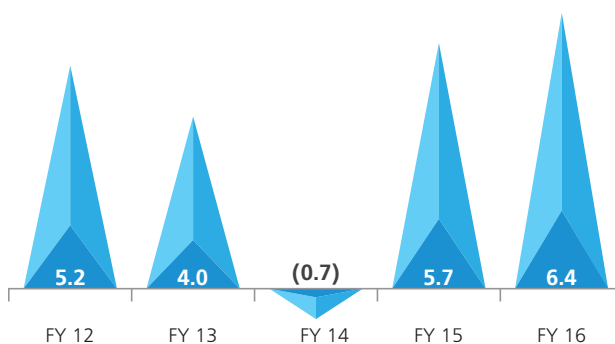
Cash and Cash Equivalents (₹ cr)



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

Letter from The Managing Director

Dear Shareholders,

During the year 2015, the global macroeconomic growth continued to stagnate around 3.0 percent with divergent traits across advanced and developing economies. The risk of a fragile recovery in Euro region continues to linger. As China moves away from huge government spending in infrastructure space, the economy is witnessing slowdown. In this backdrop, with a revised GDP calculation method, India has emerged as one of the fastest growing economies in the world. During the year 2015-16, India has registered GDP growth of 7.6 percent. Softening of commodity prices and crude oil, in particular, has augured well for India. It has helped contain inflation as well as fiscal & current account deficits. The central government has also initiated a number of initiatives which has led to increase in foreign direct investment.

The construction industry in India, during the year under review, has shown some initial signs of revival where the drive is majorly from Government spending. Private investment continues its phase of wait and watch. Many infrastructure companies continue to face stressed balance sheets and the system is also witnessing growing delinquencies. However, the Government's initiatives such as 'Make in India', 'Smart Cities', 'Swacch Bharat', 'Housing for All' and many more, continue to act as rays of hope for the construction industry. The Central Government continues

to be determined to push economic revival while keeping a check on social payments and increasing allocations for capital formation.

The Union Budget 2016-17 has increased allocation of funds for the rural economy and many other government initiatives. It has also increased its impetus on key government schemes like 'Housing for All'. The unveiling of first list of 20 'Smart Cities' and the passage of Real Estate bill would further add momentum to the construction industry. The central banks easing of key policy rates against the backdrop of benign inflation would also act as a catalyst to propel growth.

Amid this challenging business environment, your Company has been assiduously working towards enhancing operational efficiency.

The Petcoke usage in the fuel mix for the Cement Division has been steady at ~60 percent. Also to garner higher premium, we have launched premium cement brand Duratech. The recent launch of Champion Plus brand was well accepted by the markets.

In the TBK Division, the on-going rationalization measures which include improving plant efficiencies, optimizing channel distribution and motivating sales team to generate demand for dealers through strong influencer connect, among others would show benefits in the years to come. The provisional anti-dumping duty on imports of vitrified tiles from China and

downward revision in gas prices would augur well for our TBK segment. We have scaled up the marketing activities and as a part of the strategy, we have increased display of Value-added Products across our showrooms. Your Company's architect program, ASPIRE, received a very good response.

The RMC division saw stable utilization levels. We are constantly on the lookout for exploring and adding new plants in this segment in order to cater to the rapidly increasing demand. We see enormous potential in this segment with the speedy approval of real estate projects and the 'Smart Cities' initiative taken by the Government.

India is currently very well poised to grow at a steady rate. The increased impetus on the infrastructure sector augurs well for the real estate and the construction industry. We are anticipating a favourable business environment for all the three segments Cement, RMC and TBK. The 'Housing for all' and 'Smart Cities' initiatives will increase the demand across all the segments. The forecast of good monsoon by Indian Meteorological Department for this year would also push the growth for housing segment.

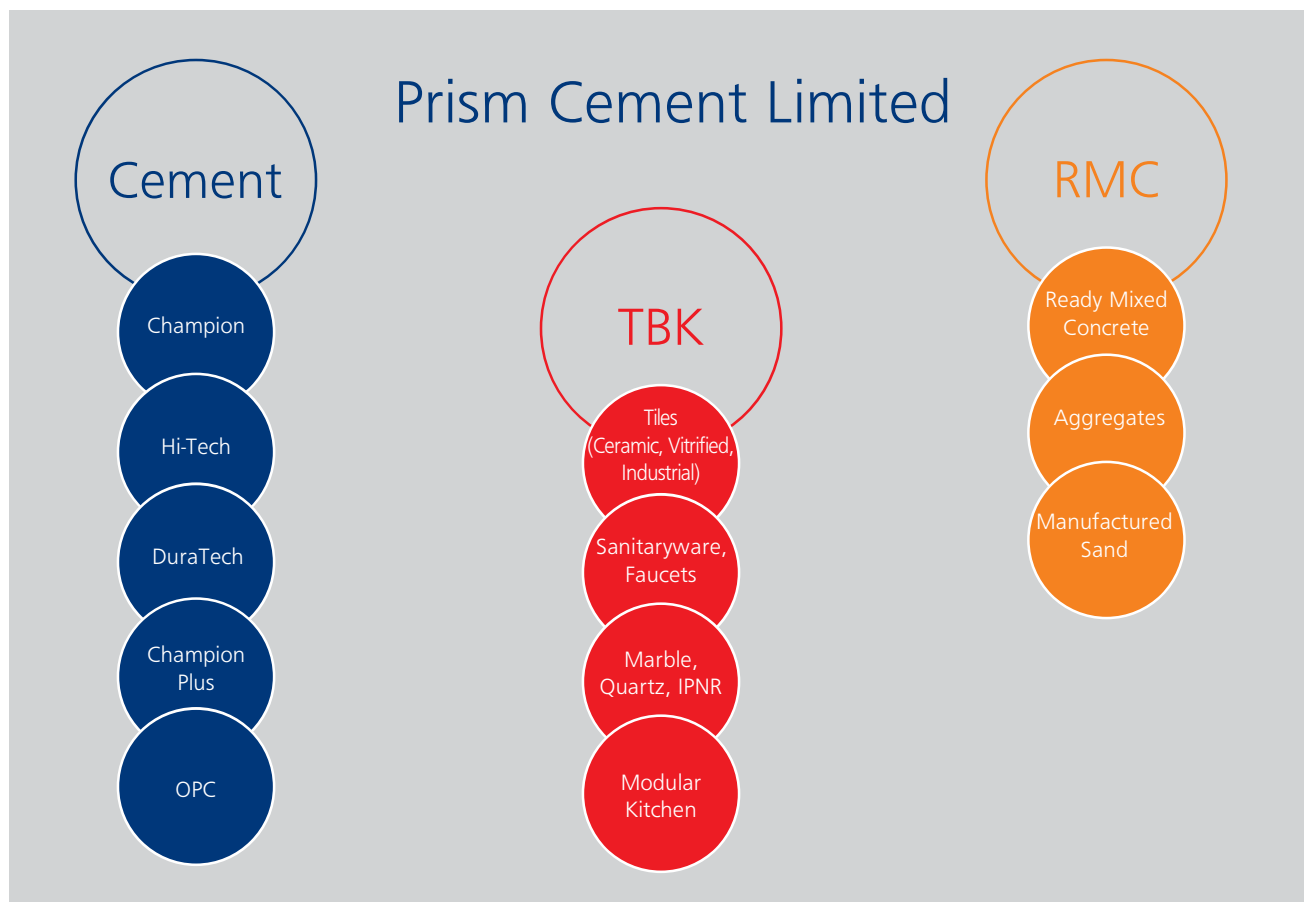
I take this opportunity to thank all the stakeholders for their continued support and belief in the Company and also very grateful to our employees for their contribution and dedication towards our organization.

Best Regards,

VIJAY AGGARWAL

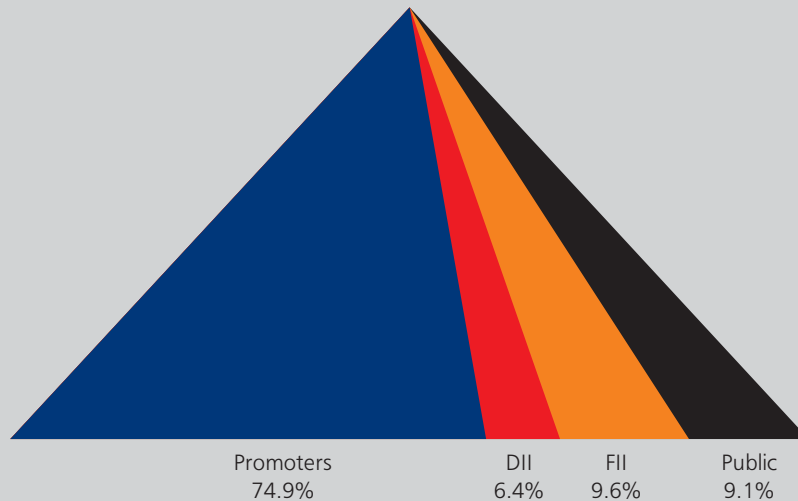
\\ The World of Prism Cement Limited

Prism Cement Limited is India's only integrated building materials company with interest in Cement, Tiles, Bathroom & Kitchen (TBK) and Ready Mixed Concrete (RMC). It has three Divisions, viz. Prism Cement, H & R Johnson (India), and RMC Readymix (India).





Shareholding Pattern



Raheja QBE General Insurance Company Ltd.

Prism Cement Limited currently holds 51 percent stake in Raheja QBE General Insurance Company Ltd., a Joint Venture with Australia based QBE Insurance Group (holds 49 percent stake). QBE Insurance Group is one of the Australia's largest international General Insurance and Re-insurance group

operating across more than 4 dozen countries. Raheja QBE General Insurance was licensed in December, 2008 as 21st General Insurance Company in India. Its general Insurance business focuses on specialty products like liability insurance, marine liability, trade credit, etc.

Distribution Network

Cement Dealers

~3,790

TBK Dealers

~1,000

Retail Dealers

~10,000

Market Capitalization

(As on 31st March 2016, BSE)

₹ 4,075 cr

Gross Sales (Consolidated)

₹ 6,044.8 cr

Gross Block (Consolidated)

₹ 4,181.6 cr

Net Worth (Consolidated)

₹ 1,016.2 cr

House of Johnson

26 Outlets

RMC

81 Plants

List of Public shareholding more than 1%

(as on 31st March 2016)

- HDFC Trustee Company Ltd. HDFC Equity Fund 3.5%
- Morgan Stanley Asia (Singapore) PTE 2.1%
- National Westminster Bank Plc as Trustee of the Jupiter India fund 1.3%
- Goldman Sachs India Fund Ltd. 1.2%
- ICICI Prudential Value Discovery Fund 1.0%

Segment Review

Prism Cement

Prism Cement is a Central India based cement manufacturer with units at Satna, Madhya Pradesh with a nameplate capacity of 5.6 MTPA of cement (potential to sell 7 MTPA of cement and clinker). It manufactures Portland Pozzolana Cement (PPC) under the brand name 'Champion', 'Champion Plus', 'Hi-Tech' and 'DuraTech'. Prism Cement has the highest quality standards due to efficient plant operations with modern state of the art automated controls. It caters mainly to markets of Eastern Uttar Pradesh, Madhya Pradesh and Bihar, with an average lead distance of

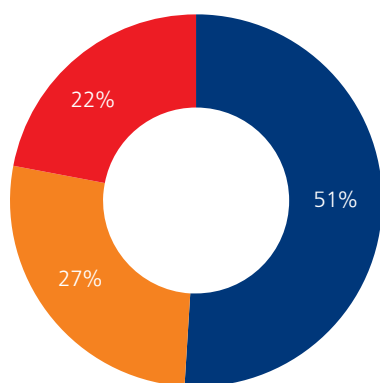
405 kms for cement from its plant at Satna, Madhya Pradesh. It has a wide marketing network with about 3,790 dealers serviced from approximately 155 stock points. The trade channel accounts for 83 percent of the revenue reflecting the strength of Company's dealer network.

The Company plans to set up a Greenfield plant in Andhra Pradesh for which required land is in possession, limestone reserves secured and environment clearance in place.

Financial Review

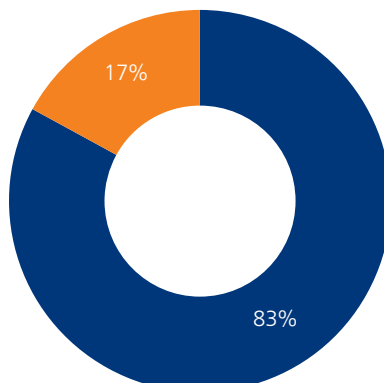
Particulars	FY 16	FY 15	FY14	FY13	FY 12
Sales Volume (Cement & Clinker)-Lakh Tonnes	52.9	56.2	51.2	47.7	51.9
Revenue (₹ cr)	2,027	2,201	1,947	1,882	1,714
EBITDA (₹ cr)	252	230	89	162	129
Margin (%)	12.5	10.4	4.6	8.6	7.5

Region wise Cement Sales Mix



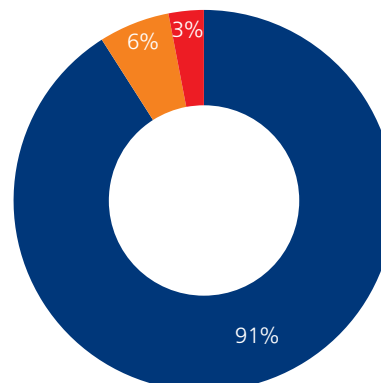
■ Eastern Uttar Pradesh ■ Madhya Pradesh ■ Bihar

Cement Sales Channel Mix



■ Trade ■ Non Trade

Cement Product Mix



■ Champion ■ Hi-Tech, DuraTech & Champion Plus ■ OPC



Operational Review

- The Division has seen improvement in operating performance despite low realizations as compared to last year with EBITDA / ton of ₹ 477 / ton as compared to ₹ 410 / ton in FY 15
- Capacity utilization stood at 76%
- The Petcoke usage as a percentage of fuel mix was stable at 59% as compared to 61% last year
- Two new brands 'DuraTech' and 'Champion Plus' were launched in three states – Uttar Pradesh, Madhya Pradesh and Bihar
- The PCL-Satna mines won the first prize in Sub grade Mineral Management and Third prize in Reclamation & Rehabilitation

RMC Readymix (India)

RMC Readymix (India) is one of India's leading ready mixed concrete manufacturers, set-up in 1996. RMC currently operates 81 ready mixed concrete plants in 38 cities/towns across the Country. Further, the Division has been able to secure new positions in its existing markets which will help it to maintain its growth. RMC Division has also ventured into partial backward integration

with aggregates business and quarries. At present, RMC has 7 Quarries and has facilities to manufacture sand in few locations. RMC has been at the forefront in setting high standards for plant and machinery, production and quality systems and product services in the ready mixed concrete industry. The Division has got a few of its technical laboratories accredited by NABL.

Financial Review

Particulars	FY 16	FY 15	FY 14	FY 13	FY 12
Revenue (₹ cr)	1,260	1,204	1,143	1,128	1,134
EBITDA (₹ cr)	50	30	40	49	56
Margin (%)	3.9	2.5	3.5	4.3	4.9

RMC special value-added concrete

Enviroprectcrete™

It is a High Performance and Sustainable concrete. Used in mass foundations, underground structures etc.

FRCcrete™

Is fibre reinforced concrete. Fibres include steel, glass or synthetic fibres. Used in terrace slabs, warehouses, container yards, railway platforms etc.

Thermocrete®

Is temperature controlled concrete used for mitigating thermal tensile cracks

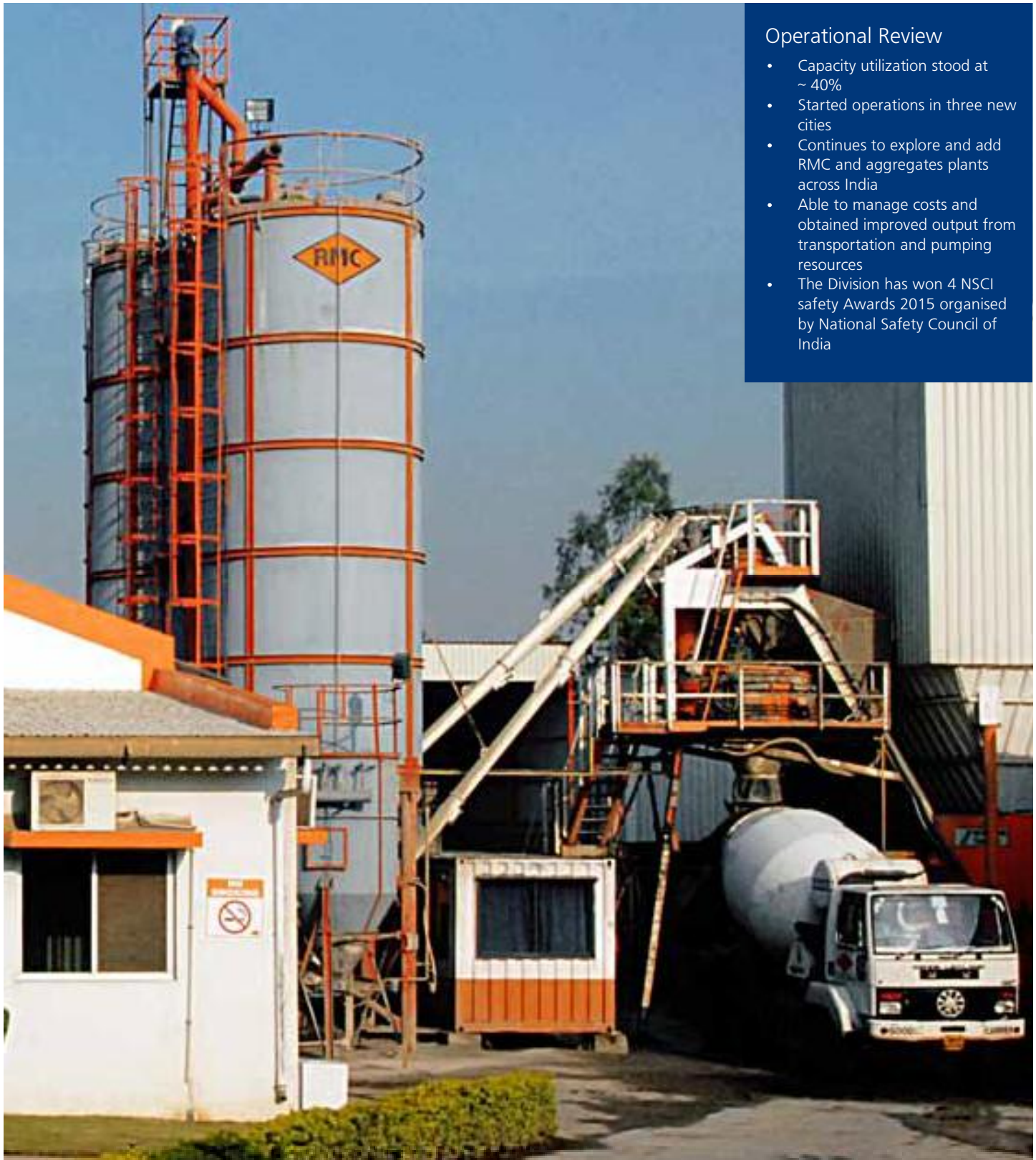
Dycrete™

Comprises an eye catching array of concrete that are colourful & textured.

Perviouscrete™

Is "Rain water harvesting" concrete.





Operational Review

- Capacity utilization stood at ~ 40%
- Started operations in three new cities
- Continues to explore and add RMC and aggregates plants across India
- Able to manage costs and obtained improved output from transportation and pumping resources
- The Division has won 4 NSCI safety Awards 2015 organised by National Safety Council of India

H & R Johnson (India)

Established in 1958, H & R Johnson (India) is the pioneer of ceramic tiles in India operating in the TBK (Tiles, Bath and Kitchen) segment. For over five decades, HRJ has added various product categories to offer complete solutions to its customers. Today, HRJ enjoys the reputation of being the only entity in India to offer end-to-end solutions of Tiles, Sanitaryware, Bath Fittings, Kitchens, and Engineered Marble & Quartz. In ceramic / vitrified tiles, HRJ along with Joint Ventures and subsidiaries has a capacity of over 58 million m² per annum spread across 10 manufacturing plants across the country. It has wide distribution network of over 1,000 dealers, 10,000 sub-dealers and 26 House of Johnson.

The Bathroom products includes bath fitting and sanitary ware. It has two manufacturing plants at Baddi (HP) and Samba (J&K). Johnson Kitchen is the modular kitchen business foray of H & R Johnson (India). It has versatile product range offering German as well as Indian modular kitchens. It has tie up with German modular kitchen manufacturer Nobilia for sourcing products. H & R Johnson (India) also produces tile fixing adhesives, grouts, industrial flooring and waterproofing through its joint venture ARDEX Endura (India) Pvt. Ltd. (50% JV with Ardex, Germany). It has two plants at Bangalore, Karnataka and Baroda, Gujarat and 28 branches across India.

Financial Review

Particulars	FY 16	FY 15	FY14	FY13	FY 12
Revenue (₹ cr)	2,309	2,227	1,916	1,832	1,729
EBITDA (₹ cr)	67	77	45	89	118
Margin (%)	2.9	3.5	2.3	4.9	6.8





Operational Review

- Capacity utilization for own plants was ~73%
- Display of Value Added Products in 100 showrooms
- Deeper penetration into existing markets and expansion in new markets
- Cost rationalization measures to improve channel distribution and plant efficiencies
- New product categories being launched to enhance H & R Johnson (India) Division's offerings at premier price points
- Won the Economic Times Top 100 Architecture & Design Brands at Mumbai
- The Company won the 'Reader's Digest Trusted Brand' For wall and floor tiles in Gold Category
- HRJ has been awarded the Business Superbrands Title for the year 2016, the most coveted Brand in India, in March 2016

\ Awards & Accolades 2015-16



Business Superbrands Title for the year 2016, the most coveted Brand Award in India, in March 2016.



Readers Digest Trusted Brand Award 2016



Readers Digest Trusted Brand Gold Award 2015



The Economic Times Top 100 Architecture & Design Brands at an event in Mumbai.



Our Kunigal Plant received the first prize for the National Energy Conservation award in the Ceramic sector from the Ministry of Power in Dec'15.



H & R Johnson (India) was given a special mention certificate at the hands of Union Minister of Railways Shri Suresh Prabhu at the "6th NCPEDP Mphasis Universal Design Awards" function at New Delhi on August 14, 2015, for their Red Ramp Project.

NSCI Safety Awards-2015

The Prestigious Award ceremony was organized by National Council of India on 4th April, 2016. The Company's Four plants of RMC are awarded in the NATIONAL SAFETY AWARD CONTEST- 2015. These Awards were handed over by Shri Bandaru Dattatreya (Honourable Minister of State, Labour and Employment, Govt. of India).

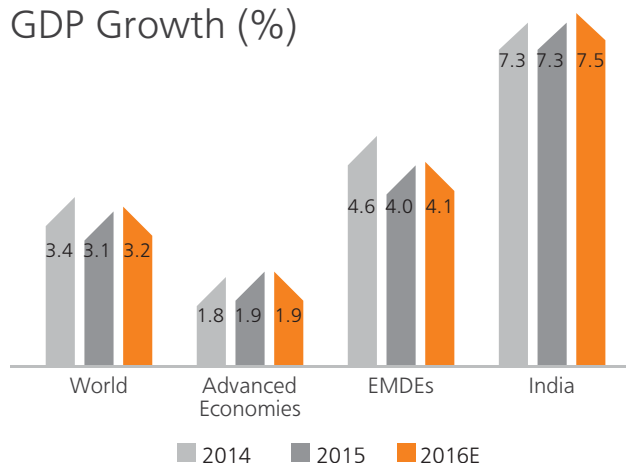
Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

The economic growth for the year 2015 as per IMF's World Economic Outlook has been marginally down to 3.2 percent. However, the growth has been very diverse across the developed and developing & emerging economies. The Emerging Markets & Developing Economies (EMDE) which contributes over 70 percent of the global growth recorded the fifth consecutive year of decline in their growth rate. The pegged growth at 3.2 percent pointed three transitions for the outlook as (1) Plummeting commodity and energy prices, (2) The faster than expected slowdown in China and their rebalancing action, and (3) a gradual tightening in monetary policy in the United States.

GDP Growth (%)



Source: IMF's World Economic Outlook April, 2016

Indian Economy

In the midst of subdued global growth, the Indian economy showed resilience. Though the export growth was not encouraging, the economy continued to grow on the back of increasing domestic consumption. The inflation remained benign due to lower commodity prices. The cumulative 150 bps cut by RBI from the start of monetary easing from January 2015 onwards helped spur the consumer demand. Government's flagship programs - 'Make in India', 'Digital India', Modernisation of Railways, etc. along with slew of reforms and easing of FDI limits in some sectors improved the confidence among the investor community. These measures cumulatively led to an FDI Equity inflow in the country of USD 36 bn., containing the fiscal deficit at 3.9 percent and Current Account Deficit at 0.9 percent. As per Central Statistics

Office (CSO), the Indian economy has registered a GDP growth of 7.6 percent in 2015-16 and expected to grow at a higher rate in 2016-17E.

The "Startup India" action and "Atal Innovation Mission" has started to promote entrepreneurial culture. The State Governments have also initiated many policy measures such as single window clearance within 21 days for setting business to woo foreign investors. Implementation of socio-economic enabler programs such as 'Jan Dhan Yojana', 'Swachh Bharat', 'Gold Monetisation', 'Housing for All', 'Pradhan Mantri Suraksha Bima Yojana', 'Krishi Bima Yojana', etc. would help strengthen the economic well being of rural and sub-urban population. These schemes coupled with investment in the private sector along with consumption will help Indian economy to move steadily on its recovery trajectory in 2016-17.

INDUSTRY OVERVIEW

The construction industry has significant contribution to the GDP. The industry contributes approximately 8 percent to the country's GDP. There are three main sectors Infrastructure, Real estate and Industrial. The infrastructure sector during the year was mired due to several bottlenecks ranging from procedural delays in clearances, lack of intent from banks to fund, high interest rates and individual balance sheet. The Government's initiatives like increased allocation of funds to infra projects along with the RBI's measures to ease cost of capital would help to kick-start the Capex cycle. All these factors would trigger the private investments which were cut down drastically for last few years. The Public Private Project Appraisal Committee (PPPAC) was formed by the Government to give approvals and speedy clearances for the infrastructure projects. The Government has adopted the newly-conceived hybrid annuity model and government-funded Engineering Procurement and Construction (EPC) model. The Government has done away with the cabinet clearance for the projects whose construction cost is less than ₹ 1,000 cr, the limit up to which the Road Transport and Highways Ministry has the liberty to give the approvals on their own.

The Government's flagship road building programme, National Highways Development Project (NHDP) was formed to expedite the national highways projects and clear the stalled projects. The number of stalled projects for 10 years has drastically come down from 384 to 74 as per Government sources.

The recently passed Real Estate (Regulation and Development) Bill, 2015 will bring the much needed consolidation and transparency in the industry, which should aid the demand for housing in the long term. This should ultimately pave way for the new projects, which will boost the construction and building materials sector.

OPPORTUNITIES AND THREATS

CEMENT



Opportunities

India is the second largest consumer of cement after China. Cement demand in India has grown at a muted growth of ~4 percent CAGR since FY12 due to weak demand from housing sector and delays in clearances in industrial projects. Combination of slowing demand and rising capacities has led to drop in utilization from ~85 percent levels in FY10 to ~70 percent in FY16. Going ahead, demand is expected to grow at a faster rate than in FY16 driven by Government spend on road, dedicated freight corridor, metros, irrigation, 'Housing for All', 'Smart Cities', and 'Swachh Bharat Mission'. This coupled with lower capacity additions, we expect industry utilizations to pick up and hence resulting in better pricing power. Prism Cement Limited is well placed given its high exposure in Central Region. The Central region was operating at ~80 percent utilization in FY16 and with no capacity additions in the near future, the region will see steady pricing power. As per credit rating agency ICRA the cement demand growth would be a modest 4 percent in FY16 before picking in the following year. This follows poor growth in cement demand in the first half of 2015 and even declines in March and April 2015. ICRA is expecting the country capacity utilization to drop to ~70 percent in the FY16, down from ~77 percent in FY12, however it is expected to improve to ~73 percent in FY17, driven by both pick-up in demand as well as slowdown in new capacity addition.

The Government's 'Housing for All by 2022' is likely to be a major game changer for the industry. KPMG report suggests for construction requirement of 11 cr units to address the housing shortage. The impetus on creation of affordable

housing mission along with quicker approvals for projects would result in increase in construction activity giving a fillip to the cement sales. The first list of 20 'Smart Cities' which was unveiled at the start of the calendar year includes Bhopal and Jabalpur cities of Madhya Pradesh where the operations of Cement Division is concentrated. This would augment the cement sales.

The Government's plan to construct cement concrete highways instead of bitumen will increase the consumption of cement for infrastructure sector. The road construction segment is likely to spur cement demand atleast in the short term. The cement demand is also likely to get push from projects such as power plants, ports, railways, irrigation projects, metro rail projects amongst others.

Cost rationalization has gained importance within cement manufacturers over the past few years in the form of increased petcoke usage, sourcing of petcoke & coal, increase in blending & energy efficiencies, optimizing logistics and use of alternative fuels amongst others.

Threats

Increase in competition among local players. Capacity upgrades by other cement companies may raise the possibility of oversupply situation in the country.

The weather forecasting agencies have predicted above normal monsoons for the country, which augurs well for cement demand. However, below normal monsoons could be a concern.

The global economic review is fragile and a slip can have a bearing impact on the India's economy which could have an impact on demand.

Ready Mixed Concrete

Opportunities

With the government's impetus on infrastructure, the Ready Mixed Concrete (RMC) industry is gaining pace as the most viable option to speed up construction. The RMC demand in India has been growing steadily over the past few years, but it accounts for only ~10 percent of cement consumption compared to other developed countries wherein nearly ~80 percent of cement consumption is in the form of RMC. The RMC's share of market is likely to grow from 10 percent of total cement demand to 25 percent by 2025 as per Cement Vision 2025 - a report of CII-A T Kearney. Earlier RMC's consumption was mostly confined to metros. However the usage has now grown to all parts of the country including Tier-II and Tier-III cities.

As there has been increase in large projects, the demand for RMC is propelling because these structures require continuous and uniform quality concrete. RMC usage has become more prominent against the backdrop of Government initiatives such as the development of smart cities, increasing connectivity through



metros, monorails and highways and enhancement of existing infrastructure facilities like airports, hospitals, bridges, roads and stations. The need for affordable housing is also expected to boost demand in Tier-II and Tier-III cities.

Threats

The burgeoning growth in RMC is threatened by logistics that challenges the industry growth. Effective transportation of both the finished product and raw materials are all the more important in the RMC sector. The logistics involved in supplying raw materials to RMC manufacturing plants should be robust and smooth.

Availability of raw materials such as aggregates, sand amongst others is key to supplying good quality RMC. Volatility in fuel prices could dent profitability in the short term.

Environment clearances and availability of land parcels could also hamper growth opportunities.

Tiles, Bath fitting and Kitchen

Opportunities

Tiles:

As per the PWC report, the Indian ceramic tiles market size is estimated to be around ₹ 301 billion in 2016, growing at a CAGR of 15 percent. India is ranked third globally and the organized segment makes up approximately 50 percent of the sector while the top eight manufacturers constitute over 75 percent of the organized market. The unorganized segment includes small and medium scale manufacturers flourishing through plants in Gujarat.

The Vitrified tiles share comprises nearly 50 percent of the ceramic tiles sales which has witnessed rapid growth in the last five years with increasing demand as they are durable and come with many designs and varieties. The gas prices which have come down significantly in the last 7-8 months has a positive impact on this segment as a substantial part of the cost of production is fuel.

Further, the provisional anti-dumping duty imposed on Chinese vitrified tiles for six months at the rate of \$1.37 per square metre is an added advantage in the few product categories.

Bath Sector:

The bath sector comprises of sanitary and bath fitting products. This segment has seen exponential growth in the recent years. The industry is estimated to be around ₹ 120 billion and is further going to increase with real estate sector boom and the customers adopting the modern urban lifestyle along with increasing nuclear families and increasing income levels.

Modular Kitchen

Increase in modern fixtures:

Indian readymade kitchens market is witnessing a robust growth over the last few years fueled by modern lifestyle in metro cities. The demand from Tier-II and Tier-III markets is also showing traction. Efficient utilization of space is also a factor that is driving growth. The industry is estimated to grow at a staggering CAGR of ~40 percent plus over the period of 2013-18 as per a report by Tech Navio.

Threats

The local un-organized sector offering products at lower rates can pose a threat to the TBK segment as a whole. There is slowdown in the Real Estate market due to the inventory overhang atleast in the urban segment, which can have a negative impact on sales.

In the tiles segment from the supply side, the continuous capacity addition in Morbi remains unabated.

The vitrified tiles segment sales are hammered due to dumping of cheaper tiles from China, particularly in coastal markets. The provisional anti-dumping duty of \$ 1.37 per square metre imposed by the government on vitrified tiles from China was much below the industry anticipation of \$ 3 per square metre. Hence the impact on low cost Chinese imports is not completely nullified. Further the duty levied is provisional.



OPERATIONAL REVIEW

Prism Cement

During the year under review, clinker and cement sales were down by percent to 52.9 Lac Ton as compared to 56 Lac Ton in FY15. However, the Division has seen improved operating performance despite lower realizations as compared to last year and provisions made towards District Mineral Foundation and National Mineral Exploration in FY16. This was possible due to various cost rationalization measures taken in FY15 and benign fuel prices. Petcoke usage as percentage of fuel mix was stable at 59 percent as compared to 61 percent last year. There was a marginal increase in lead distance to 405 km with rail road mix at 63:37.

During the year two more brands, 'Duratech' and 'Champion Plus' were launched in three states – Madhya Pradesh, Uttar Pradesh and Bihar with a focus on increasing net realizations for the Company as a whole. The above brands along with the 'Hi-Tech' cement contributed nearly 6 percent of overall volume as compared to 3 percent in FY15.

The Company has Greenfield expansion plans in Kurnool District, Andhra Pradesh. It has 3,000 acres of land in possession, limestone reserves secured and environment clearance in place.

H & R Johnson (India)

H & R Johnson (India) operates in TBK (Tiles, Bath and Kitchen) segment. The year could be split into two halves. The first half showing a ~9 percent revenue growth to ₹ 1,105 cr. However, the second half was below expectation with sales reporting ₹ 1,175 cr Capacity utilization for own plants were at ~73 percent.

During the year the focus was on Value Added Elite range. Steps were taken to improve the product display of Value Added Products in 100 state of the art showrooms. ASPIRE – company's architect connect program has got a good response.

The Company has launched EDC, Cool Roof tiles, large format wall tiles, 800cm X 1,200cm DC and 800cm X 800cm DC during the year.

Amongst the on-going cost rationalization measures, renewed focus was on closing inefficient depots, improving plant efficiencies and strengthening / optimizing channel distribution. The benefits of these initiatives are likely to flow in the following years.

The year also saw two positives for the industry – downward revision in gas prices and levy of provisional anti-dumping duty on imports of vitrified tiles from China.

The Company has total of 1,000 TBK dealers, 10,000 retail dealers. Company also has 26 'House of Johnson' chain of retail outlets contributing ~9 percent of Divisional total sales.

This Segment won many Awards this year like WCRC labeling Johnson as the 'Most Admired Brand' among others.

RMC Readymix (India)

During the year, the turnover increased by 5 percent as compared to previous year with focus on value added product sales. It continues to operate pan India with total of 81 concrete plants spread across 38 cities & metros, having started operations in two new cities in Gujarat and one in Andhra Pradesh. The Division keeps on exploring to add further RMC and aggregates plants across India keeping in mind the demand potential. Capacity utilization stood at ~40 percent.

EBIT improved significantly to ₹ 26 cr with the fourth quarter contributing nearly 50 percent of the overall EBIT. During the year under review, focus was put towards increasing value added products sales. At the same time efforts were put in place to manage costs and get improved output from transportation and pumping resources.

The Division reported RoCE of ~15 percent during FY16, better as compared to last five year's numbers.

CONSOLIDATED FINANCIAL REVIEW

During the year total revenues stood at ₹ 5,622 cr as against ₹ 5,654 cr in FY15. The Cement Division revenues de-grew by ~8 percent at ₹ 2,027 cr compared to the last year's ₹ 2,201 cr, HRJ and RMC Division recorded a revenue growth of 4 percent and 5 percent to ₹ 2309 cr and ₹ 1260 cr respectively. The Company's ongoing cost rationalization measures supported by low fuel prices have improved the overall EBITDA from ₹ 353 cr in FY15 to ₹ 384 cr in FY16. The EBITDA margin improved from 6.2 percent in FY15 to 6.8 percent in FY 16.

During the year, the Company focused on de-leveraging and the Net consolidated debt was down by ₹ 70 cr from ₹ 2,108 cr in FY15 to ₹ 2,038 cr in FY16. The Debt Service Coverage Ratio improved from 0.75x in FY15 to 1.06x in FY16. The Interest Service Coverage Ratio also improved from 1.49x in FY15 to 1.55x in FY16.

The Company sold 23 percent stake in the JV with QBE Group, Australia - Raheja QBE General Insurance Company Ltd and recognized a profit of ₹ 62.4 cr This sale brought down the stake in Raheja QBE from 74 percent to 51 percent.

OUTLOOK

In order to facilitate economic growth there is a need for structural reforms, faster approvals of projects with accommodative monetary policy and fiscal policy. With the Government advancing in the right direction with intent and resolve supported by interest rate cuts from RBI augurs well for the industry. There will be incremental demand from Government-backed projects.

The initiatives taken by the Government like 'Make in India', 'Smart Cities', 'Housing for All by 2022', 'Dedicated Freight Corridors', 'Swachh Bharat Abhiyan', 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) and pushing for fast track roads and highways will bolster the construction industry leading to increased demand for cement and ready mix concrete.

The passage of Real Estate Bill and renewed focus on affordable housing segment would provide ample growth opportunity in all business segments of the company. The Company has taken measures which going forward would help to improve operational efficiency and productivity.

The above initiatives are likely to help demand rebound for cement and RMC. Central India, which is the main region where the Company operates, has witnessed some traction on infrastructure segment especially the road construction segment, eastern corridor DFC, metros amongst others. Jabalpur and Bhopal are amongst the first 20 'Smart Cities' to receive the fund for development. These two cities are part of the operating markets that we sell cement in. In the short run, the Division is likely to benefit from the reduction in fuel prices seen in previous months. The Cement Division's capital employed is at an attractive level of ~\$38 per ton. This would lead to higher return on capital employed as utilization levels go up.

RMC Division with its widespread presence across India and with backward integration in some of its plants is well placed to benefit from the rising demand. The markets in most of the metros are expected to see a turnaround in the medium term as economy picks up and construction activities resume. With the Mega Projects Vertical, RMC Division is focusing on infrastructure segment as well. The markets in Tier-II & Tier-III cities have also been showing maturity which will help the industry's growth. Additional efforts would be put in to push value added products and increase market share. The Division expects better utilization levels going forward.

Having resolved the power and fuel issues, the focus is on increasing the utilization levels and better working capital management. HRJ saw induction of top management during the second half with renewed focus on marketing, strengthening channel distribution and continuing the initiatives to rationalize costs. The Division intends to further improve the product display of value added products.

Overall Prism Cement Limited as a company is well placed with cost initiatives and operating leverage to kick in as capacity utilization improves going forward.

RISKS AND CONCERNS

Economic factor: The effects of macroeconomic variables such as slowdown in economic activity especially real estate, construction and infrastructure would have a contagion effect on the company's performance.

Measures: The Company has in place formulated strategies and continuously monitors the environment aiming to mitigate risk factors and improve productivity.

Political Factor: The Governments push for infrastructure projects are subjected to clearances on various fronts such as land acquisition and environmental clearances which can delay and stall the projects.

Measures: Prism Cement Limited has diversified business segments catering services to several clients across states. This helps to de-risk the business due to policies and regulations

imposed by any particular state. There is ample opportunity to grow with stable leadership and resolve of government to push infrastructure and housing sectors.

Credit Factor: There can be delay in payments from clients which impacts the Cash Conversion cycle delaying cash flows and increase the interest burden for the Company.

Measures: The Company has diversified segments of customers between institutional and retail clients with much focus on the retail segment. This diversified service reduces the delay in cash flows and the company can meet the short term obligations.

Cost factor: The increased input cost of raw materials and competitive pricing can stress the balance sheet impacting profitability.

Measures: The Company has adopted various strategies to cut costs by reverting back to pet coke usage as its prices have come down significantly and increase in volumes of sales will increase in demand for the construction and infrastructure projects.

HUMAN RESOURCE

The Company's human resources is its biggest asset. The Company strongly believes the human capital and resources have major contribution to the growth of the Company. The main drivers of the human resources are:

1) Building capability and nurturing leadership:

The Company has strong employee base with strong teamwork which significantly contributes in taking the Company to the next level. The Company is an equal opportunity employer with transparent HR policies.

2) Prioritizing values and incorporating performance culture:

The Company's pillar of strength lies in inculcating ethics and values to the highest standards. It has also adopted the best practices in industry and continuously monitors the employees and encourage them to adhere to the values who in turn help the co-workers to adopt the same.

The Company has a strong Performance Management System (PMS) in place which recognizes talent and incorporates their ideas and inputs which will improve the working environment and productivity. It has started Product and Functional training under the name Learning bytes. It has Performance improvement plan for underperformers and Health check-up camps for employees.

3) Sustainable Growth through agile and diverse organization:

The Company has adopted various strategies to restructure the organization and the policies which perfectly suits the business requirements and enabling it to sustain growth and improve productivity. It has HR Connect - Zonal/Regional HR meetings with branch employees.

INTERNAL CONTROL SYSTEM

The Company has well established framework on internal control in all areas, of its operations, including suitable monitoring procedures and competent and qualified personnel. These systems are enforced to maintain strict accounting control, optimum efficiency in operations and utilization of resources as well as financial reporting, compliance with policies, applicable laws, rules and regulations. In addition to statutory audit, the financial controls of the company at various locations are reviewed by the internal auditors, who report their findings to the audit committee of the board. Every unit is subject to internal audit as per the audit plan approved by the audit committee of the board.

The Audit Committee reviews the financial reporting process and monitors the implementation of audit recommendations including the compliance with accounting standards and other legal requirements relating to financial statements. The audit committee of the board is headed by a non-executive independent director and ensures independence of the function and transparency of the process.

The Committee meets to review the progress of the internal audit initiatives, significant audit observations and the action plans. The Company conducts its business with integrity and high standards of ethical behaviour and in compliance with the laws and regulations that govern its business.

CORPORATE SOCIAL RESPONSIBILITY

The Company strongly believes in giving back to the society. The Company feels responsible towards the communities residing adjoining to the manufacturing business operations location. It has taken lot of initiatives to improve the quality of the people by empowering them in many fronts like education, community development and cultural enrichment.

The various initiatives taken by the company are:

- Planting saplings in and around various plant locations across the country to create blissful environment.
- Providing free water supply through tankers especially in summer season.
- Supplying material for construction and renovation of religious institutions in the nearby areas of the plants.
- Adoption of anganwadis in the villages near the plant.
- Promoting education by distributing books, school bags, shoes, clothes, undertaking guidance programs, extending financial help to nearby schools for better quality education and proving scholarships to deserving students.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors and employees. The Company and its Board of Directors firmly believe that strong governance, by maintaining a simple and transparent corporate structure, is integral to creating value on a sustainable basis. Good governance is a continuing exercise and the Company reiterates its commitment to pursue the same in all aspects of its operations in the overall interest of all its stakeholders. The Directors and employees have accepted a Code of Conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the Company.

In keeping with its commitment to good corporate governance which, it has always believed leads to efficiency and excellence in operations, the Company has adopted practices mandated by the regulations and established its procedures and systems in order to remain always compliant.

1. Board of Directors

Size, Composition and Attendance

- The Board and its Committees consist of Directors with the appropriate balance of skills, experience, independence and knowledge of the Company. The Non-executive Directors and Independent Directors on the Board are experienced, competent and renowned persons from the fields of manufacturing, finance & taxation, economics, law, etc.
- As on March 31, 2016, the total strength of the Board is nine Directors comprising four Executive

Directors and five Non-executive Directors, of which three are independent. The Chairman of the Board is a Non-executive Non-independent Director.

- During the year ended March 31, 2016, seven Board Meetings were held on (i) May 14, 2015, (ii) August 5, 2015, (iii) August 17, 2015, (iv) September 8, 2015, (v) November 3, 2015, (vi) December 16, 2015 and (vii) February 11, 2016.
- None of the Directors on the Board is a member on more than ten Audit Committees/Stakeholder Relationship Committees of public listed companies and Chairman of more than such five Committees across all the public listed companies in which he/she is a Director.
- None of the Directors serves as an Independent Director in more than seven listed companies. None of the Executive Directors serves as an Independent Director in more than three listed companies.
- None of the Independent Directors have any material pecuniary relationship or transactions with the Company.
- None of the Directors have any *inter-se* relation among themselves and/or with any employee of the Company.
- The following table gives details for the financial year 2015-16 of Directorship, Category, attendance at Board Meetings and at the last Annual General Meeting and number of memberships of Board/ Committees of various other public companies :

Name	Category of Directorship	DIN	Particulars of Attendance		*Number of Directorship(s) held in Indian public limited companies (excl. Prism Cement Limited)	**Committee(s) position (excl. Prism Cement Limited)	
			Board Meeting	Last AGM		Member	Chairman
Mr. Rajesh G. Kapadia <i>Chairman</i>	Non-executive Non-independent	00003272	6	Yes	5	1	2
Mr. Rajan B. Raheja	Non-executive Non-independent	00037480	4	No	5	2	—
Mr. Vijay Aggarwal <i>Managing Director</i>	Executive Non-independent	00515412	7	Yes	5	3	2
Mr. V. K. Agnihotri ^{\$1} <i>Executive Director & CEO (Cement)</i>	Executive Non-independent	02986266	4	Yes	—	—	—
Mr. Joydeep Mukherjee ^{\$2} <i>Executive Director & CEO (HRJ)</i>	Executive Non-independent	06648469	N.A.	N.A.	—	—	—



Name	Category of Directorship	DIN	Particulars of Attendance		*Number of Directorship(s) held in Indian public limited companies (excl. Prism Cement Limited)	**Committee(s) position (excl. Prism Cement Limited)	
			Board Meeting	Last AGM		Member	Chairman
Mr. V. M. Panicker <i>Executive Director & CEO (RMC)</i>	Executive Non-independent	02975912	7	Yes	—	—	—
Mr. J. A. Brooks	Non-executive Independent	00142045	5	Yes	—	—	—
Ms. Ameeta A. Parpia	Non-executive Independent	02654277	6	Yes	3	3	1
Mr. Shobhan Thakore	Non-executive Independent	00031788	7	Yes	8	7	2
Mr. Ganesh Kaskar [#] <i>Executive Director & CEO (HRJ)</i>	Executive Non-independent	00035637	7	Yes	—	—	—

* Excludes directorships in private limited companies, foreign companies & companies under Section 8 of the Companies Act, 2013.

** Only Audit Committee and Stakeholders Relationship Committee positions considered.

\$¹ Appointed w.e.f. August 17, 2015.

\$² Appointed w.e.f. March 3, 2016.

Resigned on March 2, 2016.

Board Procedure

The Board meets at regular intervals to review, *inter alia*, the financial performance of the Company and on other matters requiring its decisions and directions. The tentative yearly calendar of the meetings is finalised before the beginning of the year. Additional meetings are held as and when necessary. The Chairperson of various Board Committees brief the Board on all the important matters discussed and decided at their respective Committee meetings, which are generally held prior to the Board meetings.

The Board periodically reviews matters such as strategy and business plans, annual operating and capital expenditure budgets, adoption of quarterly/half-yearly/annual financial results, investors' grievances, borrowings and investments, issue of securities, compliance certificates, minutes of meetings of the Committees of Directors of the Board and the subsidiary companies including agenda suggested in Schedule V to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and to the extent applicable. A detailed operations report is also presented at every Board Meeting.

The agenda is circulated to the Board in advance and is backed by necessary supporting information and documents, to enable the Board to take informed decisions and in exceptional cases, additional items of agenda are tabled at the meeting. However, in case of a

special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

Familiarisation of Independent Directors

The Company has formulated a policy to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. Presentations are regularly made to the Board Members covering, *inter-alia*, business environmental scan, the business strategies, operations review, quarterly/half-yearly/annual financial results, budgets, review of internal audit reports, statutory compliances, risk management, operations of subsidiaries and joint ventures etc. During the year under review, an educational tour was organised for the Independent Directors to the Company's cement plant at Satna to get a deeper insight in the operations of the cement business of the Company. Mr. J. A. Brooks and Ms. Ameeta Parpia attended the same. The Independent Directors were familiarised with the cement plant operations and also given detailed presentations on the same.

The details of familiarisation programme for Independent Directors have been disclosed on the website of the Company www.prismcement.com/about/policies.

Governance Codes

a. Code of Conduct

The Board of Directors of the Company has laid down two separate Codes of Conduct - one for Directors and the other for Senior Management and Employees. These Codes are hosted on the Company's website www.prismcement.com. All

Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director is annexed to this report.

b. Insider Trading Code

In compliance with the SEBI Regulations on prohibition of insider trading, the Company has adopted the following Codes :

- i. Code of Conduct for Prohibition of Insider Trading in Securities of Prism Cement Limited to regulate, monitor and report trading by Insiders, Designated Persons and such other persons to whom this Code is applicable.
- ii. Code for Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code is uploaded on the website of the Company www.prismcement.com/core-values/conduct/upsi.

The Codes, *inter alia*, prohibit trading in the securities of the Company by Directors/employees/insiders while in possession of unpublished price sensitive information in relation to the Company.

Independent Directors Meeting

During the year under review, a meeting of the Independent Directors of the Company was held on February 11, 2016, *inter alia*, to discuss the following :

- Evaluation of the performance of Non-independent Directors and the Board as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors.
- Evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting was attended by Ms. Ameeta A. Parpia, Mr. J. A. Brooks and Mr. Shobhan M. Thakore.

2. Board Committees

The Board has constituted Committees to deal with specific areas and functions which concern the Company and require closer review. The constitution of the Committees, fixing of terms of reference, appointment of members, etc., are determined by the Board. Recommendations of these Committees are submitted to the Board for approval. These Committees meet from time to time and the minutes of their meetings are periodically placed for the review of the Board.

The Company Secretary acts as the Secretary to all the Committees.

The Board currently has the following Committees :

A. Audit Committee

The Audit Committee of the Company is constituted pursuant to the provisions of the Companies Act, 2013 and the SEBI LODR. As on March 31, 2016, the Audit Committee comprised of three Non-executive Independent Directors. All the members have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Audit Committee has met seven times during the year ended March 31, 2016 on (i) May 13, 2015, (ii) August 5, 2015, (iii) August 31, 2015, (iv) October 30, 2015, (v) November 3, 2015, (vi) February 9, 2016 and (vii) February 11, 2016. The details of attendance by the Committee Members are as follows :

Name of Director	Category	No. of Audit Committee Meetings attended
Ms. Ameeta A. Parpia <i>Chairperson</i>	Non-executive Independent	7
Mr. J. A. Brooks	Non-executive Independent	6
Mr. Shobhan Thakore	Non-executive Independent	6
Mr. Rajesh G. Kapadia *	Non-executive Non-independent	5

* Resigned on January 7, 2016

The terms of reference of the Audit Committee cover the matters specified in Section 177 of the Companies Act, 2013 to include :

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Examination of the financial statements and the auditors' report thereon.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Evaluation of internal financial controls and risk management systems.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.



The terms of reference and powers of the Committee are also in accordance with the requirements of SEBI LODR and, *inter-alia*, include :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to auditors for any other services rendered by them.
- Review of the internal control systems with the management, internal auditors and auditors.
- Review with the management the annual financial statements before submission to the Board for approval, with special emphasis on accounting policies and practices, disclosure of related party transactions, qualifications in the draft audit report, if any, compliance and other legal requirements concerning financial statements.
- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- Review Management Discussion and Analysis.
- Review the functioning of the Whistle Blower mechanism.
- Review and discuss with the Management the internal financial controls and risk management systems.
- Review transactions with related parties and grant omnibus approval for transactions which are in the normal course of business and on an arm's length basis and to review and approve such transactions subject to the approval of the Board, wherever necessary.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate.
- Review financial statements and investment of unlisted subsidiary companies.
- Any other terms of reference as may be included from time to time.

The Committee has, during the year ended March 31, 2016, reviewed each area as laid down in the terms of reference stipulated by the Board and the applicable regulations.

The representative of the Auditors is invited to all the Audit Committee Meetings which have been attended by them. The representatives of the Internal Auditors and the Cost Auditors are invited for the Audit Committee Meetings at which their respective reports are placed. All the Audit Committee Meetings are generally attended by Senior Management Executives of the Company.

B. Nomination & Remuneration Committee

As on March 31, 2016, the Nomination & Remuneration Committee ('NRC') comprises of three Non-executive members of the Board viz. Ms. Ameeta A. Parpia - Chairperson, Mr. Rajan B. Raheja and Mr. J. A. Brooks.

The terms of reference are as per the Companies Act, 2013 and SEBI LODR and, *inter alia*, include the following :

- a. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- b. Formulate and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully, relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c. Review the performance of the Board of Directors.
- d. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.

During the year ended March 31, 2016, three meetings of the NRC were held on (i) May 14, 2015,

(ii) August 17, 2015 and (iii) February 11, 2016. The details of attendance by the Committee Members are as follows :

Name of Member	Category	No. of NRC Meetings attended
Ms. Ameeta A. Parpia	Non-executive Independent	3
Mr. Rajan B. Raheja	Non-executive Non-independent	2
Mr. J. A. Brooks	Non-executive Independent	2
Mr. Rajesh G. Kapadia *	Non-executive Non-independent	2

* Resigned on January 7, 2016

Performance Evaluation

In accordance with the provisions of the Companies Act, 2013 and SEBI LODR and the Policy framed by the Board for Performance Evaluation, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors.

A structured questionnaire was prepared covering various aspects such as attendance at the meetings, participation and contribution, team work, discussions at the Board/Committee Meetings, understanding of the business of the Company, strategy and quality of decision making, etc. The Directors expressed their satisfaction with the evaluation process.

Remuneration Policy

The objective of the Remuneration Policy of the Company for members of the Board of Directors, Key Managerial Personnel, Senior Management and Employees is to focus on enhancing the value, to retain and motivate Employees and Directors for achieving the objectives of the Company and to place the Company in a leadership position.

The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act, 2013 and criteria pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

a. Criteria of making payments to Non-executive Directors

The Non-executive Directors shall be entitled

to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee/General Body meetings and commission as under :

- (i) The Non-executive Directors are paid sitting fees for attending the Board and Audit Committee meetings as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Non-executive Directors are currently paid sitting fees of ₹ 50,000/- for attending every meeting of the Board and ₹ 40,000/- for attending every meeting of the Audit Committee. For the year ended March 31, 2016, the Non-executive Directors were paid in aggregate, an amount of ₹ 23.60 lakhs as sitting fees as under :

Name of Member	₹ Lakhs
Mr. Rajan B. Raheja	2.00
Mr. J. A. Brooks	4.90
Ms. Ameeta A. Parpia	5.80
Mr. Shobhan M. Thakore	5.90
Mr. Rajesh G. Kapadia *	5.00

* Resigned on January 7, 2016

- (ii) Apart from this, Non-executive Independent Directors (NEIDs) are entitled to be paid commission not exceeding 1% of the net profits of the Company, with effect from April 1, 2014. The distribution of commission amongst the NEIDs shall be approved by the NRC/Board. Due to inadequacy of profits, no commission was proposed to be paid to the NEIDs for the year ended March 31, 2016.

b. Executive Directors

- The term of office and remuneration of Managing Director and Executive Director & CEOs are subject to the approval of the NRC/ Board of Directors, shareholders and Central Government, as may be required and the limits laid down under the Companies Act, 2013 and Schedule V thereto, from time to time.
- The remuneration for the Managing Director and Executive Director & CEOs is designed to remunerate them fairly and responsibly. The remuneration comprises of salary, perquisites and performance based incentive, wherever applicable, apart from retirement benefits such

as Provident Fund, Superannuation, Gratuity, Leave encashment, etc., as per Rules of the Company and as may be mutually agreed to by the Managing Director/Executive Director & CEO(s) and the NRC/Board.

- While considering the appointment and remuneration of the Managing Director and Executive Director & CEOs, the NRC considers the industry benchmarks, merit and seniority of the person. The NRC also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long term.
- The tenure of the Managing Director and Executive Director & CEOs is for three years and can be terminated by either party by giving six months' notice in writing.
- The Company does not pay any sitting fees, severance fee and no stock option is granted to the Managing Director/Executive Director & CEOs.
- The Company has taken steps for seeking approvals from the Central Government and the shareholders for waiver of recovery of excess remuneration of ₹ 0.67 crores paid during their respective tenures, to the Managing Director and the Executive Director & CEOs of the Cement and HRJ Divisions of the Company due to non-availability of profits for the year 2015-16.

Details of the remuneration paid for the year ended March 31, 2016 are as under :

Name	Business relationship with the Company	Remuneration paid during the year (₹ Crores)	Date of Appointment
Mr. Vijay Aggarwal	Managing Director	11.79	March 3, 2016
Mr. V. K. Agnihotri	Executive Director & CEO (Cement)	1.39	August 17, 2015
Mr. Joydeep Mukherjee	Executive Director & CEO (HRJ)	0.17	March 3, 2016
Mr. V. M. Panicker	Executive Director & CEO (RMC)	1.47	August 25, 2013
Mr. Ganesh Kaskar	Executive Director & CEO (HRJ)	2.34	Resigned on March 2, 2016

Remuneration includes :

- Salary, allowances, performance incentive, contribution to provident and superannuation funds, perquisites, etc. (wherever applicable).
- Leave encashment & Gratuity on actual payment.

c. Senior Management Employees

The Company while deciding the remuneration of the Senior Management employees takes into consideration, *inter alia*, the merit and seniority of the person, employment scenario and industry benchmarks.

The remuneration of the Senior Management employees is based on :

1. A fixed base salary - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. Perquisites - in the form of house rent allowance/accommodation, reimbursement of medical expenses, insurance, conveyance, telephone, leave travel, etc., as may be mutually negotiated and applicable as per Company Rules.
3. Retirement benefits - contribution to PF, superannuation, gratuity, etc., as may be applicable as per Company Rules.
4. Motivation/Reward - A performance appraisal is carried out annually and promotions/increments/rewards are decided based on the appraisal and recommendation of the Managing Director/ concerned Executive Director & CEOs, wherever applicable, as per Company Rules.

d. Details of shares of the Company held by the Directors as on March 31, 2016 are as under :

Name	No. of shares
Mr. Rajan B. Raheja	5,14,06,327
Ms. Ameeta A. Parpia	76,000

None of the other Directors hold any shares in the Company. None of the Directors hold any convertible instruments in the Company

C. Stakeholders Relationship Committee

As on March 31, 2016, the Stakeholders Relationship Committee comprises of Ms. Ameeta Parpia, Independent Director as the Chairperson and Mr. Vijay Aggarwal as the member of the Committee. The terms of reference include :

- Overseeing and reviewing all matters connected with the transfer of the Company's securities.
- Consider, resolve and monitor redressal of investors'/shareholders'/security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend, etc.

- Overseeing the performance of the Company's Registrar & Transfer Agent.
- Carry out any other function as is referred to by the Board from time to time and/or enforced by any statutory notification/amendment or modification as may be applicable.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

The Committee has met four times during the year ended March 31, 2016 on (i) May 14, 2015, (ii) August 5, 2015, (iii) November 3, 2015 and (iv) February 11, 2016. The details of attendance by the Committee Members are as follows :

Name of Member	Category	No. of SRC Meetings attended
Ms. Ameeta A. Parpia	Non-executive Independent	4
Mr. Vijay Aggarwal	Executive Non-independent	4
Mr. Rajesh G. Kapadia *	Non-executive Non-independent	3

* Resigned on January 7, 2016

The Board has designated Ms. Aneeta S. Kulkarni, Company Secretary, as Compliance Officer. During the year ended March 31, 2016, six complaints were received from shareholders, which were resolved satisfactorily. As on March 31, 2016, there were no pending investor complaints.

D. Securities Allotment & Transfer Committee

The Company's securities are traded in the dematerialised form on the Stock Exchanges. The Committee is responsible, *inter alia*, for issue and allotment of securities, issue of duplicate/split/consolidated certificates, share transfer and related applications received from shareholders. As on March 31, 2016, the Committee comprises of Mr. Vijay Aggarwal - Chairman, Mr. V. K. Agnihotri - Member, Mr. Joydeep Mukherjee - Member and Mr. V. M. Panicker - Member.

The Committee has met nine times during the year ended March 31, 2016 on (i) April 20, 2015, (ii) May 28, 2015, (iii) August 5, 2015, (iv) September 15, 2015, (v) October 19, 2015, (vi) November 27, 2015, (vii) January 28, 2016, (viii) February 18, 2016 and (ix) February 26, 2016. The details of attendance by the Committee Members are as follows :

Name of Member	No. of SA&TC Meetings attended
Mr. Vijay Aggarwal	8
Mr. V. K. Agnihotri ^{*1}	3

Name of Member	No. of SA&TC Meetings attended
Mr. Joydeep Mukherjee ^{*2}	N. A.
Mr. V. M. Panicker	8
Mr. Ganesh Kaskar [#]	8

^{*1} Appointed w.e.f. August 17, 2015

^{*2} Appointed w.e.f. March 3, 2016

[#] Resigned on March 2, 2016

To expedite the process of share transfers in physical segment, officers of the Company have been authorised to approve share transfer(s) and transmission(s) and review all other matters connected with the Company's securities.

E. Corporate Social Responsibility Committee

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee with the following objectives :

- To formulate and recommend a CSR policy to the Board and the amount of expenditure to be incurred on CSR activities;
- To monitor the implementation of the CSR policy of the Company from time to time;
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company.

One meeting of the CSR Committee was held on February 9, 2016. As on March 31, 2016, the composition of the CSR Committee and the details of attendance at the meetings are as under :

Name of Member	Designation	No. of meetings attended
Mr. Vijay Aggarwal	Chairman	1
Ms. Ameeta Parpia	Member & Independent Director	1
Mr. V. K. Agnihotri ^{*1}	Member	1
Mr. Joydeep Mukherjee ^{*2}	Member	N. A.
Mr. V. M. Panicker	Member	1
Mr. Rajesh Kapadia ^{\$1}	Member	N. A.
Mr. Ganesh Kaskar ^{\$2}	Member	1

^{*1} Appointed w.e.f. August 17, 2015

^{*2} Appointed w.e.f. March 3, 2016

^{\$1} Resigned on January 7, 2016

^{\$2} Resigned on March 2, 2016

F. Risk Management Committee

Risk management is integral to the Company and is

controlled through awareness, training, discipline, commitment and prudent risk management strategies. The risk management framework is designed to assess, measure and control risks, including procedures for mitigating concerns, monitoring compliance with standards and reporting results to the appropriate operations and management groups.

The Board of Directors has constituted a Risk Management Committee with the following broad objectives :

- Assess and provide oversight to the management relating to the identification and evaluation of major strategic, operational, regulatory, information and external risks inherent in the business of the Company and the control processes with respect to such risks.
- Overseeing the risk management, compliance and control activities of the Company, including without limitation, the development and execution by management of strategies to mitigate risks.
- Overseeing the integrity of the Company's systems of operational controls regarding legal and regulatory compliance.
- Overseeing compliance with legal and regulatory requirements, including, without limitation, with respect to the conduct of the Company's business.
- Obtaining assurance from the Management that all known and expected risks are identified and mitigation steps are taken.

During the year ended March 31, 2016, four meetings of the Risk Management Committee were held on (i) May 13, 2015, (ii) August 31, 2015, (iii) October 30, 2015 and (iv) February 9, 2016. The composition of the Risk Management Committee as at March 31, 2016 and the details of attendance at the meetings of the Committee is as under :

Name	Designation	Attendance at the Meeting of the Risk Management Committee
Mr. Vijay Aggarwal	Chairman	4
Ms. Ameeta Parpia ^{*1}	Member	3
Mr. V. K. Agnihotri ^{*2}	Member	3
Mr. Joydeep Mukherjee ^{*3}	Member	1
Mr. V. M. Panicker	Member	4
Mr. Pramod K. Akhramka ^{*1}	Member	3
Ms. Aneeta S. Kulkarni ^{*1}	Member	3
Mr. Rajesh Kapadia ^{\$1}	Member	3
Mr. Ganesh Kaskar ^{\$2}	Member	4

^{*1} Appointed w.e.f. May 14, 2015

^{*2} Appointed w.e.f. August 17, 2015

^{*3} Appointed w.e.f. December 16, 2015

^{\$1} Resigned on January 7, 2016

^{\$2} Resigned on March 2, 2016

3. Whistle Blower Policy

The Company is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Accordingly, the Board has established a vigil mechanism by adopting a 'Whistle Blower Policy' for stakeholders including Employees and Directors and their representatives to freely communicate their concerns about illegal or unethical practices.

The Whistle Blower Policy provides a mechanism for stakeholders including Employees and Directors and their representatives to approach the Corporate Governance Cell/Chairman of the Company/Chairperson of the Audit Committee of the Company. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The Policy is hosted on the website of the Company www.prismcement.com/about/policies.

4. Subsidiary Company

All subsidiary companies are Board managed with their Boards exercising the duties and powers to manage such companies in the best interest of their stakeholders. The Company has formulated a policy for determining 'material' subsidiaries and the same is disclosed on the website of the Company www.prismcement.com/about/policies. As on March 31, 2016, Raheja QBE General Insurance Company Limited (RQBE), is a material non-listed subsidiary company in terms of the SEBI LODR.

Ms. Ameeta Parpia and Mr. Shobhan Thakore, Independent Directors of the Company, are appointed as Independent Directors on the Board of RQBE.

The operations and performance of the subsidiary companies are reviewed on a quarterly basis as under :

- The minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.
- The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the subsidiary companies.

5. Related Party Transactions

The Board has approved a policy on materiality of related party transactions and dealing with related party transactions which has been uploaded on the Company's website www.prismcement.com/about/policies.

The Company's major related party transactions are

generally with its subsidiaries, joint ventures and associates to further the Company's business interest. Attention of the members is drawn to the details of transactions mentioned in the Annexure 'C' forming part of the Directors' Report.

All other transactions entered into with Related Parties as defined under the Companies Act, 2013, erstwhile Clause 49 of the Listing Agreement and SEBI LODR during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the year ended March 31, 2016 which were in conflict with the interests of the Company. Details of such related party transactions are given in Note 50 of the Standalone Financial Statements forming part of this Annual Report.

6. Disclosures

- 1) There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets during the last three years.
- 2) The Board of Directors has established a vigil mechanism by adopting a Whistle Blower Policy for the Company which is available on the Company's website. No personnel has been denied access to the Audit Committee.
- 3) The Company has complied with the disclosures of corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-Regulation (2) of Regulation 46 of the SEBI LODR.

4) (i) Mandatory Requirements

The Company has complied with all the mandatory requirements of the SEBI LODR.

(ii) Discretionary Requirements

- a. Non-executive Chairman's Office : The Chairman's office is separate from that of the Managing Director and is maintained by the Chairman himself.
- b. As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website and the websites of the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE), the same are not being sent to the shareholders.
- c. The statutory annual financial statements of the Company are unmodified.
- d. The Company has appointed separate persons to the posts of Chairman, Managing Director and Executive Directors.

e. The Internal Auditors have access to the Audit Committee.

- 5) The Company has followed all relevant Accounting Standards prescribed under the Companies Act, 2013 and Rules thereunder and the guidelines issued by Securities Exchange Board of India while preparing Financial Statements.

7. CEO/CFO Certification

Pursuant to provisions of Regulation 17(8) of the SEBI LODR, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and other matters related to internal controls for the year ended March 31, 2016.

8. General Meetings

- (i) Location and time where last three Annual General Meetings were held :

Date of Meeting	Time of Meeting	Venue
September 8, 2015	9.30 a.m.	Taj Mahal Hotel, 4-1-999, King Koti Road, Abids, Hyderabad - 500 001
July 31, 2014	9.30 a.m.	
June 25, 2013	11.30 a.m.	

- (ii) Three special resolutions were passed at the Annual General Meeting held on June 25, 2013, four special resolutions were passed at the Annual General Meeting held on July 31, 2014 and three special resolutions were passed at the Annual General Meeting held on September 8, 2015.
- (iii) No special resolutions were passed through postal ballot last year and no special resolutions have been proposed to be passed through postal ballot at the AGM to be held on August 23, 2016.

9. Means of Communication

- The quarterly/half yearly/annual financial results of the Company are forwarded to BSE and NSE where the Company's securities are listed.
- The results are thereafter given by way of a Press Release to various news agencies/analysts and published in the Economic Times (English) and Andhra Jyoti/Sakshi (Telugu) and are displayed on the Company's website www.prismcement.com/investors/financials.
- The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the investors.
- The quarterly/half-yearly/annual financial results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE and NSE are filed electronically on BSE's on-line portal and NSE's NEAPS portal.
- A separate dedicated section under 'Investors' on the Company's website gives information on unclaimed

dividends, financial results, Annual Reports, quarterly compliance reports, communications with the Stock Exchanges, investor presentations and updates and other relevant information of interest to the investors/public and as mandated by the SEBI LODR and the Companies Act, 2013.

- The official press releases and presentations made to Institutional Investors/Analysts, if any, are also available on the Company's website and are submitted to BSE and NSE.

10. Management Discussion and Analysis

The Management Discussion and Analysis is a part of the Annual Report and is annexed separately.

11. General Shareholder Information

A. Annual General Meeting

Date and Time : August 23, 2016 at 9.30 a.m.

Venue : Taj Mahal Hotel,
4-1-999, King Koti Road,
Abids,
Hyderabad - 500 001.

B. Financial Calendar

– Reporting for the Quarter ending :

June 30, 2016	-	Within 45 days from the close of the quarter
September 30, 2016	-	
December 31, 2016	-	

March 31, 2017	-	Within 60 days from the close of the financial year
----------------	---	---

– **Annual General Meeting for the year 2017** - Within six months
from the close of
the financial year

E. Market price data for the year ended March 31, 2016 :

Month	BSE Prices		NSE Prices	
	High ₹	Low ₹	High ₹	Low ₹
April 2015	128.20	103.85	128.10	103.65
May 2015	114.30	97.95	114.25	97.85
June 2015	114.85	101.90	115.10	102.05
July 2015	122.45	103.35	122.80	103.70
August 2015	108.50	88.35	108.65	87.05
September 2015	96.00	87.50	96.10	87.65
October 2015	95.30	91.25	95.65	91.30
November 2015	93.55	79.45	93.85	79.90
December 2015	88.00	81.35	88.00	81.65
January 2016	82.85	70.75	82.85	70.10
February 2016	77.80	59.75	77.65	59.90
March 2016	81.80	62.90	81.85	62.70

C. Book Closure : Wednesday, August 17, 2016 to Tuesday, August 23, 2016 (both days inclusive).

D. Listing on Stock Exchanges

(i) The Company's equity shares are listed on the following Stock Exchanges :

Name & Address of Stock Exchange	Stock Code/ Symbol
Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	500338
National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	PRISMCEM

(ii) The listing fees for the year 2016-17 have been paid to the aforesaid Stock Exchanges.

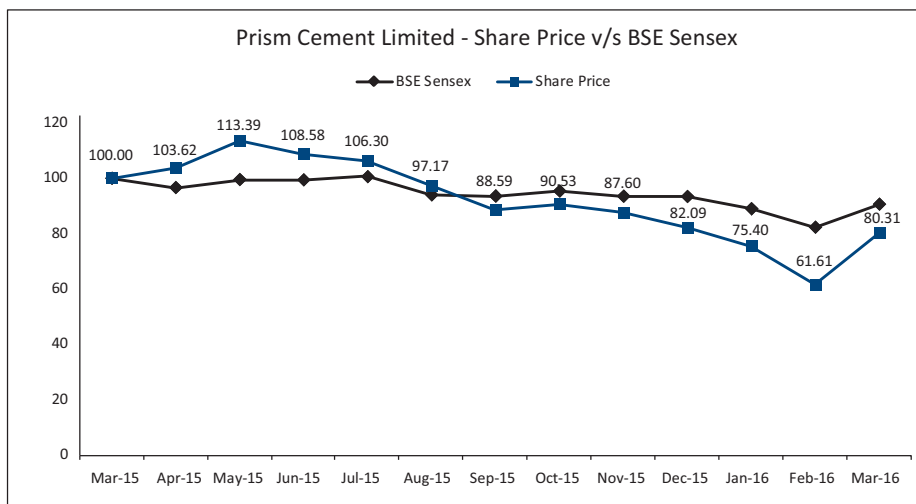
(iii) The Non-convertible Debentures issued on private placement basis by the Company are listed on the Bombay Stock Exchange Limited.

(iv) The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

Performance in comparison to BSE Sensex :

Closing value of the Company's share price v/s BSE Sensex on the last trading day of the month.

Base is considered to be 100 as on March 31, 2015.



[Source : www.bseindia.com]

F. Registrar & Transfer Agent

Karvy Computershare Private Limited,
Unit : Prism Cement Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032.
e-mail : einward.ris@karvy.com
website : www.karvycomputershare.com
Tel. No. : +91 40 6716 1500/2222
Fax No. : +91 40 6716 1567/2300 1153
Toll Free No. : 1800 345 4001

G. Share Transfer System

Share transfers in physical form are processed and

returned to the shareholders within the stipulated time. Half-yearly Share Transfer Audit and Quarterly Secretarial Audit in terms of the SEBI LODR are regularly carried out by an independent practicing Company Secretary.

Unclaimed and postal returned equity shares have been transferred to the Unclaimed Suspense Account of the Company and shall be transferred to the concerned shareholder upon making a claim to the Company's Registrar & Transfer Agent. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Details of the account is as under :

Particulars	No. of shareholders	No. of shares
(i) Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	151	40,800
(ii) Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	Nil	Nil
(iii) Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	Nil	Nil
(iv) Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	151	40,800

H. Distribution of shareholding and shareholding pattern as of March 31, 2016 :

Distribution of Shareholding

No. of equity shares	No. of shareholders	No. of equity shares	% of Shareholding
1 - 100	47,708	39,61,717	0.79
101 - 200	17,722	34,16,822	0.68
201 - 300	6,338	18,29,518	0.36
301 - 400	2,621	10,24,195	0.20
401 - 500	5,383	26,75,295	0.53
501 - 1000	5,315	45,30,848	0.90
1001 - 5000	3,600	81,05,313	1.61
5001 - 10000	333	24,76,024	0.49
10001 - 50000	266	54,83,618	1.09
50001 and above	125	46,98,53,230	93.35
Total	89,411	50,33,56,580	100.00

Shareholding Pattern

Category	No. of Shares	% Shareholding
Promoters	37,68,81,169	74.87
FIIIs/NRIs/OCBs	4,96,50,910	9.86
Corporate Bodies	47,39,962	0.94
Financial Institutions/Banks/Mutual Funds	3,22,57,772	6.41
Indian Public	3,98,26,767	7.92
Total	50,33,56,580	100.00

I. Dematerialisation of Shares

Trading of the Company's shares is compulsorily in dematerialised form for all investors. As of March 31, 2016 equity shares representing 98.66% have been dematerialised with the following depositories :

Description	ISIN	Depositories
Equity shares	INE010A01011	NSDL & CDSL

J. Commodity price risk or foreign exchange risk and hedging activities

During the year 2015-16, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note 56 to the Annual Accounts.

K. Addresses

Plant Location

The Company's cement manufacturing facilities are located at Satna, Madhya Pradesh and the cement packing plant is located at Allahabad, Uttar Pradesh. The tile manufacturing facilities are located at Pen, Maharashtra; Dewas, Madhya Pradesh; Kunigal, Karnataka and Karaikal, Puducherry. RMC Readymix (India) Division currently operates 81 readymix concrete plants and 7 aggregate crushers spread across 38 locations in the country.

Correspondence

Shareholders' correspondence should be addressed to the Registrar & Transfer Agent at Hyderabad and also at einward.ris@karvy.com. Investors can also mail their queries to the Company at investor@prismcement.com for redressal.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

L. Details of Debenture Trustee

Axis Trustee Services Limited,
2nd Floor 'E', Axis House,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai - 400 025
e-mail : debenturetrustee@axistrustee.com
website : www.axistrustee.com
Tel. No. : +91 22 2425 5215/5216
Fax No. : +91 22 2425 4200

DECLARATION

As provided under Schedule V (D) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended March 31, 2016.

For Prism Cement Limited

Vijay Aggarwal

Managing Director

Place: Mumbai

Date : May 25, 2016

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Prism Cement Limited

- We have examined the compliance of the conditions of Corporate Governance by Prism Cement Limited ('the Company') for the year ended on March 31, 2016, as stipulated in:
- Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with the Stock Exchanges in India) for the period April 1, 2015 to November 30, 2015;
- Clause 49 (VII) (E) of the Listing Agreements of the Company with Stock Exchanges for the period April 1, 2015 to September 1, 2015;
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016; and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
- The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
- In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations for the respective periods of applicability as specified under the above paragraph, during the year ended March 31, 2016.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **G. M. Kapadia & Co.**
 Chartered Accountants
 Firm Registration No.: 104767W

Place: Mumbai
 Date : May 25, 2016

Atul Shah
 Partner
 Membership No.: 39569

DIRECTORS' REPORT

To the Shareholders,

The Directors present the Twenty-fourth Annual Report together with the audited Statement of Accounts of the Company for the year ended March 31, 2016.

FINANCIAL RESULTS (Standalone)

Particulars	2015-16 ₹ Crores	2014-15 ₹ Crores
Sales of products and services	5,940.25	6,009.01
Other operating income	29.43	22.07
	5,969.68	6,031.08
Less : Excise duty	419.32	437.20
Total revenue from operations	5,550.36	5,593.88
Other income	71.57	33.48
Total revenue	5,621.93	5,627.36
Expenses	5,639.39	5,700.23
Loss before exceptional items and tax	(17.46)	(72.87)
Exceptional items	(3.61)	62.12
Loss before Tax	(21.07)	(10.75)
Tax expenses	29.43	25.45
Profit for the year	8.36	14.70
Add : Surplus - opening balance	303.06	284.00
Amount available for appropriation	311.42	298.70
Add/(Less) : Transfer from/(to) Debenture Redemption Reserve	(42.56)	11.75
Less : Adjustment for Depreciation & Amortisation as per Schedule II to the Companies Act, 2013	35.28	7.39
Surplus - closing balance	233.58	303.06

RESERVES

Out of the profits available for appropriation, an amount of ₹ 42.56 crores has been transferred to the Debenture Redemption Reserve and the balance ₹ 233.58 crores is proposed to be retained in the Statement of Profit and Loss.

DIVIDEND

In view of inadequate profits, the Directors have not recommended any dividend for the financial year ended March 31, 2016.

OPERATIONS

The gross sales and other income for the year ended March 31, 2016 was ₹ 6,041.25 crores as against ₹ 6,064.56 crores for the previous year. The Company incurred a loss before tax

of ₹ 21.07 crores and profit after tax of ₹ 8.36 crores during the year ended March 31, 2016 as against loss before tax of ₹ 10.75 crores and profit after tax of ₹ 14.70 crores during the year ended March 31, 2015.

For the year ended March 31, 2016, the consolidated profit after tax of the Company and its subsidiary companies amounted to ₹ 3.30 crores as against a profit after tax of ₹ 2.62 crores for the previous year.

SALE OF SHARES

Pursuant to the regulatory changes increasing the foreign direct investment in insurance companies from 26% to 49%, the Company sold 4,76,10,000 equity shares corresponding to 23% of its holding in the equity paid-up capital of Raheja QBE General Insurance Company Limited (RQBE), its general insurance subsidiary, to QBE Asia Pacific Holdings Limited, Australia, (an affiliate of the Company's existing joint venture partner in RQBE, i.e. QBE Holdings (AAP) Pty Limited) for a consideration of AUD 21,573,459 (equivalent to ₹ 111.04 crores).

The Company's shareholding in RQBE stands reduced from 74% to 51%.

SHARE CAPITAL

The paid-up equity share capital was ₹ 503.36 crores as on March 31, 2016. During the year under review, the Company has not issued shares with differential voting rights neither granted stock options nor sweat equity.

FINANCE

The Company has repaid/prepaid loans of ₹ 423.20 crores during the year and tied-up fresh loans of ₹ 389.69 crores, including ₹ 100 crores by way of Unsecured Redeemable Non-convertible Debentures, to finance, *inter alia*, its ongoing long term working capital and capital expenditure during the year. The total borrowings of the Company stood at ₹ 1,863.07 crores as on March 31, 2016.

The loans were used for the purpose they were sanctioned by the respective banks/financial institutions. The proceeds of the NCDs issue have been fully utilised for the purposes of the issue.

FIXED DEPOSITS

The Company accepted fixed deposits aggregating to ₹ 15.43 crores during the year ended March 31, 2016. Out of the total 6,230 deposits of ₹ 30.52 crores from the public and the shareholders as at March 31, 2016, 452 deposits amounting to ₹ 1.48 crores had matured and had not been claimed as on that date. Since then, 76 of these deposits aggregating to ₹ 0.27 crores have been claimed.

There has been no default in the repayment of the deposits or payment of interest thereon during the year under review. All deposits accepted by the Company are in compliance with the requirement of the Companies Act, 2013 and the Rules thereunder.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred a sum of ₹ 0.53 crores to the Investor Education and Protection Fund in compliance with provisions of the Companies Act, 2013 which represents unclaimed/unpaid dividend, unclaimed fixed deposits and unclaimed interest on the fixed deposits.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries, associate and joint venture companies in Form AOC-1 is attached to the Accounts.

The summary of the performance of the Company's subsidiaries, associate and joint venture companies included in the consolidated financial statements is presented below:

Subsidiaries

- **Raheja QBE General Insurance Company Limited**, the general insurance subsidiary has established itself as a recognised niche player poised to grow by focusing on the identified growth segments.
- **Silica Ceramica Private Limited** has started utilising its full available capacity. In the last quarter of FY 2015-16, it has started achieving significant reduction of process losses and process defects resulting in increase in total production and improved percentage of premium quality tiles. The profitability for the year has suffered mainly due to unavailability of Natural Gas from ONGC during the year 2015-16.
- **H. & R. Johnson (India) TBK Limited ('HRJTBK')**, the wholly-owned subsidiary of the Company is in the field of tile, bath and kitchen retailing, having presence in the state/union territories of Maharashtra, Madhya Pradesh, Andhra Pradesh, Delhi, Chandigarh, Punjab, Himachal Pradesh, Karnataka and Uttar Pradesh. HRJTBK and its Joint Ventures have total 26 showrooms of House of Johnson and 10 showrooms of Johnson Corners as at March 31, 2016.
- **Milano Bathroom Fittings Private Limited ('Milano')**, the wholly-owned subsidiary of the Company manufacturing bathroom fittings and accessories, has performed well during the year. Improved capacity utilisation at the Samba Unit, improved product portfolio and cost efficient manufacturing has contributed to the growth of Milano.

TBK Rangoli Tile Bath Kitchen Private Limited became a wholly-owned subsidiary of HRJTBK during the year under review. TBK Venkataramiah Tile Bath Kitchen Private Limited and TBK Rangoli Tile Bath Kitchen Private Limited, wholly owned subsidiaries of HRJTBK are in the field of tile, bath and kitchen retailing.

Joint Ventures (JV)

- **Ardex Endura (India) Private Limited ('AEIPL')**, JV with the Ardex Group, Germany, which manufactures and markets tile adhesives, grouts, flooring, waterproofing and allied products, has performed satisfactorily during the year. AEIPL is in the process of setting-up a new plant in West Bengal near Durgapur and the plant is expected to be operational shortly.
- **Sentini Cermica Private Limited ('Sentini')**, the mid-segment glazed floor tile JV Company in Telangana, has performed satisfactorily during the year. With the implementation of the Coal Gassifier Plant and availability of CNG, Sentini has been able to achieve reduction in cost of production during the financial year. The production and sales of 600 x 600 mm Digital Floor Tiles have also contributed towards higher profitability.
- **Coral Gold Tiles Private Limited ('Coral')**, the mid-segment wall tiles company in Gujarat, became a JV during the year. Coral has performed satisfactorily during the year.

In addition, Antique Marbonite Private Limited, Spectrum Johnson Tiles Private Limited and Small Johnson Floor Tiles Private Limited, the tile joint venture companies in Gujarat, performed satisfactorily during the year.

RMC Readymix Porselano (India) Limited, a wholly-owned subsidiary and Prism Power and Infrastructure Private Limited, an associate of the Company are yet to commence operations.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company, its subsidiaries, joint ventures and associate prepared in accordance with the Companies Act, 2013 and the applicable Accounting Standards form part of this Annual Report.

The separate audited financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. The Company shall also provide a copy of the Annual Report and other related information of its subsidiary companies as required under Section 136 of the Companies Act, 2013 to the shareholders of the Company and the subsidiaries upon their written request. The separate audited financial statements in respect of each subsidiary company is also available on the website of the Company at www.prismcement.com/investors/financials

DIRECTORS

Mr. Ganesh Kaskar resigned as Executive Director & CEO (HRJ) on March 2, 2016. The Board wishes to place on record its appreciation of the valuable contributions made by Mr. Kaskar during his tenure with the Company.

The Board has, at its Meeting held on February 11, 2016, subject to the requisite approvals, re-appointed Mr. Vijay Aggarwal as Managing Director of the Company for a period of three years with effect from March 3, 2016, upon terms and conditions mentioned in the Notice of the ensuing Annual General Meeting read with the Explanatory Statement thereto.

The Board of Directors, at its meeting held on August 17, 2015, appointed Mr. Vivek Krishan Agnihotri as Director in casual vacancy caused by the resignation of Mr. S. Ramnath and designated him as Executive Director & CEO (Cement) of the Company for a period of three years with effect from August 17, 2015, upon terms and conditions mentioned in the Notice of the ensuing Annual General Meeting read with the Explanatory Statement thereto. Mr. Agnihotri holds office as Director up to August 24, 2016 i.e. the date on which Mr. Ramnath's term would end.

The Board of Directors, at its Meeting held on February 11, 2016, appointed Mr. Joydeep Mukherjee as Additional Director with effect from March 3, 2016. He holds office up to the date of the forthcoming Annual General Meeting. The Board has also, subject to requisite approvals, appointed Mr. Mukherjee as Executive Director & CEO (HRJ) for a period of three years with effect from March 3, 2016, upon terms and conditions mentioned in the Notice of the ensuing Annual General Meeting read with the Explanatory Statement thereto.

The Company has received requisite notices in writing from a member proposing the appointments of Mr. Agnihotri and Mr. Mukherjee. The Board recommends the above appointments.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Rajan Raheja retires by rotation at the forthcoming Annual General Meeting of the Company and is eligible for re-appointment.

In accordance with the requirements of the Companies Act, 2013, the shareholders, at the 22nd Annual General Meeting of the Company held on July 31, 2014, have appointed the Independent Directors - Mr. J. A. Brooks, Ms. Ameeta A. Parpia and Mr. Shobhan M. Thakore for a term of five consecutive years upto July 30, 2019.

The Company has received declarations from Mr. Brooks, Ms. Parpia and Mr. Thakore, Independent Directors of the Company, confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The details of familiarisation programme for Independent Directors have been disclosed in the Report on Corporate Governance and on the website of the Company www.primcement.com/about/policies.

As required, the requisite details of Directors seeking appointments/re-appointment are included in this Annual Report.

Meetings

The Board of Directors met seven times during the year ended March 31, 2016. Additionally, several Committee Meetings were held including the Audit Committee, which met seven times during the year. Details of the meetings are included in the Report on Corporate Governance.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation during the year under review. Details of the same is given in the Report on Corporate Governance.

Remuneration Policy

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director and also remuneration for Key Managerial Personnel and other employees forms part of the Report on Corporate Governance.

KEY MANAGERIAL PERSONNEL

During the year under review, the following changes have taken place in the Key Managerial Personnel of the Company :

Sr. No.	Name of the person	Designation
1.	Mr. Vivek K. Agnihotri	Appointed as Executive Director & CEO (Cement) w.e.f. August 17, 2015
2.	Mr. Joydeep Mukherjee	Appointed as Chief Executive Officer (HRJ) (Designate) w.e.f. December 16, 2015 to March 2, 2016 Appointed as Executive Director & CEO (HRJ) w.e.f. March 3, 2016
3.	Mr. Ganesh Kaskar	Resigned as Executive Director & CEO (HRJ) on March 2, 2016

COMPOSITION OF AUDIT COMMITTEE

The Board has constituted an Audit Committee, details of the same is stated in the Report on Corporate Governance.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism by adopting a Whistle Blower Policy to report concerns about illegal or

unethical practices, if any. The details of the Policy is explained in the Report on Corporate Governance and is also available on the website of the Company at www.prismcement.com/about/policies.

PREVENTION OF SEXUAL HARASSMENT (POSH)

The Company offers equal employment opportunity and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company has also framed a policy on Prevention of Sexual Harassment of Women at workplace. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has constituted an Internal Complaints Committees (ICC) to inquire into complaints of sexual harassment and recommend appropriate action.

During the financial year 2015-16, the ICC received one complaint on sexual harassment and the same was disposed of in accordance with applicable laws and the Policy of the Company.

RISK MANAGEMENT

Risk management is integral to the Company and is controlled through awareness, training, discipline, commitment and prudent risk management strategies. The Company works across a wide range of products i.e. Cement, Tiles, Bath and Kitchens products, Readymixed concrete. Several of the product lines have their own unique business and operating models. These businesses operate in an evolving and challenging business environment. The ability to create sustainable value is dependent on recognising and effectively addressing key risks that exist in this environment.

To facilitate this, each of the Company's businesses has adopted a robust risk management programme which is focused on ensuring that risks are known and being addressed proactively through a well-defined framework.

The Risk Management Policy framed by the Company details the objectives and principles of risk management along with an overview of the risk management process, procedures and related roles and responsibilities. The risk management process includes identifying types of risks and its assessment, risk handling and monitoring and reporting.

Although not mandatory, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Report on Corporate Governance.

The Committee on timely basis informed members of the Audit Committee and the Board of Directors about risk assessment

and minimisation procedures and in their opinion there was no risk that may threaten the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has adopted a CSR Policy based on which its future CSR initiatives shall be developed and implemented. The Company policy is focussed on CSR initiatives in areas such as water, health and sanitation, energy conservation, pollution-free atmosphere, clean technologies and primary health care for the villagers in the vicinity of the plants. The Policy is available on the Company's website at www.prismcement.com/about/policies.

In view of the average net profits of the three preceding financial years being in the negative, the Company was not required to spend on CSR activities for the FY 2015-16. Requisite disclosure including composition of the CSR Committee has been made in the prescribed form annexed herewith as Annexure 'A'.

LOANS, GUARANTEES AND INVESTMENTS

The particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Annexure 'B' annexed herewith. The particulars of loans and investments under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Note 13 and 14 of the Standalone Financial Statements.

RELATED PARTY TRANSACTIONS

All Related Party Transactions are placed before the Audit Committee as also the Board, wherever required, for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval is placed before the Audit Committee for their review on a quarterly basis. The statement is supported by a Certificate from the Managing Director, Executive Director & CEOs and the Chief Financial Officer.

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is available on the website of the Company at www.prismcement.com/about/policies.

There are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.



The Company has provided Corporate Guarantees to financiers of its subsidiary - Silica Ceramica Private Limited to facilitate fund raising. Details of the said transactions pursuant to sub-section (1) of Section 188 of the Companies Act, 2013 are given in the prescribed Form AOC-2 annexed herewith as Annexure 'C'.

Attention of the members is drawn to the disclosure of Related Party Transactions set out in Note 50 of the Standalone Financial Statements forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, to the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors confirm :

- a. That in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. They have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the annual financial statements have been prepared on a going concern basis;
- e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

EMPLOYEE REMUNERATION

The ratio of remuneration of each Director to the median employees' remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as Annexure 'D'.

The information required under Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report and is available for inspection by the members

at the Registered Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the statement may write to the Company's Registered Office at Hyderabad or to its Corporate Office at Mumbai.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, is given in Annexure 'E' forming part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance forms part of this Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has established set of standards, processes and structure which enables it to implement adequate internal financial controls and that the same are operating effectively. The internal financial control systems of the Company are commensurate with its size and the nature of its operations. The Company has well defined delegation of authority limits for approving revenue as well as expenditures. The Company uses an established ERP system to record day to day transactions for accounting and financial reporting.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work done by the Internal, Statutory, Cost and Secretarial Auditors and the reviews of the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

AUDITORS

Statutory Auditors

The shareholders at the 22nd Annual General Meeting appointed M/s. G. M. Kapadia & Co., Chartered Accountants, Mumbai as the Company's Auditors upto conclusion of the 26th Annual

General Meeting of the Company, subject to ratification of the appointment by the members at every AGM, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder. As required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by the Auditors on the financial statements of the Company are part of the Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Auditor

The Company has appointed M/s. Savita Jyoti Associates, Practising Company Secretaries, Hyderabad to undertake the Secretarial Audit of the Company for the year 2015-16 pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There were no qualification, reservation or adverse remarks given by Secretarial Auditors of the Company. The Report of the Secretarial Auditor in Form MR - 3 is annexed herewith as Annexure 'F'.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company maintains the cost audit records for its businesses. The Board of Directors of the Company has, on the recommendation of the Audit Committee, at its meeting held on May 25, 2016, appointed M/s. D. C. Dave & Co. Cost Accountants as the Cost Auditors for the year ending March 31, 2017 and has recommended their remuneration to the Shareholders for their ratification.

As a matter of record, relevant cost audit reports for the year ended March 31, 2015 were filed on October 8, 2015, within the stipulated timeline. The cost audit report for the year ended March 31, 2016 will be filed with the Central Government within the stipulated timeline.

ANNUAL RETURN

The extract of the Annual Return in Form MGT - 9 is furnished in Annexure 'G' attached to this Report.

GENERAL

1. No significant and material orders were passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.
2. No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.
3. No fraud has been reported during the audit conducted by the Statutory Auditors, Internal Auditors, Secretarial Auditors and Cost Auditors of the Company.

ACKNOWLEDGEMENTS

The Directors thank the shareholders, various Central and State Government departments/agencies, banks and other business associates for their valuable services and continued support during the year under review. The Board also takes this opportunity to express its sincere appreciation of the contribution and dedicated work of all the employees of the Company.

For and on behalf of the Board of Directors

RAJESH G. KAPADIA
Chairman

Place : Mumbai
Date : May 25, 2016



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility Activities

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Since its inception, Prism Cement Limited ('Prism'/'the Company') has been socially responsible and has voluntarily undertaken various Corporate Social Responsibility initiatives even when there were no legal and statutory requirements in this regard.

In its commitment to CSR initiatives, the Company has been making available medical and education assistance to economically disadvantaged and socially weaker sections of the society. In addition, Prism independently carries out a variety of social initiatives in the areas of education, healthcare and environment where it actively involves its employees.

As part of Prism's focus on healthcare, vaccination camps, blood donation drives, general health and eye check-up camps are regularly conducted for construction workers and their families and disadvantaged communities around its operational sites. Similarly, at certain locations close to the Company's operations, school book distributions are carried out for the children of local residents. Apart from these awareness programmes on health, safety and hygiene are also carried out from time-to-time for labourers.

While CSR programmes may be identified by the CSR Committee, it will also evaluate projects submitted directly by reputed not-for-profit organisations having an established track record of at least three years in carrying on the specific activity.

2. The composition of the CSR Committee.

The composition of the CSR Committee as on March 31, 2016 is as under :

- Mr. Vijay Aggarwal, Chairman
- Ms. Ameeta Parpia, Member & Independent Director

- Mr. Vivek K. Agnihotri, Member
- Mr. Joydeep Mukherjee, Member
- Mr. V. M. Panicker, Member

3. Average net profits of the Company for last three financial years.

The Company has not earned any profits as calculated in accordance with Section 198 of the Companies Act, 2013 during the last three financial years.

4. Prescribed CSR expenditure (two per cent of the amount as in item No. 3 above)

In view of the average net profits of the three preceding financial years being in the negative, the Company was not required to spend on CSR activities for the FY 2015-16.

5. Details of CSR spent during the financial year : Not Applicable

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company shall be in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

Mr. Vijay Aggarwal

Managing Director &
Chairman of the CSR Committee

Place : Mumbai

Date : May 25, 2016

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Particulars of Loans, Guarantees and Investments

Amount outstanding as at March 31, 2016

Particulars	₹ Crores
Loans given	44.50
Corporate Guarantees given	160.00
Investments made	331.06

Particulars of Loans, Guarantees or Investments made during the Financial Year 2015-16

Name of Entity	Relation	₹ Crores	Particulars of Loan, guarantee, investment	Purpose for which Loan, guarantee, investment are proposed to be utilised
Silica Ceramica Private Limited	Subsidiary	30.00	Investment	Business purpose
Silica Ceramica Private Limited	Subsidiary	80.00	Corporate Guarantee	Business purpose
H. & R. Johnson (India) TBK Limited	Subsidiary	2.35	Loans	Business purpose
Coral Gold Tiles Private Limited	Joint Venture	5.46	Investment	Business purpose

For and on behalf of the Board

Place : Mumbai
Date : May 25, 2016

RAJESH G. KAPADIA
Chairman

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Form AOC -2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

I Details of contracts or arrangements or transactions not at arm's length basis		
a	Name(s) of the related party and nature of relationship	Silica Ceramica Private Limited ('Silica') - a Subsidiary and Joint Venture Company.
b	Nature of contracts/ arrangements/transactions	Corporate Guarantee given to Aditya Birla Finance Limited as security for Term Loans sanctioned to Silica.
c	Duration of the contracts/ arrangements/transactions	Six years from the date of disbursement i.e from 10.04.2015.
d	Salient terms of the contracts or arrangements or transactions including the value, if any	Corporate Guarantee given to Aditya Birla Finance Limited - ₹ 80 crores as security for due repayment of Term Loans availed by Silica.
e	Justification for entering into such contracts or arrangements or transactions	In the ordinary course and furtherance of the Company's business.
f	Date(s) of approval by the Board	February 5, 2015.
g	Amount paid as advances, if any	Nil
h	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Enabling special resolution passed by the shareholders through Postal Ballot on June 20, 2014.
II Details of material contracts or arrangements or transactions at arm's length basis :		
The Company has not entered into any material contracts or arrangements or transactions at arm's length basis with its related parties.		

For and on behalf of the Board

Place : Mumbai
Date : May 25, 2016

RAJESH G. KAPADIA
Chairman

ANNEXURE 'D' TO THE DIRECTORS' REPORT

The ratio of remuneration of each Director to the median remuneration of the employees and other details in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

1. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year:

Name	Designation	Ratio
Mr. Vijay Aggarwal	Managing Director	147x
Mr. Vivek Agnihotri ^{*1}	Executive Director & CEO (Cement)	40x
Mr. Joydeep Mukherjee ^{*2}	Executive Director & CEO (HRJ)	5x
Mr. V. M. Panicker	Executive Director & CEO (RMC)	43x
Mr. Ganesh Kaskar ^{*3}	Executive Director & CEO (HRJ)	68x

Note : The remuneration excludes retires paid.

The Non-executive Directors have been paid sitting fees only and have not been considered for the purpose above.

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year :

Name	Designation	% increase
Mr. Vijay Aggarwal	Managing Director	12
Mr. Vivek Agnihotri ^{*1}	Executive Director & CEO - Cement	N.A.
Mr. Joydeep Mukherjee ^{*2}	Executive Director & CEO - HRJ	N.A.
Mr. V. M. Panicker	Executive Director & CEO - RMC	17
Mr. Ganesh Kaskar ^{*3}	Executive Director & CEO - HRJ	9
Mr. Pramod Akhramka	Chief Financial Officer	20
Ms. Aneeta Kulkarni	Company Secretary	16

^{*1} Appointed w.e.f. August 17, 2015

^{*2} Appointed as Chief Executive Officer - HRJ (Designate) w.e.f. December 16, 2015 and as Executive Director & CEO - HRJ w.e.f. March 3, 2016.

^{*3} Resigned on March 2, 2016.

The Non-executive Directors have been paid sitting fees only and have not been considered for the purpose above.

3. The percentage increase in the median remuneration of the employees in the financial year was around 13%.

4. The number of permanent employees on the rolls of the Company as on March 31, 2016 was 5410.

5. Relationship between average increase in remuneration and the Company performance :

The criteria for increase in the remuneration, amongst other things, is related to the individual performance, the Company's performance, industry benchmarking, organisation building as a strategy and consideration towards cost of living adjustment/inflation and such other factors more particularly described in the Policy for Remuneration to Directors, KMP and Employees which are stated in the Report on Corporate Governance.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :

In line with the Remuneration Policy of the Company, remuneration paid to KMPs and other employees is decided on the factors stated in Point No. 5 above. During the year ended March 31, 2016, the Company earned a profit after tax of ₹ 8.36 crores against a profit after tax of ₹ 14.70 crores for the year ended March 31, 2015. For FY 2015-16, the key managerial personnel were paid ₹ 13.08 crores as against ₹ 11.86 crores for the previous year.

7. The market capitalisation of the Company was ₹ 4,074.70 crores as of March 31, 2016 as compared to ₹ 5,073.83 crores as of March 31, 2015. The price to earnings ratio was 476.18x as of March 31, 2016 as compared to 347.59x as of March 31, 2015. The closing share price of the Company at the Bombay Stock Exchange Limited on March 31, 2016 being ₹ 80.95 per equity share of the face value of ₹ 10/- each, has grown ~8.1 times since the last public issue made in the year 1995 (Offer price was ₹ 10/- per equity share of the face value of ₹ 10/- each).

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 0.10 whereas the increase in the managerial remuneration was 0.06. This increment is in line with the factors outlined in Point No. 5 above.

9. The key parameters for any variable component of remuneration availed by the directors :

Variable compensation, wherever payable, is an integral part of the total reward package for the concerned Executive Directors & CEOs, as per their terms of appointment. At the beginning of the year, key targets are being assigned to all the Executive Director & CEOs for the year in addition to their job fundamentals. Financial outcomes, various performance parameters including sales, market share, production, profitability, etc., of the Company vis-à-vis the Budgets are considered for the variable compensation of the Executive Director & CEOs.

10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :

Not Applicable

11. It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Place : Mumbai

Date : May 25, 2016

RAJESH G. KAPADIA

Chairman

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(A) Conservation of energy

(i) The steps taken or impact on conservation of energy :

Cement Division

- Limestone crusher
 - Implementation of software interlock to minimise idle running.
 - Implementation of two shift operation against three shift.
 - Implementation of PID control loop between MD current and apron feeder speed.
 - Increased output rate by replacing old apron feeder DC motor with lower speed and higher torque DC motor.
 - Installed VFD for bag filter fan.
- Raw mills
 - Reduced dam ring height.
 - Balancing of air volume and arresting leakages in Raw Mills circuits of both the units.
 - Increased output rate by Crushed Lime stone size by blow bars adjustment.
- Kilns
 - Interlock implementation of shell cooling fans with kiln shell Temp.

- Increased C3S content in clinker to improve quality.
- Increased petcoke utilisation.
- Coal mills
 - Separator fix vanes gap reduced.
 - Water spray nozzle modified for stable bed thickness.
 - Nozzle ring area increased.
 - Grinding pressure increased.
- Cement mills
 - Increased surface area of ball charge by modifying grinding media loading pattern.
 - Fine separator seal plate gap reduced.
 - One-day cement strength increase by residue reduction on 45 micron.
 - Roller Press operation switched to Torque Control mode.

H & R Johnson (India) Division

➤ **Savings in Electrical Energy**

- Reducing power consumption by 25% in all major blower motors in kilns in Kunigal & Dewas plants by optimising frequency input through variable frequency drives.
- Installation of lighting energy saver in Kunigal plant reducing fixed energy lighting load by 25%.



- 21% reduction in ball mill energy consumption by changing ball mill grinding media.
- Improving transmission efficiency of gear box drive by replacing worm and worm gear box & helical gears with planetary gear box for belt conveyors and presses in Kunigal plant.
- Implemented automated & user friendly SCADA (power management system) based energy management system for monitoring, useful in conducting analysis like power correlations with production, aids in report generation for shift, day, month & year for all main equipment/feeders and balance of plant with communications sent to all relevant users for immediate decision making and forecasts power consumption with starting planned production in Kunigal plant.
- Reducing power consumption for mill grinding in Dewas and Pen plants by optimising input frequency.

➤ **Savings in Thermal Energy**

- Replacement of direct hot air generator with chain stove having higher fuel efficiency in Kunigal plant.
- Replacing single layer horizontal dryer with three layer horizontal dryer in Karaikal plant having higher fuel efficiency and improved production capacity.

(ii) The steps taken by the Company for utilising alternate sources of energy :

Cement Division

- Installation of open access power purchase metering equipment at 220kV Sitpura and Kotar substations, to procure cheaper power as per availability.
- Replaced HSD by Vidyut - 51 and biodiesel for kiln light up.
- Use of Solar lights in school building and street lights.
- Use of dry leaves and wood as fuel in calciner.

H & R Johnson (India) Division

- Sourcing power from renewable sources for Dewas plant.

(iii) The capital investment on energy conservation equipment :

Total investment on energy conservation equipment is ₹ 3.45 crores during the year ended March 31, 2016.

(B) Technology absorption

(i) The efforts made towards technology absorption:

- Development of new product with innovative raw mix design.
- Implementation of staggered running of equipment to restrict Maximum Demand.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution :

- Development of new product conforming to BIS norms, with better characteristics and improvement of clinker utilisation factor.
- Reduction of grid demand side CHG emission, improvement in specific energy consumption.
- Improvement in throughput, cement one day strength and specific power consumption.
- Natural resource (lime stone, coal) saving as well as cost saving.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :

- The details of technology imported : Unit-I kiln burner pipe for petcoke/AFR suitability.
- The year of import : 2014
- Whether the technology has been fully absorbed : Yes
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Not Applicable.

(iv) The expenditure incurred on Research and Development : ₹ 2.80 crores (Previous year : ₹ 2.79 crores)

(C) Foreign Exchange Earnings and Outgo

₹ Crores		
Particulars	2015 - 2016	2014 - 2015
Details of earnings in foreign currency : F.O.B Value of Export	45.17	56.05
Details of expenditure in foreign currency	3.65	2.00

For and on behalf of the Board of Director

RAJESH G. KAPADIA
Chairman

Place : Mumbai
Date : May 25, 2016

ANNEXURE 'F' TO THE DIRECTORS' REPORT

FORM MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
Prism Cement Limited

We have conducted the secretarial audit of compliance of applicable statutory provisions and the adherence to good corporate practices by Prism Cement Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2016 according to the provisions of :
 - (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI LODR') which came into effect from December 1, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
2. We have relied on certifications/representations made by the officers of the Company and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. Major laws applicable to the Company are as follows :
 - 1) Factories Act, 1948;
 - 2) Industrial Development and Regulations Act;
 - 3) Acts prescribed under Environment Protection Act;
 - 4) Acts prescribed under Prevention and Control of Pollution;
 - 5) Acts prescribed under Direct Tax and Indirect Tax;
 - 6) Mines Act, 1952;
 - 7) Acts under Industrial Laws;
 - 8) Labour Welfare Acts;
 - 9) Labour laws and other incidental laws related to labour and employees appointed by the Company;
 - 10) Local laws as applicable to various offices and plants.
3. We have also examined compliance with the applicable clauses of the following :
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) SEBI LODR guidelines and the erstwhile Listing Agreements entered into by the Company with Stock Exchange(s) as applicable.



We further report that :

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has :

- (i) issued listed non-convertible debentures on private placement basis pursuant to the Special Resolution passed at the Annual General Meeting held on September 8, 2015;
- (ii) accepted fixed deposits pursuant to the provisions of the Companies Act, 2013 and Rules thereunder;
- (iii) adopted a new set of Articles of Association aligned to the provisions of the Companies Act, 2013 and the rules thereunder, by passing a Special Resolution at the Annual General Meeting held on September 8, 2015;
- (iv) re-classified its existing unissued Preference Shares into Equity shares of the Company by passing a Special Resolution at the Annual General Meeting held on September 8, 2015.

We further state that following list of the documents were verified :

- 1) Memorandum and Articles of Association;
- 2) Annual report for the financial year 2015;
- 3) Minutes of the meetings of Board of Directors, Audit Committee, Nomination and Remuneration Committee, Securities Allotment & Transfer Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee along with attendance registers, held during the year;
- 4) Minutes of the General meetings held during the financial year under report;
- 5) Statutory registers;
- 6) Agenda papers submitted to all directors/members for the Board Meetings and Committee Meetings;
- 7) Intimations received from the Directors of the Company pursuant to the provisions of section 184 and 149(7) of Companies Act, 2013;
- 8) E-forms filed by the Company from time to time under the applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report;
- 9) Intimations/documents/reports/returns filed with stock exchanges pursuant to provisions of erstwhile Listing Agreements with the Stock Exchanges and the SEBI LODR.
- 10) Various policies made under the Companies Act, 2013, erstwhile Listing Agreements with the Stock Exchanges and the SEBI LODR.

For **Savita Jyoti Associates**
Company Secretaries

Savita Jyoti
FCS No: 3738
CP No: 1796

Date : May 25, 2016
Place : Hyderabad

ANNEXURE 'G' TO THE DIRECTORS' REPORT

FORM MGT - 9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i	CIN	:	L26942TG1992PLC014033
ii	Registration Date	:	March 26, 1992
iii	Name of the Company	:	Prism Cement Limited
iv	Category / Sub-Category of the Company	:	Public Limited Company
v	Address of the Registered office and contact details	:	305, Laxmi Niwas Apartments, Ameerpet, Hyderabad – 500 016. Phone : +91 40 23400218 ; Fax : +91 40 23402249 e-mail : investor@prismcement.com website : www.prismcement.com
vi	Whether listed company	:	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent	:	Karvy Computershare Private Limited Unit : Prism Cement Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Mr. Mohsin Uddin – Manager Tel : +91 40 67161500 (Ext. 1562) / +91 40 67161562 / +91 40 67162222 Fax : +91 40 23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sr. No.	Name and description of main products / services	NIC code of the product / services	% to total turnover of the Company
i	Portland Cement	23942	39.08
ii	Tiles	23939	39.32
iii	Readymixed Concrete	23952	21.60
			100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and Address of the Company	CIN	Holding subsidiary /Associate	% of shares held	Applicable section
i	Raheja QBE General Insurance Company Limited, Windsor House, 5 th Floor, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India.	U66030MH2007PLC173129	Subsidiary* ¹	51%	2(87)
ii	Silica Ceramica Private Limited, Narayanpuram, Unguturu Mandal, Narayanpuram, Andhra Pradesh - 534 407, India.	U26933AP2006PTC051977	Subsidiary	99.63%	2(87)



Sr. No.	Name and Address of the Company	CIN	Holding subsidiary /Associate	% of shares held	Applicable section
iii	H. & R. Johnson (India) TBK Limited, Windsor, 7 th Floor, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India.	U45200MH1996PLC101892	Subsidiary	100%	2(87)
iv	Milano Bathroom Fittings Private Limited, SCO - 40, 2 nd Floor, Sector 31D, Cabin No.1A, Chandigarh - 160 030, India.	U28994CH2000PTC023462	Subsidiary	100%	2(87)
v	RMC Readymix Porselano (India) Limited, Windsor, 7 th Floor, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India.	U14103MH2006PLC160848	Subsidiary	100%	2(87)
vi	TBK Venkataramiah Tile Bath Kitchen Private Limited, No. 56/A, Ramamurthy Nagar, Main Road, Dodda Banaswadi, Opp. New Baldwin Residential School, Bengaluru, Karnataka - 560 043, India.	U26900KA2010PTC056306	Step-down Subsidiary	100%	2(87)
vii	TBK Rangoli Tile Bath Kitchen Private Limited, Ground Floor, Kaddiya Wadi, Azad Road, Near Fire Brigade, Vile-Parle, (East), Mumbai - 400057, Maharashtra, India.	U74120MH2010PTC209550	Step-down Subsidiary* ²	100%	2(87)
viii	Ardex Endura (India) Private Limited, Unit No.406 & 407, "BRIGADE RUBIX", No.20, HMT Campus, Yeshwanthapur, Hobli, Bengaluru - 560 013, Karnataka, India.	U24233KA1997PTC022383	Joint Venture	50%	2(6)
ix	Sentini Cermica Private Limited, Plot No. 1229, Road No. 60, Jubilee Hills, Hyderabad, Telangana - 500 033, India.	U26914TG2002PTC038347	Joint Venture	50%	2(6)
x	Antique Marbonite Private Limited, 746/2, Paikee Lakhadhipur Road, Taluka Morbi, District Rajkot, Gujarat - 363 642, India.	U24221GJ2003PTC042679	Joint Venture	50%	2(6)
xi	Spectrum Johnson Tiles Private Limited, Survey No. 242, 8-A National Highway, At Dhuva, Taluka Wankaner, Dhuva, Gujarat - 363 621, India.	U26933GJ2006PTC049055	Joint Venture	50%	2(6)
xii	Small Johnson Floor Tiles Private Limited, Survey No. 778, Paikee of Guntu, B/H GSPC Gas Terminal, Lakhadhipur Road, Lakhadhipur, Taluka Morbi, Gujarat - 363 642, India.	U26933GJ2011PTC067661	Joint Venture	50%	2(6)
xiii	Coral Gold Tiles Private Limited, Survey No. 824/P-1, Taluka Morbi, Ghuntu, Gujarat - 363 642, India.	U26914GJ2007PTC052095	Joint Venture* ³	50%	2(6)
xiv	Prism Power and Infrastructure Private Limited, 305 Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016, Telangana, India.	U40109TG2006PTC049084	Associate	49%	2(6)

Notes :

- *¹ During the year, the Company has transferred 23% stake to the affiliate of its joint venture partner.
- *² Became a Step-down subsidiary of the Company w.e.f. July 31, 2015.
- *³ Became a Joint Venture of the Company w.e.f. November 4, 2015.

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity) :

(i) Category-wise Share Holding :

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	6,82,50,423	—	6,82,50,423	13.56	6,82,50,423	—	6,82,50,423	13.56	—
b) Central Government	—	—	—	—	—	—	—	—	—
c) State Government(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corporate	30,86,30,246	—	30,86,30,246	61.31	30,86,30,246	—	30,86,30,246	61.31	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any others	—	—	—	—	—	—	—	—	—
Sub-total (A) (1) :	37,68,80,669	—	37,68,80,669	74.87	37,68,80,669	—	37,68,80,669	74.87	—
(2) Foreign									
a) NRIs Individuals	500	—	500	—	500	—	500	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any others	—	—	—	—	—	—	—	—	—
Sub-total (A) (2) :	500	—	500	—	500	—	500	—	—
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	37,68,81,169	—	37,68,81,169	74.87	37,68,81,169	—	37,68,81,169	74.87	—
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3,91,88,269	1,92,600	3,93,80,869	7.82	3,20,01,528	1,92,600	3,21,94,128	6.40	-1.43
b) Banks / FI	76,769	13,000	89,769	0.02	50,644	13,000	63,644	0.01	-0.01
c) Central Government	—	—	—	—	—	—	—	—	—
d) State Government(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	3,75,63,096	35,100	3,75,98,196	7.47	4,83,51,522	35,100	4,83,86,622	9.61	2.14
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B) (1) :	7,68,28,134	2,40,700	7,70,68,834	15.31	8,04,03,694	2,40,700	8,06,44,394	16.02	0.70



Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
2. Non-institutions									
a) Bodies Corporate									
i) Indian	79,64,817	1,23,000	80,87,817	1.61	46,20,262	1,19,700	47,39,962	0.94	-0.67
ii) Overseas	—	4,200	4,200	—	—	4,200	4,200	—	—
b) Individuals									
i) Individuals shareholders holding nominal share capital upto ₹ 2 lakh	1,99,69,518	62,41,491	2,62,11,009	5.21	2,19,26,149	60,63,791	2,79,89,940	5.56	0.35
ii) Individuals shareholders holding nominal share capital in excess of ₹2 lakh	1,32,12,145	1,08,100	1,33,20,245	2.65	1,15,74,346	30,700	1,16,05,046	2.31	-0.34
iii) Others (specify) : NBFCs Registered with RBI, Trusts, Non Resident Indians, Clearing Members.	15,04,606	2,78,700	17,83,306	0.35	12,19,869	2,72,000	14,91,869	0.30	-0.06
Sub-total (B) (2) :	4,26,51,086	67,55,491	4,94,06,577	9.82	3,93,40,626	64,90,391	4,58,31,017	9.11	-0.72
Total Public Shareholding (B) = (B) (1) + (B) (2) :	11,94,79,220	69,96,191	12,64,75,411	25.13	11,97,44,320	67,31,091	12,64,75,411	25.13	—
C. Shares held by custodians for GDRs & ADRs	—	—	—	—	—	—	—	—	—
GRAND TOTAL (A+B+C) :	49,63,60,389	69,96,191	50,33,56,580	100.00	49,66,25,489	67,31,091	50,33,56,580	100.00	—

(ii) Shareholding of Promoters :

Sr. No.	Shareholder's Name	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	Manali Investment & Finance Private Limited	6,78,17,992	13.47	—	6,78,17,992	13.47	—	—
2	Hathway Investments Private Limited	6,41,13,400	12.74	—	6,41,13,400	12.74	—	—
3	Coronet Investments Private Limited	5,79,49,394	11.51	—	5,79,49,394	11.51	—	—
4	Rajan B. Raheja	5,14,06,327	10.21	—	5,14,06,327	10.21	—	—
5	Bloomingdale Investment & Finance Private Limited	3,12,89,300	6.22	—	3,12,89,300	6.22	—	—

Sr. No.	Shareholder's Name	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
6	Varahagiri Investments & Finance Private Limited	2,32,21,148	4.61	—	2,32,21,148	4.61	—	—
7	Matsyagandha Investment & Finance Private Limited	2,31,11,412	4.59	—	2,31,11,412	4.59	—	—
	Total	31,89,08,973	63.35	—	31,89,08,973	63.35	—	—

(iii) Change in Promoters' Shareholding (Please specify, if there is no change) :

There are no changes in the Promoters' shareholding during the Financial year 2015-16.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	Particulars	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the top ten Shareholders			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	HDFC Trustee Company Limited	At the beginning of the year	April 1, 2015	1,63,71,622	3.25	1,63,71,622	3.25
		Increase	May 29, 2015	4,35,000	0.09	1,68,06,622	3.34
		Increase	November 11, 2015	3,42,000	0.07	1,71,48,622	3.41
		Increase	January 29, 2016	27,08,131	0.54	1,98,56,753	3.94
		Decrease	January 29, 2016	27,08,131	0.54	1,71,48,622	3.41
		Increase	February 19, 2016	80,000	0.02	1,72,28,622	3.42
		Decrease	February 19, 2016	1,01,200	0.02	1,71,27,422	3.40
		Increase	March 18, 2016	2,32,000	0.05	1,73,59,422	3.45
		Increase	March 31, 2016	2,32,000	0.05	1,75,91,422	3.49
		Decrease	March 31, 2016	2,32,000	0.05	1,73,59,422	3.45
		At the end of the year	March 31, 2016			1,73,59,422	3.45
2	Goldman Sachs India Fund Limited	At the beginning of the year	April 1, 2015	85,94,993	1.71	85,94,993	1.71
		Increase	April 24, 2015	1,555	0.00	85,96,548	1.71
		Increase	June 5, 2015	3,80,176	0.08	89,76,724	1.78
		Increase	June 26, 2015	2,20,382	0.04	91,97,106	1.83
		Decrease	September 18, 2015	33,51,165	0.67	58,45,941	1.16
		At the end of the year	March 31, 2016			58,45,941	1.16



Sr. No.	Particulars	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the top ten Shareholders			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	ICICI Prudential Asset Management Company Limited	At the beginning of the year	April 1, 2015	83,56,437	1.66	83,56,437	1.66
		Decrease	May 1, 2015	5,04,060	0.10	78,52,377	1.56
		Decrease	May 8, 2015	1,30,788	0.03	77,21,589	1.53
		Decrease	May 15, 2015	1,000	0.00	77,20,589	1.53
		Decrease	May 22, 2015	2,00,000	0.04	75,20,589	1.49
		Decrease	May 29, 2015	9,55,158	0.19	65,65,431	1.30
		Decrease	December 11, 2015	96,583	0.02	64,68,848	1.29
		Decrease	December 18, 2015	20,777	#	64,48,071	1.28
		Decrease	December 31, 2015	5,10,014	0.10	59,38,057	1.18
		Decrease	January 1, 2016	82,731	0.02	58,55,326	1.16
		Decrease	January 8, 2016	51,680	0.01	58,03,646	1.15
		Decrease	January 15, 2016	16,425	#	57,87,221	1.15
		Decrease	March 11, 2016	70,240	0.01	57,16,981	1.14
		Decrease	March 18, 2016	19,266	#	56,97,715	1.13
		Decrease	March 25, 2016	4,91,414	0.10	52,06,301	1.03
		Decrease	March 31, 2016	545	#	52,05,756	1.03
		At the end of the year	March 31, 2016			52,05,756	1.03
4	Morgan Stanley Asia (Singapore) Pte.	At the beginning of the year	April 1, 2015	68,12,220	1.35	68,12,220	1.35
		Decrease	April 10, 2015	38,339	0.01	67,73,881	1.35
		Decrease	May 8, 2015	31,600	0.01	67,42,281	1.34
		Decrease	May 15, 2015	45,124	0.01	66,97,157	1.33
		Increase	May 22, 2015	76,021	0.02	67,73,178	1.35
		Increase	May 29, 2015	53,62,256	1.07	1,21,35,434	2.41
		Decrease	June 5, 2015	24,200	#	1,21,11,234	2.41
		Decrease	June 12, 2015	28,200	0.01	1,20,83,034	2.40
		Increase	July 10, 2015	33,400	0.01	1,21,16,434	2.41
		Increase	July 17, 2015	10,00,000	0.20	1,31,16,434	2.61
		Increase	July 24, 2015	67,500	0.01	1,31,83,934	2.62
		Increase	August 7, 2015	1,30,700	0.03	1,33,14,634	2.65
		Increase	August 14, 2015	91,800	0.02	1,34,06,434	2.66
		Increase	August 21, 2015	1,01,311	0.02	1,35,07,745	2.68
		Increase	August 28, 2015	29,752	0.01	1,35,37,497	2.69
		Increase	September 4, 2015	2,22,998	0.04	1,37,60,495	2.73
		Increase	September 11, 2015	51,400	0.01	1,38,11,895	2.74

Sr. No.	Particulars	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the top ten Shareholders			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Morgan Stanley Asia (Singapore) Pte.	Increase	September 18, 2015	9,99,567	0.20	1,48,11,462	2.94
		Decrease	September 30, 2015	25,500	0.01	1,47,85,962	2.94
		Decrease	October 16, 2015	83,223	0.02	1,47,02,739	2.92
		Decrease	October 23, 2015	51,216	0.01	1,46,51,523	2.91
		Decrease	October 30, 2015	82,600	0.02	1,45,68,923	2.89
		Decrease	November 6, 2015	7,35,527	0.15	1,38,33,396	2.75
		Decrease	November 13, 2015	85,551	0.02	1,37,47,845	2.73
		Decrease	November 20, 2015	1,33,564	0.03	1,36,14,281	2.70
		Decrease	December 31, 2015	50,00,000	0.99	86,14,281	1.71
		Increase	March 11, 2016	18,67,394	0.37	1,04,81,675	2.08
		At the end of the year	March 31, 2016			1,04,81,675	2.08
5	National Westminster Bank Plc as Trustee of The JU	At the beginning of the year	April 1, 2015	61,72,356	1.23	61,72,356	1.23
		Increase	August 28, 2015	2,27,644	0.05	64,00,000	1.27
		Increase	February 12, 2016	1,53,997	0.03	65,53,997	1.30
		Increase	February 19, 2016	31,577	0.01	65,85,574	1.31
		Increase	February 26, 2016	58,700	0.01	66,44,274	1.32
		Increase	March 4, 2016	76,242	0.02	67,20,516	1.34
		Increase	March 11, 2016	24,038	#	67,44,554	1.34
		At the end of the year	March 31, 2016			67,44,554	1.34
6	TIMF Holdings	At the beginning of the year	April 1, 2015	—	—	—	—
		Increase	January 1, 2016	50,00,000	0.99	50,00,000	0.99
		At the end of the year	March 31, 2016			50,00,000	0.99
7	Ashoka Pte Ltd	At the beginning of the year	April 1, 2015	44,18,891	0.88	44,18,891	0.88
		Increase	April 10, 2015	2,74,400	0.05	46,93,291	0.93
		Increase	May 15, 2015	1,11,000	0.02	48,04,291	0.95
		Increase	May 29, 2015	17,500	#	48,21,791	0.96
		Decrease	July 10, 2015	42,599	0.01	47,79,192	0.95
		Decrease	July 17, 2015	14,93,800	0.30	32,85,392	0.65
		Decrease	July 24, 2015	1,19,400	0.02	31,65,992	0.63
		Decrease	July 31, 2015	31,65,992	0.63	—	—
		At the end of the year	March 31, 2016			—	—



Sr. No.	Particulars	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the top ten Shareholders			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	HDFC Standard Life Insurance Company Limited	At the beginning of the year	April 1, 2015	43,25,048	0.86	43,25,048	0.86
		Decrease	April 10, 2015	19,97,036	0.40	23,28,012	0.46
		Decrease	April 17, 2015	4,45,459	0.09	18,82,553	0.37
		Decrease	April 24, 2015	2,93,477	0.06	15,89,076	0.32
		Increase	May 8, 2015	131	#	15,89,207	0.32
		Decrease	May 22, 2015	31,684	0.01	15,57,523	0.31
		Decrease	June 5, 2015	10,000	#	15,47,523	0.31
		Increase	June 19, 2015	47	#	15,47,570	0.31
		Decrease	June 30, 2015	80,583	0.02	14,66,987	0.29
		Decrease	July 10, 2015	28,753	0.01	14,38,234	0.29
		Decrease	July 17, 2015	11,06,678	0.22	3,31,556	0.07
		At the end of the year	March 31, 2016			3,31,556	0.07
9	Sundaram Mutual Fund	At the beginning of the year	April 1, 2015	38,45,504	0.76	38,45,504	0.76
		Decrease	April 10, 2015	66,088	0.01	37,79,416	0.75
		Decrease	April 24, 2015	20,660	—	37,58,756	0.75
		Decrease	May 1, 2015	69,340	0.01	36,89,416	0.73
		Decrease	May 8, 2015	6,000	—	36,83,416	0.73
		Decrease	May 15, 2015	1,19,000	0.02	35,64,416	0.71
		Decrease	May 22, 2015	1,33,561	0.03	34,30,855	0.68
		Decrease	July 24, 2015	1,25,319	0.02	33,05,536	0.66
		Decrease	August 7, 2015	5,885	—	32,99,651	0.66
		Increase	August 14, 2015	64,761	0.01	33,64,412	0.67
		Increase	August 21, 2015	1,78,228	0.04	35,42,640	0.70
		At the end of the year	March 31, 2016			35,42,640	0.70
10	The Wellington Trust Company National Association	At the beginning of the year	April 1, 2015	36,58,449	0.73	36,58,449	0.73
		Increase	April 10, 2015	80,511	0.02	37,38,960	0.74
		Decrease	May 8, 2015	62,300	0.01	36,76,660	0.73
		Decrease	May 29, 2015	36,76,660	0.73	—	—
		At the end of the year	March 31, 2016			—	—

Sr. No.	Particulars	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the top ten Shareholders			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11	Morgan Stanley Investment Management, Inc A/C Morg	At the beginning of the year	April 1, 2015	—	—	—	—
		Increase	July 17, 2015	3,35,024	0.07	3,35,024	0.07
		Increase	July 31, 2015	28,16,953	0.56	31,51,977	0.63
		Increase	August 14, 2015	3,10,672	0.06	34,62,649	0.69
		At the end of the year	March 31, 2016			34,62,649	0.69
12	CLSA Global Markets Pte. Ltd.	At the beginning of the year	April 1, 2015	—	—	—	—
		Increase	April 10, 2015	1,63,000	0.03	1,63,000	0.03
		Increase	April 17, 2015	42,355	0.01	2,05,355	0.04
		Increase	April 24, 2015	3,68,384	0.07	5,73,739	0.11
		Increase	May 1, 2015	6,06,631	0.12	11,80,370	0.23
		Increase	May 8, 2015	12,68,692	0.25	24,49,062	0.49
		Increase	May 15, 2015	1,16,308	0.02	25,65,370	0.51
		Increase	May 29, 2015	94,704	0.02	26,60,074	0.53
		Increase	June 5, 2015	1,75,920	0.03	28,35,994	0.56
		Increase	June 12, 2015	3,02,160	0.06	31,38,154	0.62
		Increase	June 19, 2015	1,08,667	0.02	32,46,821	0.65
		Increase	June 26, 2015	48,238	0.01	32,95,059	0.65
		Increase	July 3, 2015	2,553	#	32,97,612	0.66
		At the end of the year	March 31, 2016			32,97,612	0.66

Note : The above information is based on the weekly beneficiary position received from the Depositories.

Denotes % less than 0.01

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of Shares	% of total Shares of the Company	No. of Shares	% of total shares of the Company
	Mr. Rajan Raheja				
1	At the beginning of the year	5,14,06,327	10.21	5,14,06,327	10.21
2	Increased / Decreased	—	—	—	—
3	At the end of the year	5,14,06,327	10.21	5,14,06,327	10.21
	Ms. Ameeta Parpia				
1	At the beginning of the year	76,000	0.02	76,000	0.02
2	Increased / Decreased	—	—	—	—
3	At the end of the year	76,000	0.02	76,000	0.02

Note : Mr. Rajesh Kapadia, Mr. Vijay Aggarwal, Mr. Vivek Agnihotri, Mr. Joydeep Mukherjee, Mr. V. M. Panicker, Mr. J. A. Brooks, Mr. Shobhan Thakore, Mr. Pramod K. Akhramka and Ms. Aneeta Kulkarni did not hold any shares of the Company during the financial year 2015-16.

V INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment :

₹ Crores

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year :				
i) Principal Amount (Including exchange gain recognised ₹ 0.06 Crores)	1,665.80	193.64	37.14	1,896.58
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	37.30	—	—	37.30
Total (i + ii + iii)	1,703.10	193.64	37.14	1,933.88
Change in Indebtedness during the financial year :				
Addition (Including Net exchange loss as on year end)	216.63	162.35	10.71	389.69
Reduction	377.57	28.30	17.33	423.20
Net change	(160.94)	134.05	(6.62)	(33.51)
Indebtedness at the end of the financial year :				
i) Principal Amount (Including exchange loss at the year end of ₹ 3.78 Crores)	1,504.85	327.69	30.52	1,863.07
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	42.54	—	—	42.54
Total (i + ii + iii)	1,547.39	327.69	30.52	1,905.61

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

₹ Crores

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Mr. Vijay Aggarwal	Mr. Vivek Agnihotri ^{#1}	Mr. Joydeep Mukherjee ^{#2}	Mr. V. M. Panicker	Mr. Ganesh Kaskar ⁵	
1	Gross salary :						
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	11.69	1.05	0.14	1.15	1.92	15.95
	b. Value of perquisites U/s 17(2) of the Income-tax Act, 1961	—	—	—	0.14	0.24	0.38
	c. Profits in lieu of salary U/s 17(3) of the Income-tax Act, 1961	—	—	—	—	—	—
2	Stock Option	—	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—	—
4	Commission :						
	- as % of profit	—	—	—	—	—	—
	- others, specify	—	—	—	—	—	—
5	Others, please specify						
	Total (A)	11.69	1.05	0.14	1.29	2.16	16.33
	Ceiling as per the Act	1. The remuneration paid to Mr. Vijay Aggarwal and Mr. Ganesh Kaskar for the period April 1, 2015 to March 2, 2016 and to Mr. V. M. Panicker for the year 2015-16 is in accordance with MCA Circular No. 7/2015 dated April 10, 2015. 2. For remuneration paid to Mr. Vijay Aggarwal and Mr. Joydeep Mukherjee for the period March 3, 2016 to March 31, 2016 and Mr. Vivek Agnihotri for the period August 17, 2015 to March 31, 2016, refer details given on page 30 of the Annual Report.					

Note : ^{#1} Appointed as Executive Director & CEO (Cement) w.e.f. August 17, 2015.

^{#2} Appointed as Executive Director & CEO (HRJ) w.e.f. March 3, 2016.

⁵ Resigned on March 2, 2016. Includes leave encashment and gratuity on actual payment.

B. Remuneration to other Directors :

₹ Crores

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Rajesh Kapadia	Mr. Rajan Raheja	Mr. J. A. Brooks	Ms. Ameeta Parpia	Mr. Shobhan Thakore	
1	Independent Directors :						
i)	Fees for attending Board / Committee Meetings	—	—	0.05	0.06	0.06	0.17
ii)	Commission	—	—	—	—	—	—
iii)	Others, please specify	—	—	—	—	—	—
	Total (1)	—	—	0.05	0.06	0.06	0.17
2	Other Non-executive Directors :						
i)	Fees for attending Board Committee Meetings	0.05	0.02	—	—	—	0.07
ii)	Commission	—	—	—	—	—	—
iii)	Others, please specify	—	—	—	—	—	—
	Total (2)	0.05	0.02	—	—	—	0.07
	Total (B) = (1 + 2)	0.05	0.02	0.05	0.06	0.06	0.24
	Total Managerial Remuneration (A + B)						16.57

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD :

₹ Crores

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Joydeep Mukherjee - CEO (HRJ) (Designate) #	Mr. Pramod K. Akhramka (CFO)	Ms. Aneeta S. Kulkarni (Company Secretary)	
1	Gross salary :				
a.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.37	1.33	0.51	2.21
b.	Value of perquisites U/s 17(2) of the Income-tax Act, 1961	—	—	—	—
c.	Profits in lieu of salary U/s 17(3) of the Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission :				
-	as % of profit	—	—	—	—
-	others, specify	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	0.37	1.33	0.51	2.21

Note : # Appointed as Key Managerial Personnel w.e.f. December 16, 2015 to March 2, 2016.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act, 2013, against the Company or its Directors or other officers-in-default, if any, during the year.

For and on behalf of the Board of Directors

RAJESH G. KAPADIA
Chairman

Place : Mumbai
Date : May 25, 2016



Independent Auditors' Report

To the Members of Prism Cement Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Prism Cement Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

Note no. 37 to the accounts in respect of appointment of the three Managerial Personnel, which is subject to approval of the shareholders of the Company. In addition, in view of absence of profit, remuneration paid to them is also subject to approval of shareholders and Central Government under Section 197 of the Act. The management is proposing to apply to the Central Government under Section 197(10) of the Act for waiver of recovery once necessary approvals from the shareholders are obtained.

Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), as amended, issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the 'Annexure A' a statement on the matters specified in the paragraph 3 and 4 of the Order.
- As required by Section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 34(a) to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 56(c) to the financial statements; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104767W

Atul Shah
Partner
Membership No: 39569

Mumbai
Dated: May 25, 2016

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date to the financial statements of the Company for the year ended March 31, 2016:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has formulated a programme of verification by which all fixed assets of the Company are being verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on verification conducted during the year as compared with the book records.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management and further based on certificate received from the Debenture Trustee / Security Trustee, the title deeds of immovable properties included in fixed assets are held in the name of the Company except for following :

Particulars	No. of Cases	Gross Block	Net Block	Remarks
		As at March 31, 2016 (₹ in crores)		
Freehold Land / Leasehold Land / Premises	121	26.46	23.13	In the year 2009-10, vide a scheme of amalgamation approved by the relevant high courts, H. & R. Johnson (India) Limited and RMC Readymix (India) Private Limited were amalgamated into the Company. These immovable properties are continued to be in the name of the above transferor companies and as represented by the Company, it is in the process of getting these properties transferred / registered in its name. The Company is in the possession of the relevant title deeds registered in the name of H. & R. Johnson (India) Limited or RMC Readymix (India) Private Limited, as the case maybe.

- (ii) (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The discrepancies noticed on physical verification as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or parties covered in the register maintained under Section 189 of the Act. Accordingly, para 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.



- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of investments made and loans, guarantees and securities granted.
- (v) The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act, and the rules framed there under, to the extent applicable. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- (vi) The Central Government has prescribed maintenance of cost records under Section 148(1) of the Act, for the products manufactured by the Company. We have broadly reviewed the books of account maintained and in our opinion; prima facie, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities. No undisputed statutory dues payable were in arrears as at March 31, 2016, for a period of more than six months from the date they became payable.
- (b) The details of dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited with the concerned authorities on account of dispute are given below:

Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved (₹ in crores)
Central Excise and Service Tax	2001-02 to 2011-12	Customs Excise & Service Tax Appellate Tribunal	14.72
	2005-06 to 2013-14	Central Excise Service Tax Appellate Tribunal	15.17
	2007-08 to 2013-14	Commissioner (Appeals)	0.35
	2008-09 to 2009-10	Assistant Commissioner (Appeals)	0.02
	2013-14	Deputy Commissioner (Appeals)	0.01
	2011-12	Joint Commissioner (Appeals)	0.39
	2005-06 to 2006-07	Commissioner, Chennai	0.22
	2005-06	Commissioner (Appeals)	0.55
Sales Tax (Central & State)	2000-01 to 2005-06	The High Court, Chattisgarh	7.56
	2009-10	The High Court, Madhya Pradesh	0.53
	2010-11	Commercial Tax Appellate Board, Bhopal	0.28
	2011-12	Commissioner (Appeals), Delhi	0.12
	2008-09, 2009-10 and 2011-12	Joint Commissioner (Appeals), Maharashtra	6.39
	2009-10 to 2013-14	Additional Commissioner, Madhya Pradesh	3.16
	2010-11 to 2011-12	Appellate Board, Madhya Pradesh	0.12
	2010-11 to 2011-12	Tribunal Appeal, Telangana	0.03
	2002-03 to 2005-06 and 2007-08 to 2008-09	Tribunal, Madhya Pradesh	0.26
	2011-12 to 2012-13	Deputy Commissioner (Appeals), Chennai	0.11
	2010-11 to 2011-12	Commissioner (Appeals), Telangana	0.46
	2010-11 to 2011-12	Commissioner (Appeals), Punjab	0.13
	2009-10	Deputy Commissioner (Appeals), Rajasthan	0.03
	2000-01 to 2001-02	Sales Tax Appellate Tribunal, Hyderabad	0.20
	2005-06 to 2006-07	Joint Commissioner of Sales Tax, Mumbai	0.34
	2007-08 to 2008-09	Appellate Deputy Commissioner, Chennai	0.36
	2008-09	District Industries Centre, Raipur	0.02
	2009-10	Appellate Deputy Commissioner, Chennai	0.12

Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved (₹ in crores)
Sales Tax (Central & State)	2009-10	Commercial Tax Officer, Bangalore	1.18
	2010-11	Deputy Commissioner of Commercial Tax, Gujarat	0.08
	2010-11	Assistant Commissioner, Raipur	0.02
	2010-11	Excise & Taxation Officer, Mohali	##
	2011-12 to 2012-13	Commercial Taxation Officer, Jaipur	0.05
	2012-13	Senior Joint Commissioner of Commercial Taxes, Kolkata	0.10
	2012-13 to 2013-14	Sales tax Appellate Tribunal, Hyderabad	0.02
	2013-14	Assistant Commissioner Commercial Tax, Madhya Pradesh	0.04
Madhya Pradesh Commercial Tax Act, 1944	2012-13 to 2015-16	The High Court, Madhya Pradesh	9.77
Madhya Pradesh Entry Tax Act, 1976	2006-07 to 2015-16	The Supreme Court	58.27
	2010-11	Commercial Tax Appellate Board, Bhopal	0.65
Uttar Pradesh Commercial Tax Act, 1956	1998-99	The High Court, Uttar Pradesh	0.08
	1996-97 to 1997-98	Tribunal, Uttar Pradesh	0.05
West Bengal Sales Tax Act, 1954	2002-03 to 2004-05	Revision Authority	0.07
	2012-13	Deputy Commissioner (Appeals), West Bengal	0.01
Energy Development Cess, 2001	2000-01 to 2005-06	The Supreme Court	9.89
Uttar Pradesh Entry Tax Act, 2003	2003-04 to 2009-10	The High Court, Uttar Pradesh	3.86
Income Tax Act, 1961	2006-07 to 2012-13	Commissioner of Income Tax (Appeals)	4.15
MP Rural Infrastructure and Road Development Act, 2005	2007-08 to 2015-16	The Supreme Court	0.93
	2009-10 to 2012-13	Mining Officer, Department of Mining, Chindwara (Madhya Pradesh)	0.30
Industrial Disputes Act	2007-08	Deputy Labour Commissioner (Labour), Bangalore	0.07
West Bengal CST Sales	2012-13	Sr. Joint Commissioner Appellate, Kolkata	0.16
Royalty on Mining Minerals	2010-11 to 2011-12	Director of Mines & Geology, Hyderabad	0.09
Payment of Wages Act	2014-15	Labour Court, Ahmedabad	0.01

denotes amount less than ₹ 50,000/-



- (viii) The Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders.
- (ix) The Company has raised term loans during the year which have been applied for the purpose for which they were raised.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been provided and paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act except, as stated in the note no. 37 of the financial statements, no approvals have been received in respect of excess remuneration aggregating to ₹ 0.67 crores to a managing director and two executive directors. The Company is in the process of seeking necessary approvals of the shareholders and of the Central Government for their appointment as well as waiver of recovery of such excess remuneration paid, pending which no steps have been taken by the Company for securing refund of such excess amount.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, para 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, para 3(xiv) of the Order are not applicable to the Company.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements the Company has not entered into non-cash transactions with directors. We have been informed that no such transaction have been entered into with person connected with directors. Accordingly, para 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104767W

Mumbai
Dated: May 25, 2016

Atul Shah
Partner
Membership No: 39569

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date to the financial statements of the Company for the year ended March 31, 2016:

Report on the Internal Financial Controls under Section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of Prism Cement Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls

over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No: 104767W

Mumbai
Dated: May 25, 2016

Atul Shah
Partner
Membership No: 39569

Balance Sheet as at March 31, 2016

Particulars	Note No.	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	2	503.36	503.36
b. Reserves and Surplus	3	485.09 988.45	512.01 1,015.37
2. Non-current Liabilities			
a. Long-term Borrowings	4	1,333.66	1,485.26
b. Deferred Tax Liability (Net)	5	–	15.77
c. Other Long-term Liabilities	6	191.16	140.07
d. Long-term Provisions	7	62.72 1,587.54	37.12 1,678.22
3. Current Liabilities			
a. Short-term Borrowings	8	313.95	275.11
b. Trade Payables	9		
i. Total outstanding dues of Micro Enterprises & Small Enterprises		0.11	0.10
ii. Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		763.88	789.72
c. Other Current Liabilities	10	685.39	570.04
d. Short-term Provisions	11	11.63 1,774.96	13.60 1,648.57
Total		4,350.95	4,342.16
II. ASSETS			
1. Non-current Assets			
a. Fixed Assets			
i. Tangible Assets	12	1,991.88	2,027.10
ii. Intangible Assets	12	18.69	21.25
iii. Capital Work-in-progress	42	68.30	68.80
b. Non-current Investments	13	331.06	343.21
c. Deferred Tax Asset (Net)	5	32.75	–
d. Long-term Loans and Advances	14	205.59	210.84
e. Other Non-current Assets	15	81.00 2,729.27	59.84 2,731.04
2. Current Assets			
a. Inventories	16	507.40	578.48
b. Trade Receivables	17	616.75	561.58
c. Cash, Cash equivalent and Bank balances	18	115.15	79.70
d. Short-term Loans and Advances	19	149.86	191.01
e. Other Current Assets	20	232.52 1,621.68	200.35 1,611.12
Total		4,350.95	4,342.16
Significant Accounting Policies	1		

The accompanying notes are integral part of the Financial Statements

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date : May 25, 2016

Rajesh G. Kapadia
(Chairman)

Vijay Aggarwal
(Managing Director)

Joydeep Mukherjee
(Executive Director &
CEO - HRJ)

Pramod K. Akhramka
(Chief Financial Officer)

Ameeta A. Parpia
(Director)

Vivek K. Agnihotri
(Executive Director &
CEO - Cement)

Venugopal M. Panicker
(Executive Director &
CEO - RMC)

Aneeta S. Kulkarni
(Company Secretary)

Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note No.	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Revenue from Operations			
Sales of products and services	21	5,940.25	6,009.01
Other Operating Income	21	29.43	22.07
		5,969.68	6,031.08
Less : Excise Duty		419.32	437.20
Total Revenue from Operations		5,550.36	5,593.88
Other Income	22	71.57	33.48
Total Revenue		5,621.93	5,627.36
Expenses			
- Cost of Materials consumed	23	1,259.45	1,344.76
- Purchase of Stock-in-trade	24	1,279.95	1,242.62
- Changes in Inventories	25	13.13	(12.43)
- Manufacturing expenses	26	1,061.40	1,137.12
- Employees' benefit expenses	27	362.38	316.58
- Finance cost	28	239.69	255.86
- Depreciation and Amortisation expenses	12	152.41	136.84
- Other expenses	29	1,270.98	1,278.88
Total Expenses		5,639.39	5,700.23
Profit/(Loss) Before Exceptional items and Tax		(17.46)	(72.87)
Exceptional items	30	(3.61)	62.12
Profit/(Loss) before Tax		(21.07)	(10.75)
Tax Expenses			
- Current Tax	31	-	(0.20)
- Income Tax earlier years		(0.41)	-
- Deferred Tax	5	29.84	25.65
		29.43	25.45
Profit/(Loss) for the year carried to Balance Sheet		8.36	14.70
Earning per Equity Share (Face Value of ₹ 10/- each)			
Basic and Diluted (₹)	32	0.17	0.29
Significant Accounting Policies	1		

The accompanying notes are integral part of the Financial Statements

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date : May 25, 2016

Rajesh G. Kapadia
(Chairman)

Vijay Aggarwal
(Managing Director)

Joydeep Mukherjee
(Executive Director &
CEO - HRJ)

Pramod K. Akhramka
(Chief Financial Officer)

Ameeta A. Parpia
(Director)

Vivek K. Agnihotri
(Executive Director &
CEO - Cement)

Venugopal M. Panicker
(Executive Director &
CEO - RMC)

Aneeta S. Kulkarni
(Company Secretary)



Cash Flow Statement for the year ended March 31, 2016

	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
A. Cash Flow from Operating Activities :		
Profit/(Loss) before taxation as per Statement of Profit and Loss	(21.07)	(10.75)
Adjustment for :		
Depreciation & amortisation	152.41	136.84
Amortisation of Processing fees	11.77	16.89
Provision for Doubtful Debts/Deposits	15.88	11.54
Loss on sale of assets (net)	3.57	2.76
Profit on sales of investments (net)	(62.37)	–
Interest income	(8.22)	(11.69)
Dividend income	(0.04)	(0.04)
Interest expenditure	227.92	238.97
(Gain) /Loss on exchange fluctuations	2.11	343.03
	(2.47)	392.80
Operating Profit/(Loss) before working capital changes	321.96	382.05
Changes in Working Capital		
Increase / (Decrease) in trade and other payables	82.67	121.20
(Increase) / Decrease in trade receivables	(70.85)	(47.65)
(Increase) / Decrease in inventories	71.08	(116.30)
(Increase) / Decrease in other receivables	(35.91)	46.99
	(111.23)	(153.98)
Cash Generated from Operations	368.95	228.07
Direct taxes paid (net of refunds)	1.68	(2.64)
Net cash generated from operating activities (A)	367.27	230.71
B. Cash flow from Investing Activities :		
Purchase of fixed assets and additions in CWIP	(185.66)	(164.46)
Proceeds from sale of fixed assets	8.01	9.68
Purchase of investments	(35.46)	(20.00)
Sale proceeds from investments	109.98	88.05
Interest received	7.87	11.58
Dividend income	0.04	0.04
Net cash used in investing activities (B)	(95.22)	(75.11)

	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
C. Cash flow from Financing Activities :		
Additions to Borrowings	327.52	1,014.20
Repayment of Borrowings	(357.44)	(947.89)
Loan given to Subsidiary	(2.35)	(3.25)
Repayment of loan given to Subsidiary	3.35	6.25
Interest paid	(224.73)	(208.72)
Net cash used in financing activities (C)	(253.65)	(139.41)
Net increase in cash and cash equivalents during the year (A+B+C)	18.40	16.19
Cash and cash equivalents at the beginning of the year	56.63	40.44
Cash and cash equivalents at the end of the year	75.03	56.63
Cash and cash equivalents comprises of :		
Cash in hand	1.41	0.53
Cheques on hand	4.71	4.42
Balance with Banks	68.91	51.68
Total	75.03	56.63

Notes : 1. Dividend from Subsidiary(s)/Joint Venture(s) has been treated as cash flow from operating activities.
 2. Cash Flow Statement has been prepared under the indirect method as set-out in AS - 3 on "Cash Flow Statements".
 3. Figures of the previous year have been regrouped / reclassified / restated, wherever considered necessary.

As per our report of even date
 For G. M. Kapadia & Co.
Chartered Accountants
 Firm Registration No. 104767W

Atul Shah
Partner
 Membership No. 39569

Place : Mumbai
 Date : May 25, 2016

Rajesh G. Kapadia
(Chairman)

Vijay Aggarwal
(Managing Director)

Joydeep Mukherjee
*(Executive Director &
 CEO - HRJ)*

Pramod K. Akhramka
(Chief Financial Officer)

Ameeta A. Parpia
(Director)

Vivek K. Agnihotri
*(Executive Director &
 CEO - Cement)*

Venugopal M. Panicker
*(Executive Director &
 CEO - RMC)*

Aneeta S. Kulkarni
(Company Secretary)



NOTES TO ACCOUNTS

Corporate information

Prism Cement Limited, a Public Limited Company incorporated under the Companies Act, 1956, principally operates in three business segments : Cement, Tile, Bath and Kitchen (TBK) and Readymixed Concrete (RMC). The equity shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchange.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements of the Company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 (the Act), read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. In accordance with first proviso to section 129(1) of the Act and clause 6 of the General Instructions given in Schedule III to the Act, the terms used in these financial statements are in accordance with the Accounting Standards as referred to herein.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. All the divisions of the Company have normal operating cycle of less than twelve months, hence a period of twelve months has been considered for bifurcation of assets and liabilities into current and non-current as required by Schedule III to the Act for preparation of financial statements.

1.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Differences on account of revision of estimates, actual results and existing estimates are recognised in periods in which the results are known / materialised in accordance with the requirements of the respective accounting standard, as may be applicable.

1.3 Revenue Recognition

Sale of Goods

Sales are recognised on passing of risks and rewards attached to the goods. Sales include excise duty but do not include Value Added Tax (VAT) and Central Sales Tax (CST).

Income from Services

Revenues from services are recognised as and when services are rendered on proportionate completion method. Income from services does not include Service Tax (ST).

Dividend Income

Dividend income is recognised for when the right to receive is established.

Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on Yield To Maturity (YTM) basis.

1.4 Tangible Fixed Assets

Fixed assets are stated at cost less depreciation / amortisation and impairment loss, if any. The cost is inclusive of borrowing costs and incidental expenses incurred during construction period and is net off cenvat credit availed, discount and rebates.

Cost of acquisition of mining land is bifurcated into cost of land and cost of estimated mining reserves. Freehold and Leasehold Land includes mining land. Mines Development expenses comprise of mining infrastructure expenses and overburden removal cost.

Machinery spares, which are specific to particular machinery and whose use is expected to be irregular, are capitalised as Plant & Machinery. Gains and Losses arising from disposal of fixed assets and losses arising from retirement of fixed assets are recognised in the Statement of Profit and Loss.

1.5 Intangible Assets

Intangible assets are recognised only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Such assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

1.6 Depreciation and Amortisation

- i. Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful life as prescribed in Schedule II to the Companies Act, 2013, unless otherwise specified.
- ii Depreciable amount for assets is the cost of an asset less its estimated residual value.
- iii Depreciation on additions to / deductions from fixed assets is provided on pro-rata basis from / to the date of acquisition / disposal.
- iv Useful life of assets individually costing less than ₹ 10,000/- is considered as one year.
- v Depreciation on foreign exchange differences on borrowings utilised for acquisition of assets is provided prospectively over the remaining life of the assets.
- vi Cost of mining reserve included in freehold / leasehold land, balance cost of leasehold mining land, mining rights and mines development expenses are amortised systematically based on principle of Unit of Production method.
- vii In case of certain class of assets and components, the Company uses different useful life than those prescribed in Schedule II to the Act. In such cases, the useful life has been assessed based on its technical expertise and past experience. The useful life of component of machineries varies from 2 years to 40 years. Details of other class of assets and their estimated useful lives are as under :

Assets	Useful life of the assets
Mobile Phones	1 - 3 years
Motor Cars given to the employees as per the Company's Scheme or Vehicle used by Employees.	5 - 6 years
Leasehold Land	Remaining period of the Lease
Truck Mixers, Loaders, Excavators and Truck Dumpers	8 years
Intellectual Property Right	10 years
Technical Know-how	7 years
Leasehold Improvements	Over the period of lease / rent agreement.
Machinery Spares	Over the useful life of the related assets
Assets acquired under the finance lease	Over the primary lease period and secondary lease period if renewable at nominal cost, if any
Plant & Machinery-Concrete Pumps	6 years

1.7 Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following :

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.



1.8 Leases

Where the Company is lessee :

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Charges paid under operating lease arrangements, where all the risks and benefits incidental to ownership are retained by the lessor, are charged to Statement of Profit and Loss.

1.9 Impairment of Tangible and Intangible Assets

The carrying amounts of Tangible and Intangible assets are tested for impairment at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

1.10 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost. Diminution, if any, other than temporary, is provided for. Current investments are carried at lower of cost or fair value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.11 Inventories

Raw materials, fuels, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a moving weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a moving weighted average basis. Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories and depots as on the Balance Sheet date.

Traded Goods are valued on moving weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.12 Foreign Currency Transactions

Initial Recognition

Transactions in foreign currency are accounted at the exchange rate prevailing on the date of the transaction. The exchange differences arising on restatement or on settlement are recognised in the Statement of Profit and Loss.

Conversion

Foreign currency monetary items are re translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Forward contracts

Forward contracts are entered into to hedge the foreign currency risk of the underlying outstandings. The premium or discount on such contracts is amortised as income or expense over the life of the respective contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognised as an income or expense for the period. The difference on account of exchange rate fluctuation is taken to Statement of Profit and Loss.

Synthetic Swap (under forward contracts)

Outstanding forward / future contracts against firm commitments and derivative contracts, other than stated above, are marked to market and the resulting loss, if any, is charged to the Statement of Profit and Loss. Gain, if any, on such marked to market is not recognised unless it is reversal of loss recognised earlier.

Exchange Differences

The Company has availed option provided under paragraph 46A of Accounting Standard 11: 'The Effects of Changes in Foreign Exchange Rates', vide Notification dated December 29, 2011 issued by MCA. Exchange differences arising on principal amount of borrowings are not considered as borrowing costs and treated as part of exchange difference. Consequently, the exchange differences on long-term foreign currency monetary items, are dealt with in the following manner :

- Foreign exchange differences on long-term borrowings utilised for acquisition of depreciable asset is treated as an adjustment to the cost of depreciable asset and the same is depreciated over the balance useful life of the asset.
- Foreign exchange differences arising from other long-term monetary items are accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of the said asset/liability.

1.13 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or production of qualifying assets are capitalised as the cost of the respective assets. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

1.14 Government Grants

VAT subsidy from State Governments is recognised as a part of Sales under Revenue from Operations in the Statement of Profit and Loss on accrual basis i.e. when there is reasonable assurance that the conditions attached to them will be complied and subsidy will be received. The above criteria is also used for recognition of incentives under various scheme notified by the Government.

1.15 Employee Benefits

Superannuation and ESIC are defined contribution plans. Provident Fund is treated as defined contribution plan. A contribution is made to Regional Provident Fund Commissioner for certain employees. In case of other employees covered under the Provident Fund Trust of the Company, the management does not expect any material liability on account of interest shortfall to be borne by the Company. Gratuity benefits are treated as defined benefit plan. Gratuity obligation is worked out based on an actuarial valuation.

Employees are entitled to carry forward unutilised leave, the liability of which is arrived based on an actuarial valuation. Employees are also entitled to medical benefit for which premium is paid by the Company.

The contribution made by the Company for Provident Fund, Superannuation and Medical Premium is charged to the Statement of Profit and Loss. Incremental liability for leave entitlement and Gratuity is charged to the Statement of Profit and Loss. Actuarial gains / losses are immediately recognised in Statement of Profit and Loss and are not deferred. The current / non current bifurcation of liabilities towards employee benefits is done as per Actuary Report.

1.16 Taxes on Income

- a) The Company provides current tax based on the provisions of the Income Tax Act, 1961 applicable to it.
- b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. The effect on deferred tax assets and liabilities of change in tax rates is recognised in the Statement of Profit and Loss in the period of enactment of the change.
- c) Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period.



1.17 Provision

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management's estimate for the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates of the management.

1.18 Contingent Liabilities and Contingent Assets

- a) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in case of :
 - i. a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii. a possible obligation, unless the probability of outflow of resources is remote.
- b) Contingent Assets are neither recognised nor disclosed.

1.19 Segment Reporting

The Company identifies primary segments based on the products and does not have any secondary segments. The primary segments identified are as follows :

- i. Cement
- ii TBK (Tile, Bath and Kitchen)
- iii RMC (Readymixed Concrete)

Segment revenue, segment expenses, segment assets and segment liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "Unallocated revenue / expenses / assets / liabilities".

However, segment information has been presented in the Consolidated Financial Statements as permitted by AS-17 on Segment Reporting.

1.20 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank, cash / cheques in hand, demand deposits with banks and other short-term investments with an original maturity of three months or less.

1.21 Earnings Per Share

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, share split, etc., if any that have changed the number of equity shares outstanding, without a corresponding change in resources. In addition, weighted average number of equity shares are net of own shares held through Trust.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.22 Expenditure on New Projects

Expenditure (including borrowing costs) directly attributable to setting up / construction of new projects are capitalised. Administrative and other General overhead expenses, which are specifically attributable to the setting up / construction activities, incurred during the construction period are capitalised as part of the indirect cost. Other indirect expenditure (including borrowing costs) incurred during such period which are not related to the setting up / construction activities are charged to Statement of Profit and Loss. Income earned during this period from setting up activities is deducted from the total of indirect expenditure.

1.23 Mines Restoration Expenditure

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year. Mines restoration expenses are incurred on an on going basis and until the closure of the quarries and mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure. On the basis of technical parameters, restoration expenses estimates are reviewed periodically.

2 Share Capital

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Authorised :		
52,50,00,000 Equity shares of ₹ 10/- each (Previous year : 50,50,00,000 Equity shares of ₹10/- each)	525.00	505.00
Nil Preference shares of ₹ 10/- each (Previous year : 2,00,00,000 Preference shares of ₹10/- each)	—	20.00
Total	525.00	525.00
Issued, Subscribed and Paid up :		
50,33,56,580 Equity shares of ₹ 10/- each fully paid-up (Previous year : 50,33,56,580 Equity shares of ₹ 10/- each)	503.36	503.36
Total	503.36	503.36

Additional Information :

a) Reconciliation of number of equity shares outstanding

Particulars	As at 31-03-2016	As at 31-03-2015
At the beginning of the year	50,33,56,580	50,33,56,580
At the end of the year	50,33,56,580	50,33,56,580

b) Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The shareholders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

c) Details of Shareholders holding more than 5% of the issued shares

Name of the Shareholder	As at 31-03-2016		As at 31-03-2015	
	Total shares held	As a % of total shares	Total shares held	As a % of total shares
Manali Investment & Finance Private Limited	6,78,17,992	13.47%	6,78,17,992	13.47%
Hathway Investments Private Limited	6,41,13,400	12.74%	6,41,13,400	12.74%
Coronet Investments Private Limited	5,79,49,394	11.51%	5,79,49,394	11.51%
Rajan B. Raheja	5,14,06,327	10.21%	5,14,06,327	10.21%
Bloomingdale Investment & Finance Private Limited	3,12,89,300	6.22%	3,12,89,300	6.22%

3 Reserves and Surplus

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Capital Redemption Reserve	10.75	10.75
Debenture Redemption Reserve :		
Opening Balance	42.53	54.28
Add / (Less) : Transferred (to) / from Statement of Profit and Loss	42.56	(11.75)
Closing Balance	85.09	42.53
General Reserve	155.67	155.67
Surplus in Statement of Profit and Loss :		
Opening Balance	303.06	284.00
Add : Net Profit/(Loss) for the current year	8.36	14.70
Less : Adjustment relating to transitional provision contained in Schedule II (refer note 35)	35.28	7.39
Add/(Less) : Transferred from / (to) Debenture Redemption Reserve	(42.56)	11.75
Closing Balance	233.58	303.06
Total	485.09	512.01

4 Long-term Borrowings

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Secured Debentures/Bonds :				
- 11.25% Non-convertible Debentures (refer Sr. No. 1) { 1,500 Nos. (previous year : 1,500 Nos.) debentures of ₹ 0.10 crore each }	150.00		150.00	
- 11.70% Non-convertible Debentures (refer Sr. No. 2) { 1,000 Nos. (previous year : 1,000 Nos.) debentures of ₹ 0.10 crore each }	100.00		100.00	
- Non-convertible Debentures (Zero Coupon with yield-to-maturity) - (refer Sr. No. 3) { 500 Nos. (previous year : 500 Nos.) debentures of ₹ 0.10 crore each }	50.00		50.00	
- 11.00% Non-convertible Debentures (refer Sr. No. 4) { 500 Nos. (previous year : 500 Nos.) debentures of ₹ 0.10 crore each }	50.00		50.00	
- 0.75%+ SBI Base rate Non-convertible Debentures (refer Sr. No. 5) { 1,000 Nos. (previous year : 1,000 Nos.) debentures of ₹ 0.10 crore each }	100.00		100.00	
- 12.65% Non-convertible Debentures - Series B (refer Sr. No. 6) { 500 Nos. (previous year : 500 Nos.) debentures of ₹ 0.10 crore each }	50.00		50.00	
- 12.65% Non-convertible Debentures - Series A (refer Sr. No. 7) { 1,000 Nos. (previous year : 1,000 Nos.) debentures of ₹ 0.10 crore each }	100.00		100.00	
- 11.25% Non-convertible Debentures (refer Sr. No. 8) { 1,500 Nos. (previous year : 1,500 Nos.) debentures of ₹ 0.10 crore each }	150.00		150.00	
- 9.30% Non-convertible Debentures { - Nos. (previous year : 35 Nos.) debentures of ₹ 1.00 crore each }	—		35.00	
- 11.80% Non-convertible Debentures { - Nos. (previous year : 300 Nos.) debentures of ₹ 0.10 crore each }	—	750.00	30.00	815.00
Secured Loans :				
Term Loans				
- From Banks (refer Sr. No. 9 to 16) #	541.25		648.75	
- From Bank (FCNR) (refer Sr. No. 18 & 19)	105.91		99.91	
Vehicle Loans				
- From Banks (refer Sr. No. 17 & 21)	4.30		2.30	
- From Others (refer Sr. No. 17)	0.07		0.20	
Buyer's Credit (refer Sr. No. 20)	2.13	653.66	—	751.16
Unsecured Loans :				
- Buyer's Credit from banks (refer Sr. No. 26)	5.44		1.91	
- Inter Corporate Deposits (refer Sr. No. 25)	0.15		0.17	
- 10.42% Non-convertible Debentures { - Nos. (previous year : 150 Nos.) debentures of ₹ 0.10 crore each }	—		15.00	
- 0.55% + SBI Base rate Non-convertible Debentures (refer Sr. No. 22) { 1000 Nos. (previous year : Nil) debentures of ₹ 0.10 crore each }	100.00		—	
- Finance Lease obligations (refer Sr. No. 23)	9.35		1.09	
- Fixed Deposits from Public (refer Sr. No. 24)	30.52	145.46	37.14	55.31
	1,549.12		1,621.47	
Less : Disclosed under Other Current Liabilities				
- Current maturities of Long-term Borrowings & Finance lease obligations	213.64		134.79	
- Unclaimed Fixed Deposits	1.82		1.42	
	215.46		136.21	
Total	1,333.66		1,485.26	

Creation of charge is in process for Sr. No. 15 below

Note : The Company have created and maintained adequate security with respect to its secured listed non-convertible debt securities.

4 Long-term Borrowings (Contd.)

Details of Loans

A. Secured Debentures

Sr. No.	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
1	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	150.00	Allotted on January 21, 2015 and repayable on January 21, 2020 with call option at par on July 21, 2016 and Put / Call option at par on January 19, 2018; July 20, 2018; January 21, 2019; July 19, 2019
2	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	100.00	Allotted on November 26, 2014 and repayable on November 25, 2019 with Put / Call option at par on November 26, 2017 and November 26, 2018
3	Secured by first <i>pari passu</i> charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future	50.00	Allotted on January 21, 2015 and repayable on April 26, 2018 with Put/Call option at 11.25 % p.a. IRR basis redemption premium on April 26, 2017
4	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	50.00	Allotted on February 03, 2015 and repayable on April 25, 2018
5	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	100.00	Allotted on February 20, 2015 and repayable on February 19, 2018 with Put / Call option at par on May 19, 2016; February 19, 2017; May 19, 2017; August 19, 2017; November 19, 2017
6	Secured by first <i>pari passu</i> charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future	50.00	Allotted on July 22, 2014 and repayable on July 22, 2017
7	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	100.00	Allotted on July 22, 2014 and repayable on July 22, 2017
8	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	150.00	Allotted on August 20, 2014 and ₹ 55 Crores repayable on April 24, 2017, ₹ 40 Crores repayable on April 28, 2016, ₹ 55 Crores repayable on June 21, 2017 with Put / Call option at par on June 21, 2016
	Total	750.00	

B. Secured Loans

Term Loan from Banks and Other borrowings

Sr. No.	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
9	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	33.75	Quarterly in equal installments payable over a period of four years including moratorium period from the date of facility availed on October 12, 2012
10	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	15.00	Quarterly in equal installments payable over a period of four years including moratorium period from the date of facility availed on October 12, 2012



4 Long-term Borrowings (Contd.)

Sr. No.	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
11	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	37.50	Quarterly in equal installments payable over a period of five years including moratorium period from the date of facility availed on December 24, 2012
12	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	37.50	Quarterly in equal installments payable over a period of seven years including moratorium period from the date of facility availed on November 23, 2013
13	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	105.00	Quarterly in equal installments payable over a period of seven years including moratorium period from the date of facility availed on September 28, 2013
14	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	100.00	Quarterly in equal installments payable over a period of four years commencing after moratorium period of two years from date of facility availed on April 03, 2014
15	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	150.00	Quarterly in equal installments payable over a period of six years commencing after moratorium period of two years. Availed on March 16, 2016
16	First exclusive charge on the office premises of HRJ division on units 1 to 4 on 7 th Floor, Windsor Building & Subservient Charge on the movable fixed assets of HRJ division located at Pen, Kunigal and Dewas	62.50	Quarterly installments payable over a period of Five years; ₹ 6.25 Crores each per quarter from November 14, 2014
17	Secured by exclusive charge on vehicles of HRJ Division	3.60	EMI over a period of 60 months from the respective date of disbursement
18	Secured by first <i>pari passu</i> charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future	38.13	Quarterly installments payable over a period of three years; 8 equal Quarterly instalments from June 26, 2016
19	Secured by first <i>pari passu</i> charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders	67.78	Quarterly installments payable over a period of three years; 8 equal Quarterly instalments from June 26, 2016
20	Secured by first <i>pari passu</i> charge by way of hypothecation of stocks and book debts & both present & future of HRJ division	2.13	As per due dates of respective buyer's credit
21	Secured by exclusive charge on vehicles of Cement Division	0.77	EMI over a period of 60 months from the respective date of disbursement
	Total	653.66	

4 Long-term Borrowings (Contd.)

C. Unsecured Loans

Sr. No.	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
22	Non-convertible Debentures	100.00	Allotted on September 15, 2015 and repayable on September 14, 2018 with Interest reset clause on September 30, 2016 and September 30, 2017
23	Finance Lease obligations	9.35	Payable over period of 5 years from respective disbursement
24	Fixed Deposits	30.52	Payable over a period of one to two years from the respective date of disbursement
25	Other - Inter Corporate Loan	0.15	3 years from April 01, 2016
26	Buyer's Credit	5.44	As per due dates of respective Buyer's Credit
	Total	145.46	

5 The breakup of Net Deferred Tax Liability / Assets is as follows :

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Deferred Tax Assets		
Unabsorbed Depreciation as per Income Tax	200.97	182.80
Expenses provided but allowable in Income Tax on payment	31.19	20.32
Other timing differences	(12.50)	(5.52)
Total (A)	219.66	197.60
Deferred Tax Liability		
Fixed Assets : Impact of difference between tax depreciation & depreciation provided	186.91	213.37
Total (B)	186.91	213.37
Net Deferred Tax Liability/(Assets) (B – A)	(32.75)	15.77

6 Other Long-term Liabilities

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Security deposit from customers / others	189.72	138.45
Other liabilities	1.44	1.62
Total	191.16	140.07

7 Long-term Provisions

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
For Employees' benefit	14.49	12.32
For Statutory dues & Others	48.23	24.80
Total	62.72	37.12

8 Short-term Borrowings

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Secured Loans :		
Loans repayable to banks		
On Demand (refer Sr. No. 27 & 28)	94.12	61.85
Buyer's Credit (refer Sr. No. 29)	7.08 101.20	37.79 99.64
Unsecured Loans :		
From Banks	112.75	75.47
Commercial Papers { Maximum balance outstanding during the year ₹ 225 Crores (Previous year : ₹ 125 Crores)}	100.00 212.75	100.00 175.47
Total	313.95	275.11

Details of Secured Loans

Sr. No	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
27	Secured by first <i>pari passu</i> charge on the entire current assets both present and future of the Cement Division	1.79	On Demand
28	Secured by first <i>pari passu</i> charge by way of hypothecation of stocks and book debts, both present & future of HRJ Division	92.33	Payable within one year
29	Secured by first <i>pari passu</i> charge by way of hypothecation of stocks and book debts, both present & future of HRJ Division	7.08	As per due dates of respective buyer's credit
	Total	101.20	

9 Trade Payables

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Total outstanding dues of Micro Enterprises & Small Enterprises	0.11	0.10
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	763.88	789.72
Total	763.99	789.82

10 Other Current Liabilities

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Current maturities of long-term borrowings (refer Note 10(a) below)	211.89	134.79
Current maturities of Finance lease obligations	1.75	–
Creditors for capital items	27.26	39.05
Advance from Customers	77.85	45.87
Interest accrued but not due	42.54	36.80
Unclaimed Dividends	2.27	2.78
Unclaimed matured deposits and interest accrued thereon { includes interest ₹ 0.44 Crores (Previous year : ₹ 0.38 Crores)}	2.26	1.80
Other Employees' Benefit	24.82	13.76
Statutory Liabilities	31.30	36.46
Liability for expenses	262.27	258.01
Other Liabilities	1.18	0.72
Total	685.39	570.04

10 Other Current Liabilities (Contd.)

10(a) Break-up of Current maturities of long-term borrowings

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Secured Loans :				
Non- convertible Debentures	40.00		65.00	
Term Loans	145.45		30.00	
Vehicle Loans	1.08		0.86	
Inter Corporate Deposits	0.01		—	
Buyer's Credit	2.13	188.67	—	95.86
Unsecured Loans :				
Non- convertible Debentures	—		15.00	
Buyer's Credit	5.44		1.91	
Fixed Deposits	17.78	23.22	22.02	38.93
Total		211.89		134.79

11 Short-term Provisions

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
For Employees' benefit		11.63		13.60
Total		11.63		13.60

DESCRIPTORS		GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK			
		Opening Block	Additions	Deductions	Closing Block	Opening Balance	Adjustments (refer note 35)	For the year	Deductions	Closing Balance	As at year end	
Tangible Assets :												
Land - Freehold	2015-16	435.11	64.38	4.79	494.70	9.17	—	3.99	—	13.16	481.54	
	2014-15	377.53	57.58	—	435.11	6.27	—	2.90	—	9.17	425.94	
- Leasehold	2015-16	6.61	5.08	—	11.69	2.73	—	0.72	—	3.45	8.24	
	2014-15	6.25	0.36	—	6.61	2.56	—	0.17	—	2.73	3.88	
Buildings	2015-16	286.19	9.33	4.52	291.00	107.30	—	10.98	0.22	118.06	172.94	
	2014-15	283.90	7.19	4.90	286.19	95.97	3.50	11.94	4.11	107.30	178.89	
Plant and Machinery	2015-16	2,426.47	65.69	15.52	2,476.64	1,146.05	53.59	87.08	3.06	1,283.66	1,192.98	
	2014-15	2,408.19	36.15	17.87	2,426.47	1,077.28	1.44	75.18	7.85	1,146.05	1,280.42	
Plant and Machinery-Finance Lease	2015-16	2.71	10.35	2.71	10.35	0.28	—	0.50	0.28	0.50	9.85	
	2014-15	2.71	—	—	2.71	0.18	—	0.10	—	0.28	2.43	
Railway siding	2015-16	16.27	—	—	16.27	12.85	—	0.19	—	13.04	3.23	
	2014-15	16.27	—	—	16.27	11.54	1.13	0.18	—	12.85	3.42	
Office Equipment	2015-16	17.85	1.78	0.45	19.18	12.25	—	2.07	0.34	13.98	5.20	
	2014-15	16.68	1.27	0.10	17.85	6.64	2.67	3.02	0.08	12.25	5.60	
Computers	2015-16	27.01	3.63	0.76	29.88	22.52	—	2.33	0.57	24.28	5.60	
	2014-15	24.45	2.84	0.28	27.01	19.05	1.07	2.60	0.20	22.52	4.49	
Mines Development	2015-16	144.18	23.90	—	168.08	59.70	—	28.61	—	88.31	79.77	
	2014-15	136.04	27.25	19.11	144.18	35.95	—	23.76	0.01	59.70	84.48	
Furniture & Fixtures	2015-16	51.18	3.88	0.87	54.19	33.63	—	4.72	0.63	37.72	16.47	
	2014-15	49.48	1.84	0.14	51.18	27.51	1.33	4.88	0.09	33.63	17.55	
Vehicles	2015-16	19.35	5.55	4.18	20.72	9.35	—	3.04	2.45	9.94	10.78	
	2014-15	17.98	4.08	2.71	19.35	7.66	0.05	2.90	1.26	9.35	10.00	
Truck Mixers, Loaders and Truck Dumpers	2015-16	62.91	0.04	3.45	59.50	52.91	0.37	4.39	3.45	54.22	5.28	
	2014-15	64.67	—	1.76	62.91	49.22	—	5.40	1.71	52.91	10.00	
Total Tangible Assets		2015-16	3,495.84	193.61	37.25	3,652.20	1,468.74	53.96	148.62	11.00	1,660.32	1,991.88
		2014-15	3,404.15	138.56	46.87	3,495.84	1,339.83	11.19	133.03	15.31	1,468.74	2,027.10

12 FIXED ASSETS (Contd.)

DESCRIPTIONS	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK As at year end
	Opening Block	Additions	Deductions	Closing Block	Opening Balance	Adjustments (refer note 35)	For the year	Deductions	Closing Balance
Intangible Assets :									
Software	2015-16 2014-15	21.89 18.91	1.55 2.98	— —	23.44 13.08	— —	1.83 1.65	— —	14.91 13.08
Intellectual Property Rights	2015-16 2014-15	5.87 5.87	— —	— —	5.87 5.87	4.10 3.52	0.59 0.58	— —	4.69 4.10
Mining Lease Rights	2015-16 2014-15	11.44 19.60	— —	— —	11.44 11.44	3.19 2.80	0.40 0.67	— 0.28	3.59 3.19
Minerals Procurement Rights	2015-16 2014-15	6.55 6.55	— —	— —	6.55 6.55	4.27 3.05	1.26 1.22	— —	5.53 4.27
Technical Know-how	2015-16 2014-15	0.23 0.23	— —	— —	0.23 0.23	0.09 0.06	0.03 0.03	— —	0.12 0.09
Total Intangible Assets	2015-16 2014-15	45.98 51.16	1.55 2.98	— —	47.53 45.98	24.73 20.85	4.11 4.15	— 0.28	28.84 24.73
Total Fixed Assets	2015-16 2014-15	3,541.82 3,455.31	195.16 141.54	37.25 55.03	3,699.73 3,541.82	1,493.47 1,360.68	53.96 11.20	11.00 15.59	1,689.16 1,493.47

Notes :

- Depreciation for the year includes ₹ 0.32 Crores (Previous year : ₹ 0.34 Crores) considered for capitalisation.
- Gross block of fixed assets includes dedicated electricity lines costing ₹ 26.61 Crores (Previous year : ₹ 26.61 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vitaran Company Limited.
- Loss of ₹ 0.48 Crores (Previous year Gain: ₹ 0.26 Crores) arising on account of exchange difference on Long-term foreign currency borrowings, utilised for purchase of fixed assets has been capitalised and included in "Additions".
- Depreciation on Buildings and Plant & Machinery includes impairment loss of ₹ Nil (Previous year : ₹ 0.66 Crores).
- Leasehold land of ₹ 1.22 Crores (Previous year : ₹ Nil) was classified earlier as Freehold land. The same was rectified during the current year. Further, depreciation of ₹ 0.05 Crores (Previous year : ₹ Nil) was charged during the year due to the said re-classification.
- Amortisation in case of Freehold Land represent amortisation of mining reserve on extraction basis.
- Addition during the year includes ₹ 0.02 Crores (Previous year : ₹ Nil) on account of Research assets.
- Remaining life of intangible assets

₹ Crores

Assets	Remaining useful life of the assets			
	0-5 Years	6-10 Years	22-27 Years	Total
Software	5.23	3.30	—	8.53
Intellectual Property Rights	1.18	—	—	1.18
Mining Lease Rights	—	—	7.85	7.85
Minerals Procurement Rights	1.02	—	—	1.02
Technical Know-how	0.11	—	—	0.11
Total	7.54	3.30	7.85	18.69

13 Non-current Investments

Particulars	₹ Face Value	As at 31-03-2016			As at 31-03-2015	
		Holding	₹ Crores		Holding	₹ Crores
A. Long-term; Trade Investments - Unquoted						
a. Investment in Equity Instruments						
i. Investments in Subsidiaries						
- Raheja QBE General Insurance Company Limited	10	10,55,70,000	105.57		15,31,80,000	153.18
- Silica Ceramica Private Limited *	10	1,66,22,500	147.69		86,22,500	117.69
- Milano Bathroom Fittings Private Limited	100	72,446	6.73		72,446	6.73
- H. & R. Johnson (India) TBK Limited	100	1,61,020	1.62		1,61,020	1.62
- RMC Readymix Porcelano (India) Limited	10	50,000	0.05	261.66	50,000	0.05 279.27
ii. Investments in Joint Ventures						
- Antique Marbonite Private Limited *	10	40,00,000	20.03		40,00,000	20.03
- Sentini Cermica Private Limited *	10	23,00,000	11.50		23,00,000	11.50
- Small Johnson Floor Tiles Private Limited	10	20,00,000	10.00		20,00,000	10.00
- Spectrum Johnson Tiles Private Limited	10	21,65,388	8.03		21,65,388	8.03
- Ardex Endura (India) Private Limited	10	65,00,000	6.50		65,00,000	6.50
- Coral Gold Tiles Private Limited	10	26,00,000	5.46	61.52	—	— 56.06
iii. Investment in Associate						
- Prism Power and Infrastructure Private Limited (Net of Diminution in value of Investment)	10	4,900	—		4,900	#
b. Investment in Preference Shares						
i. Investment in Subsidiary						
- Milano Bathroom Fittings Private Limited (1% Redeemable and Non-convertible Preference Shares)	100	3,87,500	3.88		3,87,500	3.88
ii. Investment in Joint Venture						
- Small Johnson Floor Tiles Private Limited (0.01% Optionally Convertible Non-cumulative Redeemable Preference Shares)	10	40,00,000	4.00		40,00,000	4.00
Total			331.06			343.21
Aggregate amount of quoted investments-Book value			—			—
Aggregate market value of quoted investments			—			—
Aggregate amount of unquoted investments			331.06			343.21

* Company has given Non Disposal Undertaking to certain banks for its investment in above subsidiary/joint ventures.

Amount less than ₹ 50,000/-

14 Long-term Loans and Advances

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Unsecured and Considered Good unless otherwise stated				
Security Deposits				
For Utilities, premises and others	57.01		56.24	
Considered doubtful	0.36		0.22	
Less : Provision for doubtful deposits	0.36	57.01	0.22	56.24
Capital Advances		58.92		64.71
Loans and Advances to related parties		44.50		45.50
Deposits with Statutory Authorities (net of provisions)				
Excise/VAT/Service Tax/Custom Duty deposited under protest		6.18		5.07
Other Loans and Advances				
Secured	0.07		—	
Unsecured	32.28		27.71	
Prepaid expenses	6.63	38.98	11.61	39.32
Total		205.59		210.84

15 Other Non-current Assets

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Balances with Banks in Escrow		0.05		0.05
VAT Subsidy recoverable		80.17		59.35
Bank Deposits with more than twelve months maturity				
- Margin Money	0.71		0.42	
- Term Deposits (restricted use)	0.07	0.78	0.02	0.44
Total		81.00		59.84

16 Inventories

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Raw Materials	90.15		84.23	
- Stock in transit	0.15	90.30	4.06	88.29
Fuel	44.49		130.05	
- Stock in transit	37.26	81.75	3.67	133.72
Stores and Spares	97.86		105.85	
- Stock in transit	—	97.86	—	105.85
Work-in-Progress		32.41		32.32
Stock of traded goods	48.70		62.55	
- Stock in transit	4.53	53.23	5.41	67.96
Finished goods	141.97		138.79	
- Stock in transit	9.88	151.85	11.55	150.34
Total		507.40		578.48

17 Trade Receivables

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Secured - Considered Good :				
Over six months due	2.95		2.21	
Others due	24.96	27.91	21.94	24.15
Unsecured - Considered Good :				
Over six months due	32.34		31.86	
Others due	556.50	588.84	505.57	537.43
Unsecured - Considered Doubtful :				
Over six months due	59.16		44.70	
Others due	3.88		3.06	
Less : Provision for doubtful debts	63.04	—	47.76	—
Total		616.75		561.58

18 Cash, Cash Equivalent and Bank Balances

18.1 Cash and cash equivalents

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Cash in hand	1.41		0.53	
Cheques, drafts on hand	4.71		4.42	
Balances with banks in current accounts	66.06		44.21	
Term Deposits with banks (original maturity of less than three months) (restricted use)	2.85		7.47	
Total (A)		75.03		56.63

18.2 Other Bank Balances

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Margin money with banks (Maturity more than three months but less than twelve months)	9.66		10.60	
Unclaimed Dividend accounts	2.27		2.78	
Term Deposits (restricted use) (Maturity more than three months but less than twelve months)	28.19		9.69	
Total (B)		40.12		23.07
Total (A + B)		115.15		79.70

19 Short-term Loans and Advances

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Considered good unless otherwise stated		
Deposits	2.89	0.89
Income tax (net of provisions)	48.28	51.69
VAT / Service Tax recoverable	18.46	23.85
Prepaid Expenses	15.57	13.65
Custom Duty receivable	0.36	—
Balances with Excise and Customs	11.08	12.08
Others	53.22	88.85
Total	149.86	191.01

20 Other Current Assets

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Insurance Claim receivable	64.50	65.14
VAT Subsidy recoverable	14.42	101.52
Balances related to Coal Mine & Infrastructure (refer note 33)	39.92	29.70
Receivables related to Sale of shares	109.98	—
Others	3.70	3.99
Total	232.52	200.35

21 Sales of products and services (Gross)

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Sale of Products	5,923.28	5,990.22
Sale of Services	16.97	18.79
Total	5,940.25	6,009.01

Other Operating Income

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Sale of Scrap	6.94	6.00
Claims & Recoveries	7.22	6.54
Dividend from Joint-Ventures and Subsidiaries *	0.04	0.04
Others	15.23	9.49
Total	29.43	22.07

* As the HRJ Division operates part of its business through its Subsidiaries / Joint Ventures, dividend income from the said investments is taken as operating income.

22 Other Income

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Interest income		
- Bank Fixed Deposits	4.39	1.89
- Others	3.83	9.80
Net gain on sale of long-term investments	62.37	—
Gain on exchange fluctuations	—	2.47
Other non-operating income	0.98	19.32
Total	71.57	33.48

23 Details of Cost of Materials consumed

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Limestone - Purchased	31.73	74.41
Clay, Sand and Minerals	274.22	272.25
Fly Ash	144.40	175.39
Cement (in RMC Division)	345.17	323.97
Aggregates and Crushed Rock	219.58	227.15
Packing Material	103.16	123.71
Admixture	40.59	42.47
Others	100.60	105.41
Total	1,259.45	1,344.76

24 Purchase of Stock-in-trade

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Tiles	1,153.73	1107.18
Others	126.22	135.44
Total	1,279.95	1,242.62

25 Change in Inventories

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Closing Stock (including in Transit)		
Finished Goods	151.85	150.34
Traded Goods	53.23	67.96
Work-in-progress	32.41	32.32
Less : Opening Stock (including in Transit)		
Finished Goods	150.34	113.50
Traded Goods	67.96	51.37
Work-in-progress	32.32	73.32
Total	(13.13)	12.43

26 Manufacturing Expenses

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Stores and Spares consumed	78.94	80.83
Power and Fuel consumed	706.24	764.27
Plant & Machinery hire charges	56.91	91.00
Repairs to Plant and Machinery	35.75	45.82
Royalty	60.16	36.23
Sub-contract charges	55.68	53.17
Plant upkeep expenses	34.61	30.67
Quarry expenses	22.69	20.25
Die & Punches	4.36	4.57
Adjustment of excise duty on stock	0.34	4.38
Other manufacturing expenses	5.72	5.93
Total	1,061.40	1,137.12

27 Employees' Benefit Expenses

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Salaries, wages and bonus	320.88	277.06
Contribution to Provident and other funds (refer note 41)	23.92	21.69
Welfare and other expenses	17.58	17.83
Total	362.38	316.58

28 Finance Cost

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Interest expenses (refer note 56(c))	227.70	238.49
Finance lease interest	0.22	0.48
Amortisation of processing fees	11.77	16.89
Total	239.69	255.86

29 Other Expenses

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Rent	31.38	26.62
Rates and taxes	28.97	28.52
Travelling and Communication	49.39	47.13
Discounts, Incentives and Commission on sales	233.95	247.47
Advertisement, Sales promotion and Other marketing expenses	65.36	84.31
Research expenses *	2.80	2.79
Insurance	8.99	9.78
Freight outward	722.78	719.02
Loss on sale of assets	3.57	2.76
Provision for bad and doubtful debts/deposits	15.88	11.54
Add : Bad debts written off	1.81	2.04
Loss on exchange fluctuation	2.11	-
Concrete pumping expenses	16.60	15.85
Repairs to Buildings	3.85	3.85
Repairs others	4.34	6.65
Bank charges	4.05	3.57
Miscellaneous expenses	75.15	66.98
Total	1,270.98	1,278.88
* Research expenses comprises of :		
Salaries & Wages	1.45	1.31
Travelling & Communication	0.34	0.28
Others	1.01	1.20
Total	2.80	2.79



30 Exceptional items comprises of the following :

Current Year :

- a Payment to GAIL (India) Ltd. of ₹ 3.61 Crores (Previous year: ₹ Nil) towards settlement of claim for the calendar year 2014 under long-term gas supply agreement.

Previous Year :

- b Transfer fees and stamp duty paid for Land at Dewas ₹ 1.88 Crores as per direction of Hon'ble High Court of Madhya Pradesh.
- c Gain of ₹ 64 Crores on sale of 1,23,51,600 equity shares of the Company held through Prism Trust for the benefit of the Company.

31 Provision for Current Tax includes Provision of Wealth Tax of ₹ Nil (Previous year : ₹ 0.20 Crores).

32 Computation of Earnings Per Share (EPS) is as under :

Particulars	2015 - 2016	2014 - 2015
Profit/(Loss) after Tax excluding dividend on own shares (₹ Crores)	8.36	14.70
Outstanding fully paid-up Equity shares	50,33,56,580	50,33,56,580
Weighted average number of equity shares outstanding (on sale of shares held through Trust - refer note 30(c))	50,33,56,580	50,10,21,620
Earnings Per Share (₹) – Basic & Diluted (Face value ₹ 10/- per share)	0.17	0.29

33 Other Current Assets (note no. 20) includes ₹ 39.92 Crores (Previous year : ₹ 29.70 Crores) being book value of various assets relating to Sial Ghogri Coal mine of the Company, which was de-allocated pursuant to Order of the Hon'ble Supreme Court dated September 24, 2014. The Nominated Authority under the Coal Mines (Special Provisions) Ordinance, 2014 and Coal Mines (Special Provision) Rules, 2014 has communicated to the Company that a sum of ₹ 32.49 Crores has been determined as compensation payable to the Company. The Company has, *inter-alia*, disputed the quantum of compensation and has preferred a writ before the Hon'ble High Court of Judicature, Delhi and the Company has lodged claim of ₹ 72.86 Crores. The Hon'ble High Court has heard the matter and order is awaited.

34 (a) Contingent liabilities :

- (i) Guarantees given by the Company's bankers and counter guaranteed by the Company : ₹ 94.41 Crores (Previous year : ₹ 100.09 Crores).
- (ii) Corporate guarantees issued to the bankers on behalf of wholly owned subsidiary ₹ 160 Crores (Previous year : ₹ 80 Crores)
- (iii) Outstanding Letters of Credit ₹ 52.26 Crores (Previous year : ₹ 48.80 Crores)
- (iv) Prepayment charges claimed by banks on amounts prepaid ₹ 2.92 Crores (Previous year : ₹ 4.13 Crores)
- (v) Claims against the Company not acknowledged as debts on account of disputes:
 - (a) In respect of exemption of Central Sales Tax on coal purchases : ₹ 7.56 Crores (Previous year : ₹ 7.56 Crores). Against this matter, bank guarantee of ₹ 7.70 Crores (Previous year : ₹ 7.70 Crores) has been provided by the Company.
 - (b) Energy Development Cess ₹ 9.89 Crores (Previous year : ₹ 7.44 Crores)
 - (c) Tax on Rural and Road Development ₹ 10.38 Crores (Previous year : ₹ 9.45 Crores)
 - (d) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty, Service Tax and other claims ₹ 139.65 Crores. (Previous year : ₹ 118.68 Crores)
- (b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 26.61 Crores (Previous year : ₹ 58.81 Crores).

- (c) Disclosure of provisions made as per the requirements of Accounting Standard – 29 on “Provisions, Contingent Liabilities and Contingent Assets” are as follows :

₹ Crores

Particulars	As at 01-04-2015	Provisions made during the year	Amounts utilised or reversed during the year	As at 31-03-2016
MPEB Cess on Generation of Electricity	8.33	—	—	8.33
MP Entry Tax/VAT	10.05	—	—	10.05
UP Entry Tax	3.86	—	—	3.86
VAT on Inter Unit Transfer	0.68	—	—	0.68
Dispute with Contractors	1.00	—	1.00	—
Appeal with AP Comm. Tax Department	1.24	0.21	0.85	0.60
Mines Restoration Expenses	0.20	0.08	—	0.28
Total	25.36	0.29	1.85	23.80

In certain cases, the Company has made payments against the above provisions. In case the disputes are settled in the favour of the Company, there would be refund of ₹ 0.23 Crores (Previous year : ₹ 1.34 Crores) and in the event, these are settled against the Company there would be cash outflow of ₹ 23.57 Crores (Previous year : ₹ 24.02 Crores).

- (d) In terms of long-term gas supply agreement (GSA) with GAIL (India) Limited having validity till April, 2028, the Company is required to draw 1074064 MMBTU of Re-Liquified Natural Gas (RLNG) per calendar year. In case of under drawn quantities determined on calendar year basis, the Company is liable to deposit purchase price under Take or Pay Obligation (TOP) of the GSA and is allowed to draw such underdrawn quantities in the balance term of the GSA at then prevailing price.

There were under drawn quantities of RLNG of 653690 MMBTU for the calendar year 2015 and 171042 MMBTU for the quarter ended March 31, 2016. GAIL has allowed under drawn quantities for the calendar year 2015 to be carried forward under downward flexibility clause of GSA till April 2028 without any payment. However, because of the same, the Company has exhausted its downward flexibility limit. The amount committed under TOP for the under drawn quantities for the quarter ended March 31, 2016, which would be due in December 2016 if it remains undrawn, is approximately ₹ 9.05 Crores.

In view of decreasing trend in prices of RLNG in recent months and also increase in the capacity utilisation due to favorable market conditions, the management is confident about utilisation of under drawn RLNG as above in balance part of the calendar year and also in subsequent contracted period. The aforesaid amount, if payable, will only be in the nature of an advance payment for RLNG which can be drawn anytime thereafter up to the end of term of the GSA i.e. April 2028. Accordingly, in view of the management this contract is not in the nature of Onerous contract and no effect of the same is required to be given in these accounts.

35 Depreciation & Amortisation :

Current Year :

During the last quarter, based on technical evaluation of material items of the fixed assets, the Company has completed componentisation exercise in terms of the provision contained in Schedule II to the Companies Act, 2013 and have provided depreciation by giving effect from April 1, 2015. In view of the same, the shortfall of ₹ 8.85 Crores in depreciation for nine months ended December 31, 2015 has been provided in the quarter ended March 31, 2016.

Further based on the transitional provision provided in Note 7(b) of Schedule II to the Act, the charge to retained earnings in respect of assets having no useful life as on April 1, 2015 on account of above exercise, net of deferred tax adjustment is ₹ 35.28 Crores.

Previous Year :

Effective from April 1, 2014, the useful lives of fixed assets have been revised in accordance with Schedule II to the Companies Act, 2013 (the Act). Due to above, depreciation charge for the year ended March 31, 2015 is lower by ₹ 46.31 Crores.

Further based on transitional provision provided in Note 7(b) of Schedule II to the Act, the charge to retained earnings in respect of assets having no useful life as on the effective date, net of deferred tax adjustment is ₹ 7.39 Crores.

- 36 During the year, after obtaining requisite approvals, the Company has transferred 23% stake in one of its subsidiary, Raheja QBE General Insurance Company Limited (RQBE) to joint venture partner, QBE Asia Pacific Holdings Limited and recognised profit of ₹ 62.37 Crores. Presently, the Company holds 51% of the equity of RQBE.



- 37** The matter relating to reappointment and remuneration of the Managing Director and appointment & remuneration of two Executive Director & CEOs of the Company are being placed for approval of the shareholders.

In view of non-availability of profits for the current year, remuneration paid to these Managerial Personnel, during their respective tenures, is in excess of the limit prescribed under Schedule V to the Companies Act, 2013 by ₹ 0.67 Crores. Pending approval from the shareholders of the Company and the Central Government, such excess amount is held in trust by them. Steps are being taken by the Company for obtaining approval for waiver of recovery.

- 38** Subsequent to the date of the Balance Sheet, insurance claim of the year 2012 relating to collapse of blending silo and consequential damages was rejected by the insurance company. The Company had recognised a sum of ₹ 58.95 Crores as receivable. The Company is in the process of initiating legal action against the insurance company and has already initiated arbitration proceedings with the party responsible for the construction of blending silo for recovery of damages. Based on legal opinion and judicial precedents, the Company has more than reasonable chance of recovery of the amount recognised as recoverable and accordingly, the Company has continued to recognise the same.
- 39** The Company in its ordinary course of business has promoted / acquired interest in various entities. Out of these entities, Silica Ceramica Private Limited (Company's holding 99.63%) and H. & R. Johnson (India) TBK Limited (Company's holding 100%) have significant amount of accumulated losses. The Company's aggregate exposure in these entities is ₹ 149.32 Crores by way of investment. Considering the long-term involvement of the Company in these entities and strategic impact it has on the business of the Company, the management is of the view that the decline in the value of investment is temporary in nature and therefore no provisioning is required.
- 40** During the year, certain amendments having effect from April 1, 2014 were made to the Payment of Bonus Act, 1965 whereby wage threshold for determining applicability of the said Act was increased from ₹ 10,000 to ₹ 21,000 per month and wage ceiling for calculation of bonus was increased from ₹ 3,500 to ₹ 7,000 per month. Certain High Court has issued interim orders staying the retrospective implementation of the above amendments. In view of the same, the Company has [paid / provided] its liability on account of additional bonus payable for the financial year 2015-16 and no provision has been considered for the financial year 2014-15. The amount for which the Company is contingently liable is ₹ 1.01 Crores.

41 Prior Period Item

Contribution to Provident and other funds (note no. 27) includes additional charge of ₹ 1.45 Crores (Previous year : ₹ Nil) pertaining to earlier years in respect of Gratuity.

- 42** Capital work-in-progress includes pre-operative expenses of ₹ 58.29 Crores (Previous year : ₹ 53.05 Crores), the details of which are as under :

Particulars	₹ Crores	
	2015 - 2016	2014 - 2015
Indirect expenditure incurred during the year and considered as pre-operative expenses		
Salary, Wages and Bonus	2.85	2.77
Contribution to Provident and other funds	0.12	0.13
Rent, Rates and Taxes	0.32	0.29
Travelling and Communication	0.37	0.85
Professional fees	0.26	0.73
Depreciation	0.32	0.34
Miscellaneous expenses	1.00	2.30
	5.24	7.41
Add : Expenditure up to Previous year	53.05	46.24
	58.29	53.65
Less : Adjustment relating to Coal Block/Capitalised during the year	—	0.60
Balance Carried forward	58.29	53.05
Cost relating to Acquisition of assets and related direct expenses	10.01	15.75
Total Capital Work-in-progress	68.30	68.80

43 Employee Benefits :

(a) Defined contribution plans :

The Company has recognised an expense of ₹ 13.65 Crores (Previous year : ₹ 13.50 Crores) towards defined contribution plans, in respect of Provident Fund and Superannuation Fund. The Company contributes to the Provident Fund Trust managed by it or to Recognised Provident Fund. In the event, the Company expect any material deficit in payment of interest, necessary amount is contributed to the own Provident Fund Trust.

(b) Defined benefit plans :

The actuarial valuation of the present value of the defined benefit obligations were carried out at March 31, 2016. The present value of the defined benefit obligations and the related service costs, were measured using the Projected Unit Credit Method. The following tables set out the funded status and amounts recognised in the Company's financial statements as per actuarial valuation on March 31, 2016 for the Defined Benefits Plan :

(i) Changes in the defined benefit obligation for leave entitlement and gratuity :

Particulars	₹ Crores			
	2015 - 2016		2014 - 2015	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
A. Changes in the defined benefit obligation :				
Liability at the beginning of the year	19.10	33.75	16.14	28.54
Current service cost	2.04	4.67	2.02	4.27
Past Service Cost	—	1.45	—	—
Interest cost	1.25	2.29	1.08	2.15
Actuarial (gain)/loss on obligation	5.19	1.36	5.29	2.17
Benefits paid	(6.22)	(9.01)	(5.43)	(3.38)
Liability at the end of the year (A)	21.36	34.51	19.10	33.75
B. Changes in the fair value of plan assets :				
Fair value of plan assets at the beginning of the year	N.A.	26.71	N.A.	23.52
Expected return on plan assets	N.A.	2.29	N.A.	2.00
Employer's contributions	N.A.	5.52	N.A.	3.62
Actuarial gain/(loss) on plan assets	N.A.	(0.54)	N.A.	0.93
Benefits paid	N.A.	(3.51)	N.A.	(3.38)
Fair value of plan assets at the end of the year (B)	N.A.	30.47	N.A.	26.69
C. Balance Liability (A – B)	21.36	4.04	19.10	7.06

(ii) Actual Return on Plan Assets :

Particulars	₹ Crores			
	2015 - 2016		2014 - 2015	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Expected Return on plan assets	N.A.	2.29	N.A.	2.00
Actuarial gain/(loss) on plan assets	N.A.	(0.54)	N.A.	0.93
Actual Return on plan assets	N.A.	1.75	N.A.	2.93

(iii) Expenses recognised in Statement of Profit and Loss for the year ended March 31, 2016

Particulars	2015 - 2016		2014 - 2015	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Current service cost	2.04	4.67	2.02	4.27
Past Service Cost	—	1.45	—	—
Interest cost	1.25	2.29	1.08	2.15
Expected return on plan assets	N.A.	(2.29)	N.A.	(2.00)
Actuarial (gain)/loss	5.19	1.90	5.29	1.24
Expense recognised in Statement of Profit and Loss	8.48	8.02	8.39	5.66

(iv) The categories of plan assets as a percentage of total plan are as follows :

Particulars	Percentage
Equity Shares	15.64%
Central and State Government Securities	46.77%
Other Fixed Income Securities/Deposits	37.59%
Total	100.00%

(v) Actuarial Assumptions used in accounting for leave entitlement and gratuity :

- Discount rate : 7.81% ~ 7.84% (Previous year : 8%)
- Expected rate of return on plan assets : 8% (Previous year : 8%)
- The estimates of future salary increases of 4% ~ 5%, considered in actuarial valuation, taking into account the general trend in salary rise and the inflation rates.

44 According to the information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2016 as follows :

Particulars	2015 - 2016		2014 - 2015	
Principal amount due	0.11		0.10	
Interest due on above	—		—	
Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	—		—	
Amount of interest due and payable for the period of delay	—		—	
Amount of interest accrued and remaining unpaid as at year end	—		—	
Amount of further remaining due and payable in the succeeding year	—		—	

45 Payment to the auditors :

Particulars	2015 - 2016		2014 - 2015	
For Statutory Audit	0.71		0.57	
For Tax Audit	0.08		0.07	
For Company Law Matters and Taxation services	0.13		0.16	
For Reimbursement of Expenses	0.01		0.01	
Total	0.93		0.81	

46 Lease Arrangements :

- a Under finance lease arrangements, the Company had acquired mining rights of limestone, against which the total payment has been made and no contingent rent is payable.
- b Details of Finance lease agreements (Machinery and Equipment) – Non-cancellable :
- The Company has entered into finance lease agreement for plant and machinery. Future minimum lease payments (MLP) under these leases are as follows :

₹ Crores				
Particulars	2015 - 2016		2014 - 2015	
	MLP	Interest not due	MLP	Interest not due
a. Due not later than one year	1.75	0.62	1.01	0.48
b. Due later than one year but not later than five years from the balance sheet date	7.60	1.21	0.08	0.04
c. Later than five years	—	—	—	—

- c Details of Operating lease agreements (Land, Machinery and Equipment) – Non-cancellable :

₹ Crores		
Particulars	2015 - 2016	2014 - 2015
	Future Lease Rental Payments	
a. Due not later than one year	18.35	3.26
b. Due later than one year but not later than five years from the balance sheet date	32.76	10.24
c. Later than five years	—	—

Lease rentals of ₹ 8.09 Crores (Previous year : ₹ 2.45 Crores) in respect of obligations under operating leases have been recognised in the Statement of Profit and Loss.

- d The Company has operating leases for commercial premises which are cancellable at any time during the tenure of the respective agreements.

47 Details of Loan given, security provided and investment made during the year 2015-16 as per section 186(4) of the Companies Act, 2013.

₹ Crores						
Nature of transaction	Name of the recipient	Amount of loan/ security/ acquisition/ guarantee		Interest Rate	Purpose of loan/acquisition/ guarantee/ security	Period
		2015 - 2016	2014 - 2015			
Security acquisition	Silica Ceramica Private Limited (unlisted) - Hyderabad	30.00	20.00	—	Investment in equity shares	—
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Hyderabad	—	80.00	—	Given to Axis Bank Limited for Silica Ceramica Private Limited (unlisted) - Hyderabad	For the period of loan
Loans	H. & R. Johnson (India) TBK Limited (unlisted) Mumbai	2.35	3.25	9%	For Working capital and Business expansion	Repayment based on mutual consent
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Hyderabad	80.00	—	—	Given to Aditya Birla Limited for Silica Ceramica Private Limited (unlisted) - Hyderabad	For the period of loan
Security acquisition	Coral Gold Tiles Private Limited (Unlisted)	5.46	—	—	Investment in equity shares	—

48 Disclosure in respect of Company's Joint Ventures :

Name of the Joint Venture	Proportion of Ownership Interest	Country of Incorporation
Ardex Endura (India) Private Limited	50%	India
Sentini Cermica Private Limited	50%	India
Antique Marbonite Private Limited	50%	India
Spectrum Johnson Tiles Private Limited	50%	India
Small Johnson Floor Tiles Private Limited	50%	India
Coral Gold Tiles Private Limited (w.e.f. 04.11.2015)	50%	India

The aggregate of Company's share in the above Joint Ventures is :

₹ Crores		
Particulars	As at 31-03-2016	As at 31-03-2015
Total Liabilities	129.74	132.29
Total Assets	296.57	277.05
Capital Commitments	2.23	2.10
Contingent Liabilities	16.32	11.55
Total Income	360.36	313.30
Total Expenses	325.05	291.59

49 Government Grants by way of Tax subsidy/exemption schemes :

VAT Subsidy is grouped under Revenue from Operations as part of Sales.

- As per Madhya Pradesh Industrial Investment Promotion Assistance Scheme (2004), the second Cement Unit at Satna is entitled for subsidy at the rate of 75% of VAT/CST paid on sales, subject to prescribed limits. Subsidy receivable for the year is ₹ 57.73 Crores (Previous year : ₹ 59.54 Crores).
- As per Industrial Promotion Policy 2010 of Madhya Pradesh, HRJ Unit at Dewas is entitled for subsidy of VAT / CST paid on sales achieved above the normal production capacity. Subsidy receivable for the year is ₹ 0.22 Crores (Previous year : ₹ 0.42 Crores).
- As per Assam Industries (Tax Exemption) Scheme 2009, RMC Unit at Guwahati is entitled to Sales Tax Exemption subject to prescribed limit, at the rate of 99% of tax payable. Amount recognised for the year is ₹ 0.80 Crores (Previous year : ₹ 0.42 Crores).
- The Company started commercial production of ready mixed plant in Guwahati, Assam on August 6, 2012 and is entitled for 34% of the excise duty paid on finished goods, since that date. During the current financial year, the Company received refund of ₹ 0.21 Crores, out of which ₹ 0.15 Crores relates to earlier financial years.

50 Disclosure regarding transactions with Related Parties in terms of Accounting Standard - 18 is as under :

- Name of the related parties under control of the Company :

Subsidiaries
Raheja QBE General Insurance Company Limited
RMC Readymix Porselano (India) Limited
H. & R. Johnson (India) TBK Limited
Silica Ceramica Private Limited
Milano Bathroom Fittings Private Limited
TBK Venkataramiah Tile Bath Kitchen Private Limited (Step-down Subsidiary)
TBK Rangoli Tile Bath Kitchen Private Limited (Step-down Subsidiary) (w.e.f. 31.07.2015)

b. Name of the related parties with whom transactions have taken place :

Joint Ventures	Key Management Personnel
Sentini Cermica Private Limited	Mr. Vijay Aggarwal – Managing Director (re-appointment w.e.f. 03.03.2016)
Antique Marbonite Private Limited	Mr. Vivek Agnihotri – Executive Director & CEO (Cement) (w.e.f. 17.08.2015)
Spectrum Johnson Tiles Private Limited	Mr. Joydeep Mukherjee – Executive Director & CEO (HRJ) (w.e.f. 03.03.2016)
Ardex Endura (India) Private Limited	Mr. Venugopal M. Panicker – Executive Director & CEO (RMC)
Coral Gold Tiles Private Limited (w.e.f. 04.11.2015)	Mr. Ganesh Kaskar – Executive Director & CEO (HRJ) (upto 02.03.2016)
Small Johnson Floor Tiles Private Limited	Mr. S. Ramnath – Executive Director – (Cement) (upto 04.02.2015)

Joint Venture of wholly owned subsidiary	Companies in which Directors and/or their relatives have significant influence
TBK Shri Ram Tile Bath Kitchen Private Limited	Peninsula Estates Private Limited
TBK Deziner's Home Private Limited	Varahagiri Investments & Finance Private Limited
TBK Unique Jalgaon Tile Bath Kitchen Private Limited	Windsor Realty Private Limited
TBK P B Shah Tile Bath Kitchen Private Limited	
TBK Deepgiri Tile Bath Kitchen Private Limited	Associate
TBK Prathap Tile Bath Kitchen Private Limited	Prism Power and Infrastructure Private Limited
TBK Bansal Ceramics Private Limited	
TBK Rangoli Tile Bath Kitchen Private Limited (upto 30.07.2015)	Subsidiaries of Joint Venture
TBK Rathi Sales Agencies Private Limited	Antique Minerals Private Limited
TBK Florance Ceramics Private Limited	Solid Johnson Floor Tiles Private Limited (Merged with Small Johnson Floor Tiles Private Limited w.e.f. 01.04.2015)
TBK Sanitary Sales Private Limited	
TBK Tile Home Private Limited	
TBK Samiyaz Tile Bath Kitchen Private Limited	
TBK Krishna Tile Bath Kitchen Private Limited	
TBK Reddy Tile Bath Kitchen Private Limited	
TBK Kadakia's Tile Bath Kitchen Private Limited	
TBK Rishi Ceramics Private Limited	
TBK Aishwarya Tile Bath Kitchen Private Limited	
TBK Raj Kamal Tile Bath Kitchen Private Limited	
TBK Shree Ganesh Traders Private Limited	
TBK Vaibhavi Tile Bath Kitchen Private Limited	
TBK Home Trends Private Limited	
TBK Solan Ceramics Private Limited	



c. Following are the transactions with related parties as defined under Accounting Standard -18 on "Related Party Disclosures" :

₹ Crores					
Name of the related party	Nature of transaction	Amount of transaction in 2015-2016	Amount outstanding as at 31-03-2016 (Payable)/ Receivable	Amount of transaction in 2014-2015	Amount outstanding as at 31-03-2015 (Payable)/ Receivable
Mr. Vijay Aggarwal	Remuneration	11.79	—	4.50	—
Mr. Vivek Agnihotri	Remuneration	1.39	(0.22)	—	—
Mr. Ganesh Kaskar	Remuneration	2.34	(0.23)	2.38	(0.26)
Mr. Joydeep Mukherjee	Remuneration	0.17	(0.02)	—	—
Mr. Venugopal Panicker	Remuneration	1.47	(0.23)	1.24	(0.17)
Mr.S. Ramnath	Remuneration	—	—	3.83	(0.19)
Windsor Realty Private Limited	Sale of goods and Services	—	—	—	0.40
Peninsula Estates Private Limited	Rent Paid	0.10	—	0.10	—
	Deposit Given	—	0.03	—	0.03
Varahagiri Investments & Finance Private Limited	Rent Paid	0.41	—	0.41	—
	Deposit Given	—	0.11	—	0.11
Raheja QBE General Insurance Company Limited	Security Deposit Received	—	(0.03)	—	(0.03)
	Advances	—	—	—	0.01
	Insurance Premium	0.14	—	0.36	0.01
	Rent Received	0.03	—	0.03	—
	Claims Paid/ Payable	—	—	0.03	—
Prism Power and Infrastructure Private Limited	Advances	—	—	—	0.01
	Provision for advances	0.01	—	—	—
H. & R. Johnson (India) TBK Limited	Sale of goods and Services	35.47	6.63	41.97	3.26
	ICD Given/ (repaid)	(1.00)	44.50	(3.00)	45.50
	Reimbursement of Services	0.37	—	0.29	—
	Interest Received	0.18	—	0.08	—
Silica Ceramica Private Limited	Purchase of Goods and Services	258.29	(43.77)	267.07	(43.04)
	Investments	30.00	—	20.00	—
	Interest Received	0.49	—	3.89	—
	Reimbursement of Services paid	0.07	—	0.05	—

₹ Crores

Name of the related party	Nature of transaction	Amount of transaction in 2015-2016	Amount outstanding as at 31-03-2016 (Payable)/ Receivable	Amount of transaction in 2014-2015	Amount outstanding as at 31-03-2015 (Payable)/ Receivable
Silica Ceramica Private Limited	Reimbursement of Services received	0.25	—	0.28	—
	Purchase of Asset	0.21	—	—	—
	Sale of Asset	1.72	—	1.18	—
Sentini Cermica Private Limited	Purchase of Goods and services	164.01	(24.15)	166.08	(22.84)
	Reimbursement received for Services	0.36	—	0.22	—
Antique Marbonite Private Limited	Purchase of Goods and services	303.73	(61.05)	295.12	(49.16)
	Interest Paid	1.20	—	1.01	—
	Reimbursement paid for Services	#	—	0.09	—
	Reimbursement received for Services	0.28	—	0.25	—
Spectrum Johnson Tiles Private Limited	Purchase of Goods and services	84.48	(16.15)	88.27	(16.19)
	Reimbursement paid for Services	0.09	—	0.23	—
	Rent paid	0.03	—	0.03	—
Milano Bathrooms Fittings Private Limited	Interest Paid	0.65	—	0.19	—
	Dividend Received	0.04	—	0.04	—
	Reimbursement received for Services	0.36	—	0.30	—
TBK Samiyaz Tile Bath Kitchen Private Limited	Deposit Received	—	(0.01)	0.01	(0.01)
TBK Kadakia's Tile Bath Kitchen Private Limited	Rent Received	—	—	0.03	—
TBK Rathi Sales Agencies Private Limited	Reimbursement received for Services	0.19	—	0.10	—
	Interest Received/ (waived-off)	(0.04)	—	0.06	—



₹ Crores

Name of the related party	Nature of transaction	Amount of transaction in 2015-2016	Amount outstanding as at 31-03-2016 (Payable)/ Receivable	Amount of transaction in 2014-2015	Amount outstanding as at 31-03-2015 (Payable)/ Receivable
TBK Rishi Ceramics Private Limited	Selling and Distribution Expenses	0.63	—	0.71	—
	Interest Received	0.07	—	#	—
TBK Shri Ram Tile Bath Kitchen Private Limited	Rent Received	—	—	0.05	—
	Interest Received/ (waived-off)	(0.22)	—	0.09	—
	Selling & Distribution Expenses	1.10	—	0.87	—
TBK Sanitary Sales Private Limited	Selling and Distribution Expenses	1.34	—	0.83	—
TBK Shri Ganesh Traders Private Limited	Interest Received/ (waived-off)	(0.08)	—	0.01	—
	Reimbursement paid for Services	0.03	—	0.22	—
TBK Florance Ceramics Private Limited	Selling & Distribution Expenses	1.10	—	0.43	—
	Reimbursement paid for Services	0.08	—	0.01	—
TBK Rangoli Tile Bath Kitchen Private Limited	Reimbursement received for Services	0.41	—	#	—
TBK Reddy Tile Bath Kitchen Private Limited	Interest Received/ (waived -off)	(0.14)	—	0.07	—
Small Johnson Floor Tiles Private Limited	Reimbursement paid for Services	0.10	—	0.02	—
Coral Gold Tiles Private Limited	Investments	2.31	—	—	—

₹ Crores

Name of the related party	Nature of transaction	Amount of transaction in 2015-2016	Amount outstanding as at 31-03-2016 (Payable)/ Receivable	Amount of transaction in 2014-2015	Amount outstanding as at 31-03-2015 (Payable)/ Receivable
Others	Interest Received	0.06	—	0.58	—
	Interest Paid	0.16	—	#	—
	Purchase of Goods and services	155.61	(44.40)	112.67	(30.08)
	Sales of Goods and services	142.48	18.07	147.72	18.56
	Selling and Distribution Expenses	4.29	—	3.76	—
	Reimbursement received for Services	0.15	—	0.23	—
	Reimbursement paid for Services	0.32	—	0.62	—

Amount less than ₹ 50,000/-

Note : In the above table, remuneration includes Leave encashment & Gratuity on actual payment.

51 Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

₹ Crores

Name of Subsidiary	Amount Outstanding		Maximum Balance outstanding during the Year	
	As at 31-03-2016	As at 31-03-2015	2015 - 2016	2014 - 2015
H. & R. Johnson (India) TBK Limited - Interest Free	42.15	45.50	45.50	49.25
H. & R. Johnson (India) TBK Limited - Interest bearing	2.35	—	2.35	3.25

52 Imported & indigenous material and stores & spares consumed :

a. Material consumed

Particulars	2015 - 2016		2014 - 2015	
	₹ Crores	(%)	₹ Crores	(%)
Imported	41.62	3.30	38.66	2.87
Indigenous	1,217.83	96.70	1,306.10	97.13
Total	1,259.45	100.00	1,344.76	100.00

b. Stores and Spares consumed

Particulars	2015 - 2016		2014 - 2015	
	₹ Crores	(%)	₹ Crores	(%)
Imported	17.65	22.36	23.65	29.26
Indigenous	61.29	77.64	57.18	70.74
Total	78.94	100.00	80.83	100.00

53 Value of imports on CIF Basis :

₹ Crores		
Particulars	2015 - 2016	2014 - 2015
Spares	11.31	17.64
Raw Materials	35.17	27.18
Capital Goods	4.78	8.64
Fuel	173.95	71.35
Traded Goods	47.79	72.62

54 Details of earnings in foreign currency :

F.O.B. value of Export : ₹ 45.17 Crores (Previous year : ₹ 56.05 Crores).

55 Details of expenditure in foreign currency :

₹ Crores		
Particulars	2015 - 2016	2014 - 2015
Finance and other charges	2.39	0.77
Travelling and communication expenses	0.52	0.84
Fees for technical services	0.16	0.16
Other expenditures	0.58	0.23
Total	3.65	2.00

56 Disclosure of Foreign Currency Exposure :

- a. Forward exchange contracts to hedge the foreign currency exposure for payments to be made against imports & borrowings.

In Crores				
Currency	As at 31-03-2016		As at 31-03-2015	
	Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
Euro	—	—	0.02	1.55

- b. Particulars of unhedged foreign currency asset/liability as at Balance Sheet date :

In Crores					
Currency	Nature	As at 31-03-2016		As at 31-03-2015	
		Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
Euro	Asset	#	0.02	#	0.23
Swiss Francs (CHF)	Asset	—	—	#	0.02
Danish Krone (DKK)	Asset	—	—	#	0.01
LKR	Asset	10.58	4.80	0.19	0.09
GBP	Asset	0.06	5.40	0.08	7.70
US Dollar (USD)	Asset	0.11	7.56	0.31	19.54
AUS Dollar (AUD)	Asset	2.16	109.98	—	—
Euro	Liability	0.16	12.31	0.15	9.99
LKR	Liability	0.21	0.09	0.32	0.15
US Dollar (USD)	Liability	2.23	147.90	2.49	155.56
Japanese Yen (Yen)	Liability	0.03	0.02	0.23	0.12

Amount less than 50,000/-

- c In the FY 2014-15, the Company had booked INR USD Cross Currency Swap Contracts of USD 5.92 Crores against the underlying INR borrowing of ₹ 365 Crores. For the FY 2015-16, the actual interest earned on notional INR deposit, interest paid on notional USD borrowing and marked to market loss on USD exposure aggregating net gain of ₹ 0.34 Crores (Previous year : ₹ 4.08 Crores) are included in interest expenses under finance cost in Note No. 28.

57 Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date : May 25, 2016

Rajesh G. Kapadia
(Chairman)

Vijay Aggarwal
(Managing Director)

Joydeep Mukherjee
(Executive Director &
CEO - HRJ)

Pramod K. Akhramka
(Chief Financial Officer)

Ameeta A. Parpia
(Director)

Vivek K. Agnihotri
(Executive Director &
CEO - Cement)

Venugopal M. Panicker
(Executive Director &
CEO - RMC)

Aneeta S. Kulkarni
(Company Secretary)



Independent Auditors' Report

To the Members of Prism Cement Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Prism Cement Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated 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 whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group and its jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

Note no. 38 to the accounts in respect of appointment of the three Managerial Personnel, which is subject to approval of the shareholders of the Company. In addition, in view of absence of profit, remuneration paid to them is also subject to approval of shareholders and Central Government under Section 197 of the Act. The management is proposing to apply to the Central Government under Section 197(10) of the Act for waiver of recovery once necessary approvals from the shareholders are obtained.

Our report is not qualified in respect of this matter.

Other Matters

We did not audit financial statements of four subsidiaries and three jointly controlled entity and consolidated financial

statement of one subsidiary and three jointly controlled entities, whose financial statements / consolidated financial statement reflect total assets of ₹ 1,011.55 crores as at March 31, 2016, total revenues of ₹ 798.76 crores and net cash flows amounting to ₹ (7.14) crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law have been kept by the Group and its jointly controlled entities so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and jointly

controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and its jointly controlled entities and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities – Refer Note 35(a) to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 52(c) to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled entities.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the said Fund by the subsidiaries and jointly controlled companies incorporated in India.

For G. M. Kapadia & Co.
 Chartered Accountants
 Firm Registration No: 104767W

Mumbai
 Dated : May 25, 2016

Atul Shah
 Partner
 Membership No: 39569



Annexure A to the Independent Auditor's Report

Referred to in paragraph 1(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date to the financial statements of the Company for the year ended March 31, 2016:

Report on the Internal Financial Controls under Section 143(3)(i) of the Act

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Prism Cement Limited (hereinafter referred to as 'the Holding Company') and its subsidiary companies and its jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to five subsidiary companies and six jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For G. M. Kapadia & Co.
 Chartered Accountants
 Firm Registration No: 104767W

Mumbai
 Dated: May 25, 2016

Atul Shah
 Partner
 Membership No: 39569

Consolidated Balance Sheet as at March 31, 2016

Particulars	Note No.	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	2	503.36		503.36	
b. Reserves and Surplus	3	512.84	1,016.20	550.97	1,054.33
2. Minority Interest			111.83		57.08
3. Non-current Liabilities					
a. Long-term Borrowings	4	1,480.72		1,638.51	
b. Deferred Tax Liability (Net)	5	12.11		29.83	
c. Other Long-term Liabilities	6	192.49		141.41	
d. Long-term Provisions	7	79.13	1,764.45	50.95	1,860.70
4. Current Liabilities					
a. Short-term Borrowings	8	475.23		447.53	
b. Trade Payables	9				
i. Total outstanding dues of Micro Enterprises & Small Enterprises		1.20		0.24	
ii. Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		741.32		783.87	
c. Other Current Liabilities	10	737.47		623.51	
d. Short-term Provisions	11	36.52	1,991.74	33.49	1,888.64
Total			4,884.22		4,860.75
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	12	2,295.58		2,341.11	
ii. Intangible Assets	12	20.71		22.69	
iii. Capital Work-in-progress	37	70.08		71.67	
b. Goodwill on Consolidation		46.60		49.13	
c. Non-current Investments	13	126.54		131.49	
d. Deferred Tax Asset (Net)	5	45.09		11.35	
e. Long-term Loans and Advances	14	190.39		188.55	
f. Other Non-current Assets	15	101.91	2,896.90	89.32	2,905.31
2. Current Assets					
a. Current Investments	16	116.50		86.09	
b. Inventories	17	656.53		713.51	
c. Trade Receivables	18	635.36		581.53	
d. Cash, Cash equivalent and Bank balances	19	144.29		129.60	
e. Short-term Loans and Advances	20	168.12		212.98	
f. Other Current Assets	21	266.52	1,987.32	231.73	1,955.44
Total			4,884.22		4,860.75
Significant Accounting Policies	1				

The accompanying notes are integral part of the financial statements

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date : May 25, 2016

Rajesh G. Kapadia
(Chairman)

Vijay Aggarwal
(Managing Director)

Joydeep Mukherjee
(Executive Director &
CEO - HR)

Pramod K. Akhramka
(Chief Financial Officer)

Ameeta A. Parpia
(Director)

Vivek K. Agnihotri
(Executive Director &
CEO - Cement)

Venugopal M. Panicker
(Executive Director &
CEO - RMC)

Aneeta S. Kulkarni
(Company Secretary)

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note No.	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Revenue from Operations			
Sales of products and services	22	6,044.83	6,098.88
Premium from Insurance Business		21.35	19.52
Other Operating Income	22	56.77	50.87
		6,122.95	6,169.27
Less : Excise Duty		501.33	514.84
Total Revenue from Operations		5621.62	5654.43
Other Income	23	69.65	35.71
Total Revenue		5691.27	5690.14
Expenses			
- Cost of Materials consumed		1,506.32	1,583.44
- Purchase of Stock-in-trade		721.33	697.86
- Changes in Inventories	24	6.91	(27.37)
- Manufacturing expenses	25	1,249.43	1,343.34
- Employees benefit expenses	26	436.53	384.91
- Finance cost	27	277.63	291.94
- Depreciation and Amortisation expenses	12	178.58	164.86
- Other expenses	28	1,316.78	1,318.70
Total Expenses		5693.51	5757.68
Profit/(Loss) Before Exceptional items and Tax		(2.24)	(67.54)
Exceptional items	29	(3.69)	60.34
Profit/(Loss) before Tax		(5.93)	(7.20)
Tax Expenses			
- Current Tax	30	(17.16)	(5.42)
- Minimum Alternate Tax		(1.20)	(5.57)
- MAT Credit Entitlement		0.01	(0.22)
- Income Tax earlier years		(0.48)	0.22
- Deferred Tax	5	30.49	11.66
			23.01
Profit/(Loss) for the year		5.73	4.82
Adjustment for Minority Interest		(2.43)	(2.20)
Profit/(Loss) after Minority Interest carried to Balance Sheet		3.30	2.62
Earning per Equity Share (Face Value of ₹ 10/- each)			
Basic and Diluted (₹)	31	0.07	0.05
Significant Accounting Policies	1		

The accompanying notes are integral part of the Financial Statements

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date : May 25, 2016

Rajesh G. Kapadia
(Chairman)

Vijay Aggarwal
(Managing Director)

Joydeep Mukherjee
(Executive Director &
CEO - HRJ)

Pramod K. Akhramka
(Chief Financial Officer)

Ameeta A. Parpia
(Director)

Vivek K. Agnihotri
(Executive Director &
CEO - Cement)

Venugopal M. Panicker
(Executive Director &
CEO - RMC)

Aneeta S. Kulkarni
(Company Secretary)



Consolidated Cash Flow Statement for the year ended March 31, 2016

	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
A. Cash Flow from Operating Activities :		
Profit/(Loss) before taxation as per Statement of Profit and Loss	(5.93)	(7.20)
Adjustment for :		
Depreciation & amortisation	178.58	164.86
Amortization of Processing fees	13.10	18.96
Provision for Doubtful Debts/\Deposits	17.15	11.79
Loss on sale of assets (net)	4.12	4.18
Loss on sale of Land	—	1.78
Profit on sales of investments (net)	(58.53)	(0.63)
Interest income	(9.93)	(11.21)
Interest Expenditure	264.53	272.98
(Gain) /Loss on exchange fluctuations	2.39	459.70
Operating Profit/(Loss) before working capital changes	405.48	452.50
Changes in Working Capital		
Increase / (Decrease) in trade and other payables	90.19	82.72
(Increase) / Decrease in trade receivables	(70.97)	(62.35)
(Increase) / Decrease in inventories	56.98	(139.09)
(Increase) / Decrease in other receivables	(27.32)	(249.30)
Cash Generated from Operations	454.36	203.20
Direct taxes paid (net of refunds)	16.47	4.57
Net cash generated from operating activities (A)	437.89	198.63
B. Cash flow from Investing Activities :		
Purchase of fixed assets and additions in CWIP	(208.09)	(179.92)
Proceeds from sale of fixed assets	9.16	10.41
Purchase of investments	(162.02)	(175.70)
Sale proceeds from Investments	247.27	277.49
Interest received	1.56	10.46
Net cash used in investing activities (B)	(112.12)	(57.26)

	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
C. Cash flow from Financing Activities :		
Additions to Borrowings	393.57	1,162.66
Repayment of Borrowings	(449.22)	(1,025.59)
Dividend paid including distribution tax	(0.01)	(0.01)
Interest paid	(261.73)	(245.04)
Net cash used in financing activities (C)	(317.39)	(107.98)
Net increase in cash and cash equivalents during the year (A+B+C)	8.38	33.39
Cash and cash equivalents at the beginning of the year	78.13	44.65
Cash on hand of entities which was consolidated first time during the year (refer note 1.1 (f))	—	0.09
Cash and cash equivalents at the end of the year	86.51	78.13
Cash and cash equivalents comprises of:		
Cash in hand	2.83	1.81
Cheques on hand	4.91	4.49
Balance with Banks	78.77	71.83
Total	86.51	78.13

Notes : 1. Cash Flow Statement has been prepared under the indirect method as set-out in AS - 3 on "Cash Flow Statements".

2. Figures of the previous year have been regrouped / reclassified / restated, wherever considered necessary.

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date : May 25, 2016

Rajesh G. Kapadia
(Chairman)

Vijay Aggarwal
(Managing Director)

Joydeep Mukherjee
(Executive Director &
CEO - HRJ)

Pramod K. Akhramka
(Chief Financial Officer)

Ameeta A. Parpia
(Director)

Vivek K. Agnihotri
(Executive Director &
CEO - Cement)

Venugopal M. Panicker
(Executive Director &
CEO - RMC)

Aneeta S. Kulkarni
(Company Secretary)



NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Consolidation

The Consolidated Financial Statements relates to Prism Cement Limited ("the Company"), its Subsidiary Companies and Joint Ventures (collectively, the "Group").

Prism Cement Limited, a Public Limited Company incorporated under the Companies Act, 1956, principally operates in three business segments: Cement, Tile, Bath and Kitchen (TBK) and Ready-mixed Concrete (RMC). The equity shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchange.

- a. The consolidated financial statements are prepared in accordance with Accounting Standard 21 – "Consolidated Financial Statements" and Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" as notified by the Companies (Accounting Standard) Rules, 2006.
- b. The excess of the cost to the Company of its investment, over the Company's portion of net assets at the time of acquisition of shares is recognised in the consolidated financial statements as Goodwill. The excess of Company's portion of net assets over the cost of investment therein is treated as Capital Reserve.
- c. The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements. The figures pertaining to the subsidiaries have been recast/ reclassified wherever necessary to bring them in line with the Parent Company's financial statements.
- d. The financial statements of the subsidiaries and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company.
- e. The Notes and Significant accounting policies to the consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Group. In this respect, the Company has disclosed such notes and policies which fairly present the needed disclosures, and such other notes and statutory information disclosed in the financial statements of the parent and the subsidiary companies which are not having any effect on the true and fair view of the consolidated financial statements are excluded.
- f. Some of the joint ventures have made down stream investments in their subsidiaries. Till the financial year 2013-14, these joint ventures were not required to prepare consolidated financial statements and accordingly, for preparation of consolidated financial statements of the Group, the Group had considered standalone financial statements of such joint ventures. Pursuant to enactments of the Companies Act, 2013 (the Act), these joint ventures are required to prepare consolidated financial statements and accordingly, the Group has considered such consolidated financial statements for preparation of its consolidated financial statements.

Subsidiaries

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions. The unrealised profits or losses resulting from the intra-group transactions have been eliminated and unrealised losses resulting from the intra-group transactions have also been eliminated unless cost cannot be recovered.

Share of minority interest in the net profit of the consolidated subsidiaries is identified and adjusted against the profit after tax to arrive at the net income attributable to shareholders. Share of minority interest in losses of the consolidated subsidiaries, if exceeds the minority interest in the equity, the excess and further losses applicable to the minority, are adjusted against the Group's interest. Share of minority interest in net assets of consolidated subsidiaries is presented in the consolidated balance sheet separately from liabilities and the equity of the Company's shareholders.

Associate

The Company's investment in its Associate is ₹ 49,000/- only and the same is fully provided for. This Associate has not commenced any activities and accordingly, it has not been considered for consolidation.

Joint Ventures

Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures as notified by the Rules. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its independent financial statements.

1.2 Particulars of Subsidiaries, Joint Ventures and Associates

a) List of Subsidiaries and the Company's effective holding therein :

Sr. No.	Name of the entity	Effective Ownership in % either directly or through subsidiary	
		March 31, 2016	March 31, 2015
1	RMC Readymix Porcelano (India) Limited	100%	100%
2	H. & R. Johnson (India) TBK Limited	100%	100%
3	TBK Venkataramiah Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited)	100%	100%
4	Milano Bathroom Fittings Private Limited	100%	100%
5	TBK Rangoli Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited) (w.e.f. 31.07.2015)	100%	100%
6	Silica Ceramica Private Limited #	99.63%	99.28%
7	Raheja QBE General Insurance Company Limited (refer note 42)	51%	74%

b) List of Joint Ventures held directly and the Company's effective holding therein :

Sr. No.	Name of the entity	Effective Ownership in % directly	
		March 31, 2016	March 31, 2015
1	Ardex Endura (India) Private Limited	50%	50%
2	Sentini Cermica Private Limited	50%	50%
3	Antique Marbonite Private Limited	50%	50%
4	Spectrum Johnson Tiles Private Limited	50%	50%
5	Small Johnson Floor Tiles Private Limited	50%	50%
6	Coral Gold Tiles Private Limited (w.e.f. 04.11.2015)	50%	-

c) List of Associate and the Company's effective holding therein :

Sr. No.	Name of the entity	Effective Ownership in % directly	
		March 31, 2016	March 31, 2015
1	Prism Power and Infrastructure Private Limited (refer note 1.1(f))	49%	49%

d) List of Joint Ventures held indirectly and the Company's effective holding therein :

Sr. No.	Name of the entity	Effective Ownership in % either directly or through subsidiary / Joint Venture	
		March 31, 2016	March 31, 2015
Joint Venture of H. & R. Johnson (India) TBK Limited :			
1	TBK Samiyaz Tile Bath Kitchen Private Limited	50%	50%
2	TBK P B Shah Tile Bath Kitchen Private Limited	50%	50%
3	TBK Deepgiri Tile Bath Kitchen Private Limited	50%	50%
4	TBK Shriram Tile Bath Kitchen Private Limited	50%	50%
5	TBK Unique Jalgaon Tile Bath Kitchen Private Limited	50%	50%
6	TBK Deziner's Home Private Limited	50%	50%
7	TBK Prathap Tile Bath Kitchen Private Limited	50%	50%



Sr. No.	Name of the entity	Effective Ownership in % either directly or through subsidiary / Joint Venture	
		March 31, 2016	March 31, 2015
8	TBK Rangoli Tile Bath Kitchen Private Limited (upto 30.07.2015)	50%	50%
9	TBK Bansal Ceramics Private Limited	50%	50%
10	TBK Rathi Sales Agencies Private Limited	50%	50%
11	TBK Krishna Tile Bath Kitchen Private Limited	50%	50%
12	TBK Sanitary Sales Private Limited	50%	50%
13	TBK Florance Ceramics Private Limited	50%	50%
14	TBK Tile Home Private Limited	50%	50%
15	TBK Home Trends Private Limited	50%	50%
16	TBK Kadakia's Tile Bath Kitchen Private Limited	50%	50%
17	TBK Reddy Tile Bath Kitchen Private Limited	50%	50%
18	TBK Rishi Ceramics Private Limited	50%	50%
19	TBK Vaibhavi Tile Bath Kitchen Private Limited	50%	50%
20	TBK Shree Ganesh Traders Private Limited	50%	50%
21	TBK Aishwarya Tile Bath Kitchen Private Limited	50%	50%
22	TBK Solan Ceramics Private Limited	50%	50%
23	TBK Raj Kamal Tile Bath Kitchen Private Limited	50%	50%
24	Countrywide Exports Private Limited (Subsidiary of TBK Florance Ceramics Private Limited)	49.99%	49.99%
25	Bal Endura Building Products Private Limited (Subsidiary of Ardex Endura (India) Private Limited)	50%	50%
26	Spectrum Floor Tiles Private Limited (Subsidiary of Spectrum Johnson Tiles Private Limited)	50%	50%
27	Spectrum Johnson Ceramic Private Limited (Subsidiary of Spectrum Johnson Tiles Private Limited)	50%	50%
28	Solid Johnson Floor Tiles Private Limited (Subsidiary of Small Johnson Floor Tiles Private Limited)	*	50%
29	Antique Minerals Private Limited (Subsidiary of Antique Marbonite Private Limited)	25.50%	25.50%

Additional investment made during the year.

* Amalgamated with Small Johnson Floor Tiles Private Limited w.e.f. 01.04.2015

1.3 Basis of Preparation

The financial statements of the Group are consistently prepared and presented under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. In accordance with first proviso to section 129(1) of the Act and clause 6 of the General Instructions given in Schedule III to the Act, the terms used in these financial statements are in accordance with the Accounting Standards as referred to herein.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

However, the financial statements of Raheja QBE General Insurance Company Limited, a subsidiary Company engaged in general insurance business are prepared and presented in accordance with generally accepted accounting principles followed in India under the historical cost convention, on the accrual basis of accounting and in accordance with statutory requirements of the Insurance Act, 1938, Insurance Regulatory and Development Authority (IRDA) Act, 1999, Insurance Regulatory and Development Authority (Preparation of financial statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations') and order/directions prescribed by IRDA in this behalf, the Accounting standards specified under Section

133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act, to the extent applicable and current practices prevailing in the Insurance Industry.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. All the divisions of the Group have normal operating cycle of less than twelve months, hence a period of twelve months has been considered for bifurcation of assets and liabilities into current and non-current as required by Schedule III to the Act for preparation of financial statements.

1.4 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Differences on account of revision of estimates, actual results and existing estimates are recognised in periods in which the results are known / materialised in accordance with the requirements of the respective accounting standard, as may be applicable.

1.5 Revenue Recognition

Sale of Goods

Sales are recognised on passing of risks and rewards attached to the goods. Sales include excise duty but do not include Value Added Tax (VAT) and Central Sales Tax (CST).

Income from Services

Revenues from services are recognised as and when services are rendered on proportionate completion method. Income from services does not include Service Tax (ST).

Dividend Income

Dividend income is recognised for when the right to receive is established.

Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on Yield To Maturity (YTM) basis.

Premium Income

Premium (net of service tax), on direct business and reinsurance accepted, is recognised as income based on 1/365 Method of contract period or risk period whichever is appropriate. Any subsequent revision to or cancellation is recognised in year in which they occur.

Commission on Reinsurance Ceded

Commission received on reinsurance ceded is recognised in the period in which reinsurance premium is ceded.

Profit commission under reinsurance treaties wherever applicable, is recognised on accrual. Any subsequent revisions of profit commission are recognised for in the year in which final determination of the profits are intimated by reinsurers.

Investment Income

Interest income on fixed interest bearing debt securities and fixed deposits with scheduled banks is recognised on accrual basis.

Dividend income is recorded when the right to receive the dividend is established.

Amortization of premium and accretion of discount relating to debt securities is recognised over the holding/maturity period of security on straight line basis.

The net realised gain or losses on the debt securities are the difference between the net sale consideration and the amortised cost, which is computed on a weighted average basis as on the date of sale. In case of mutual fund units, the profit or loss on actual sale of investment includes effects of accumulated fair value changes previously recognised and credited to Fair Value Change account. Sale consideration for the purpose of realised gain or loss is net of brokerage and taxes, if any and excludes accumulated interest received on sales.

1.6 Tangible Fixed Assets

Fixed assets are stated at cost less depreciation / amortisation and impairment loss, if any. The cost is inclusive of borrowing costs and incidental expenses incurred during construction period and is net off cenvat credit availed, discount and rebates.

Cost of acquisition of mining land is bifurcated into cost of land and cost of estimated mining reserves. Freehold and Leasehold Land includes mining land. Mines Development expenses comprise of mining infrastructure expenses and overburden removal cost.

Machinery spares, which are specific to particular machinery and whose use is expected to be irregular, are capitalised as Plant & Machinery. Gains and Losses arising from disposal of fixed assets and losses arising from retirement of fixed assets are recognised in the Statement of Profit and Loss.

1.7 Intangible assets

Intangible Assets are recognised only if they are separately identifiable and the Group expects to receive future economic benefits arising out of them. Such Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

1.8 Depreciation and Amortisation

- i Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful life as prescribed in Schedule II to the Companies Act, 2013, unless otherwise specified.
- ii Depreciable amount for assets is the cost of an asset less its estimated residual value.
- iii Depreciation on additions to / deductions from fixed assets is provided on pro-rata basis from / to the date of acquisition / disposal.
- iv Useful life of Assets individually costing less than ₹ 10,000/- is considered as one year.
- v Depreciation on foreign exchange differences on borrowings utilised for acquisition of assets is provided prospectively over the remaining life of the assets.
- vi Cost of mining reserve included in freehold / leasehold land, balance cost of leasehold mining land, mining rights and mines development expenses are amortised systematically based on principle of Unit of Production method.
- vii In case of certain class of assets and components, the Company uses different useful life than those prescribed in Schedule II to the Act. In such cases, the useful life has been assessed based on its technical expertise and past experience. The useful life of component of machineries varies from 2 years to 40 years. Details of other class of assets and their estimated useful lives are as under :

Assets	Useful life of the assets
Mobile Phones	1 - 3 years
Motor Cars given to the employees as per the Company's Scheme or Vehicle used by Employees.	5 - 6 years
Leasehold Land	Remaining period of the Lease
Truck Mixers, Loaders, Excavators and Truck Dumpers	8 years
Intellectual Property Right	10 years
Technical Know-how	7 years
Leasehold Improvements	Over the period of lease / rent agreement.
Machinery Spares	Over the useful life of the related assets
Assets acquired under the finance lease	Over the primary lease period and secondary lease period if renewable at nominal cost, if any
Plant & Machinery-Concrete Pumps	6 years

1.9 Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development

1.10 Leases

Where the Group is lessee :

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Charges paid under operating lease arrangements, where all the risks and benefits incidental to ownership are retained by the lessor, are charged to Statement of Profit and Loss.

1.11 Impairment of tangible and intangible assets

The carrying amounts of Tangible and Intangible assets are tested for impairment at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

1.12 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost. Diminution, if any, other than temporary, is provided for. Current investments are carried at lower of cost or fair value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.13 Inventories

Raw materials, fuels, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a moving weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a moving weighted average basis. Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories and depots as on the Balance Sheet date.

Traded Goods are valued on moving weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.14 Foreign Currency Transactions

Initial Recognition

Transactions in foreign currency are accounted at the exchange rate prevailing on the date of the transaction. The exchange differences arising on restatement or on settlement are recognised in the Statement of Profit and Loss.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Forward contracts

Forward contracts are entered into to hedge the foreign currency risk of the underlying outstandings. The premium or discount on such contracts is amortised as income or expense over the life of the respective contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognised as an income or expense for the period. The difference on account of exchange rate fluctuation is taken to Statement of Profit and Loss.

Synthetic Swap (under forward contracts):

Outstanding forward / future contracts against firm commitments and derivative contracts, other than stated above, are marked to market and the resulting loss, if any, is charged to the Statement of Profit and Loss. Gain, if any, on such marked to market is not recognised unless it is reversal of loss recognised earlier.

Exchange Differences

The Group has availed option provided under paragraph 46A of Accounting Standard 11 : 'The Effects of Changes in Foreign Exchange Rates', vide Notification dated December 29, 2011 issued by MCA. Exchange differences arising on principal amount of borrowings are not considered as borrowing costs and treated as part of exchange difference. Consequently, the exchange differences on long-term foreign currency monetary items, are dealt with in the following manner :

- Foreign exchange differences on long-term borrowings utilised for acquisition of depreciable asset is treated as an adjustment to the cost of depreciable asset and the same is depreciated over the balance useful life of the asset.
- Foreign exchange differences arising from other long-term monetary items are accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of the said asset/liability.



1.15 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or production of qualifying assets are capitalised as the cost of the respective assets. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

1.16 Government Grants

VAT subsidy from State Governments is recognised as a part of Sales under Revenue from Operations in the Statement of Profit and Loss on accrual basis i.e. when there is reasonable assurance that the conditions attached to them will be complied and subsidy will be received. The above criteria is also used for recognition of incentives under various scheme notified by the Government.

1.17 Employee Benefits

Superannuation and ESIC are defined contribution plans. Provident Fund is treated as defined contribution plan. A contribution is made to Regional Provident Fund Commissioner for certain employees. In case of other employees covered under the Provident Fund Trust of the Group, the management does not expect any material liability on account of interest shortfall to be borne by the Group. Gratuity benefits are treated as defined benefit plan. Gratuity obligation is worked out based on an actuarial valuation.

Employees are entitled to carry forward unutilised leave, the liability of which is arrived based on an actuarial valuation. Employees are also entitled to medical benefit for which premium is paid by the Group.

The contribution made by the Group for Provident Fund, Superannuation and Medical Premium is charged to the Statement of Profit and Loss. Incremental liability for leave entitlement and Gratuity is charged to the Statement of Profit and Loss. Actuarial gains / losses are immediately recognised in Statement of Profit and Loss and are not deferred. The current / non current bifurcation of liabilities towards employee benefits is done as per Actuary Report.

1.18 Taxes on Income

- a) The Group provides current tax based on the provisions of the Income Tax Act, 1961 applicable to it.
- b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realization in future. The effect on deferred tax assets and liabilities of change in tax rates is recognised in the Statement of Profit and Loss in the period of enactment of the change.
- c) Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period.

1.19 Provision

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management's estimate for the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates of the management.

1.20 Contingent Liabilities and Contingent Assets

- a) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in case of :
 - i. a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - ii. a possible obligation, unless the probability of outflow of resources is remote.
- b) Contingent Assets are neither recognised nor disclosed.

1.21 Segment Reporting

The Group identifies primary segments based on the products and does not have any secondary segments. The primary segments identified are as follows :

- i Cement
- ii TBK (Tile, Bath and Kitchen)
- iii RMC (Readymixed Concrete)
- iv Insurance

Segment revenue, segment expenses, segment assets and segment liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities, which relate to the Group as

a whole and are not allocable to segments on reasonable basis have been included under “Unallocated revenue / expenses / assets / liabilities”.

1.22 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank, cash / cheques in hand, demand deposits with banks and other short-term investments with an original maturity of three months or less.

1.23 Earnings Per Share

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, share split, etc., if any that have changed the number of equity shares outstanding, without a corresponding change in resources. In addition, weighted average number of equity shares are net of own shares held through Trust.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.24 Expenditure on New Projects

Expenditure (including borrowing costs) directly attributable to setting up / construction of new projects are capitalised. Administrative and other General overhead expenses, which are specifically attributable to the setting up / construction activities, incurred during the construction period are capitalised as part of the indirect cost. Other indirect expenditure (including borrowing costs) incurred during such period which are not related to the setting up / construction activities are charged to Statement of Profit and Loss. Income earned during this period from setting up activities is deducted from the total of indirect expenditure.

1.25 Mines Restoration Expenditure

The Group provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year. Mines restoration expenses are incurred on an on going basis and until the closure of the quarries and mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure. On the basis of technical parameters, restoration expenses estimates are reviewed periodically.

Other Policies relating to Insurance Business :

1.26 Reinsurance Ceded

Reinsurance cost in respect of proportional reinsurance ceded, is accrued at policy inception. Non proportional reinsurance cost is recognised when incurred and due. Any subsequent revisions to refunds or cancellations of premiums are recognised in the year in which they occur.

1.27 Reinsurance Accepted

Reinsurance inward acceptances are accounted for on the basis of returns/intimations, to the extent received, from the insurers.

1.28 Claims Incurred

Claims are recognised as and when reported based on information from Surveyors / insured / Brokers. Claims paid (net of reinsurance recoveries) are charged to the respective revenue account. Provision is made for estimated value of claims outstanding as at the Balance Sheet date net of reinsurance recoveries. Reserve is maintained for each claim which at all times reflects the amount likely to be paid on each claim, as anticipated and estimated by the management in the light of past experience and subsequently modified for changes, as appropriate. Amounts received/receivable from the reinsurers/ coinsurers under the terms of the reinsurance and coinsurance arrangements respectively, are recognised together with the recognition of claim.

1.29 IBNR (Claims Incurred but not reported) and IBNER (Claims Incurred but not enough reported)

IBNR represents that amount of all claims that may have been incurred prior to the end of current accounting year but not have been reported or claimed. The IBNR provision also includes provision if any required for claims incurred but not enough reported. The IBNR (including IBNER) is determined based on the actuarial principles by the Appointed Actuary.

1.30 Reserve for Unexpired Risk

Reserve for unexpired risk represents that part of net premium (net of proportional reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and 50% in case of other businesses based on net premium written during the year as required under Section 64V(1)(ii)(b) of the Insurance Act, 1938.

1.31 Investments

Investments are made in accordance with the Insurance Act, 1938, The IRDA (Investment) Regulation, 2000, as amended and various circulars/ notifications issued by IRDA in this context from time to time.

2 Share Capital

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Authorised :		
52,50,00,000 Equity shares of ₹ 10/- each (Previous year : 50,50,00,000 Equity shares of ₹10/- each)	525.00	505.00
Nil Preference shares of ₹ 10/- each (Previous year : 2,00,00,000 Preference shares of ₹10/- each)	—	20.00
Total	525.00	525.00
Issued, Subscribed and Paid up :		
50,33,56,580 Equity shares of ₹ 10/- each fully paid-up (Previous year : 50,33,56,580 Equity shares of ₹ 10/- each)	503.36	503.36
Total	503.36	503.36

Additional Information :

a) Reconciliation of number of equity shares outstanding

Particulars	As at 31-03-2016	As at 31-03-2015
At the beginning of the year	50,33,56,580	50,33,56,580
At the end of the year	50,33,56,580	50,33,56,580

b) Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The shareholders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

c) Details of Shareholders holding more than 5% of the issued shares

Name of the Shareholder	As at 31-03-2016		As at 31-03-2015	
	Total shares held	As a % of total shares	Total shares held	As a % of total shares
Manali Investment & Finance Private Limited	6,78,17,992	13.47%	6,78,17,992	13.47%
Hathway Investments Private Limited	6,41,13,400	12.74%	6,41,13,400	12.74%
Coronet Investments Private Limited	5,79,49,394	11.51%	5,79,49,394	11.51%
Rajan B. Raheja	5,14,06,327	10.21%	5,14,06,327	10.21%
Bloomingdale Investment & Finance Private Limited	3,12,89,300	6.22%	3,12,89,300	6.22%

3 Reserves and Surplus

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Capital Redemption Reserve	11.43	11.43
Capital Reserve :		
Opening Balance	0.08	—
Add/(Less) : Adjustment during the year	(0.08)	0.08
Closing Balance	—	0.08

3 Reserves and Surplus (Contd.)

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Debenture Redemption Reserve :		
Opening Balance	42.53	54.28
Add : Transferred (to) / from Statement of Profit and Loss	42.56	(11.75)
Closing Balance	85.09	42.53
State Cash Subsidy	0.63	0.63
General Reserve	193.24	193.24
Surplus in Statement of Profit and Loss :		
Opening Balance	303.06	295.88
Add : Net Profit/(Loss) of the Group for the current year	3.30	2.62
Less : Adjustment relating to transitional provision contained in Schedule II (refer note 36)	40.23	7.87
Less : Distribution Tax on Dividend	0.01	0.01
Less : Adjustment on merger of a step down joint venture with its holding Company, a Joint venture of the Company	0.92	—
Less : Adjustment on account of first time adoption of Accounting standard on Employee Benefits by a Joint venture Company.	0.19	—
Add : Adjustment on account of first time consolidation of step down entities (refer note 1.1 (f))	—	0.69
Add : Transferred from / (to) Debenture Redemption Reserve	(42.56)	11.75
Closing Balance	222.45	303.06
Total	512.84	550.97

4 Long-term Borrowings

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Secured Debentures/Bonds :		
- 11.25% Non-convertible Debentures (refer Sr. No. 1) { 1,500 Nos. (Previous year : 1,500 Nos.) debentures of ₹ 0.10 crore each }	150.00	150.00
- 11.70% Non-convertible Debentures (refer Sr. No. 2) { 1,000 Nos. (Previous year : 1,000 Nos.) debentures of ₹ 0.10 crore each }	100.00	100.00
- Non-convertible Debentures (Zero Coupon with yield-to-maturity) - (refer Sr. No. 3) { 500 Nos. (Previous year : 500 Nos.) debentures of ₹ 0.10 crore each }	50.00	50.00
- 11.00% Non-convertible Debentures (refer Sr. No. 4) { 500 Nos. (Previous year : 500 Nos.) debentures of ₹ 0.10 crore each }	50.00	50.00
- 0.75%+ SBI Base rate Non-convertible Debentures (refer Sr. No. 5) { 1,000 Nos. (Previous year : 1,000 Nos.) debentures of ₹ 0.10 crore each }	100.00	100.00
- 12.65% Non-convertible Debentures - Series B (refer Sr. No. 6) { 500 Nos. (Previous year : 500 Nos.) debentures of ₹ 0.10 crore each }	50.00	50.00
- 12.65% Non-convertible Debentures - Series A (refer Sr. No. 7) { 1,000 Nos. (Previous year : 1,000 Nos.) debentures of ₹ 0.10 crore each }	100.00	100.00
- 11.25% Non-convertible Debentures (refer Sr. No. 8) { 1,500 Nos. (Previous year : 1,500 Nos.) debentures of ₹ 0.10 crore each }	150.00	150.00

4 Long-term Borrowings (Contd.)

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
- 9.30% Non-convertible Debentures {- Nos. (Previous year : 35 Nos.) debentures of ₹ 1.00 crore each}	—	35.00
- 11.80% Non-convertible Debentures {- Nos. (Previous year : 300 Nos.) debentures of ₹ 0.10 crore each}	— 750.00	30.00 815.00
Secured Loans :		
Term Loans		
- From Banks (refer Sr. No. 9 to 16, 22 to 25, 27 to 31) @ #	548.71	667.24
- From Bank (FCNR) (refer Sr. No. 18 & 19)	105.91	99.91
- From NBFC (refer Sr. No. 32 to 34)	150.01	150.05
Vehicle Loans		
- From Banks (refer Sr. No. 17, 21, 26 & 37)	4.67	2.57
- From Others (refer Sr. No. 35, 36 & 38)	0.15	0.31
From Buyer's Credit (refer Sr. No. 20)	2.13 811.58	— 920.08
Unsecured Loans :		
- Buyer's Credit from banks (refer Sr. No. 43)	5.44	1.91
- Inter Corporate Deposits (refer Sr. No. 42)	0.15	0.17
- 10.42% Non-convertible Debentures {- Nos. (Previous year : 150 Nos.) debentures of ₹ 0.10 crore each}	—	15.00
- 0.55% + SBI Base rate Non-convertible Debentures (refer Sr. No. 39) { 1000 Nos. (Previous year : Nil) debentures of ₹0.10 crore each}	100.00	—
- Finance Lease obligations (refer Sr. No. 40)	9.35	1.09
- Fixed Deposits from Public (refer Sr. No. 41)	30.52 145.46	37.14 55.31
	1,707.04	1,790.39
Less : Disclosed under Other Current Liabilities		
- Current maturities of Long-Term Borrowings & Finance lease obligations	224.50	150.46
- Unclaimed Fixed Deposits	1.82	1.42
	226.32	151.88
Total	1,480.72	1,638.51

@ In the current year, a sum of ₹ 3.83 Crores (Previous year : ₹ 10.74 Crores) borrowed by joint venture company's has been guaranteed by the directors of the said joint venture company's in their personal capacity.

Creation of charge is in process for Sr. No. 15 below :

Note : The Company have created and maintained adequate security with respect to its secured listed non-convertible debt securities.

Details of Loans

A. Secured Debentures

Sr. No.	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
1	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	150.00	Allotted on January 21, 2015 and repayable on January 21, 2020 with call option at par on July 21, 2016 and Put / Call option at par on January 19, 2018; July 20, 2018; January 21, 2019; July 19, 2019
2	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	100.00	Allotted on November 26, 2014 and repayable on November 25, 2019 with Put / Call option at par on November 26, 2017 and November 26, 2018

4 Long-term Borrowings (Contd.)

3	Secured by first <i>pari passu</i> charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future	50.00	Allotted on January 21, 2015 and repayable on April 26, 2018 with Put/Call option at 11.25 % p.a. IRR basis redemption premium on April 26, 2017
4	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	50.00	Allotted on February 03, 2015 and repayable on April 25, 2018
5	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	100.00	Allotted on February 20, 2015 and repayable on February 19, 2018 with Put / Call option at par on May 19, 2016; February 19, 2017; May 19, 2017; August 19, 2017; November 19, 2017
6	Secured by first <i>pari passu</i> charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future	50.00	Allotted on July 22, 2014 and repayable on July 22, 2017
7	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	100.00	Allotted on July 22, 2014 and repayable on July 22, 2017
8	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	150.00	Allotted on August 20, 2014 and ₹ 55 Crores repayable on April 24, 2017, ₹ 40 Crores repayable on April 28, 2016, ₹ 55 Crores repayable on June 21, 2017 with Put / Call option at par on June 21, 2016
Total		750.00	

B. Secured Loans

(a) Term Loan from Banks and Other Borrowings

Sr. No.	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
9	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	33.75	Quarterly in equal installments payable over a period of four years including moratorium period from the date of facility availed on October 12, 2012
10	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	15.00	Quarterly in equal installments payable over a period of four years including moratorium period from the date of facility availed on October 12, 2012
11	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	37.50	Quarterly in equal installments payable over a period of five years including moratorium period from the date of facility availed on December 24, 2012
12	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	37.50	Quarterly in equal installments payable over a period of Seven years including moratorium period from the date of facility availed on November 23, 2013
13	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	105.00	Quarterly in equal installments payable over a period of seven years including moratorium period from the date of facility availed on September 28, 2013
14	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	100.00	Quarterly in equal installments payable over a period of four years commencing after moratorium period of two years from date of facility availed on April 03, 2014
15	Secured by first <i>pari passu</i> charge on all the movable and immovable fixed assets of the Cement Division, both present and future	150.00	Quarterly in equal installments payable over a period of six years commencing after moratorium period of two years. Availed on March 16, 2016



4 Long-term Borrowings (Contd.)

Sr. No.	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
16	First exclusive charge on the office premises of HRJ division on units 1 to 4 on 7 th Floor, Windsor Building & Subservient Charge on the movable fixed assets of HRJ division located at Pen, Kunigal and Dewas	62.50	Quarterly installments payable over a period of Five years; ₹ 6.25 Crores each per quarter from November 14, 2014
17	Secured by exclusive charge on vehicles of HRJ Division	3.60	EMI over a period of 60 months from the respective date of disbursement
18	Secured by first <i>pari passu</i> charge by way of hypothecation of all the movable fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future	38.13	Quarterly installments payable over a period of three years; 8 equal Quarterly instalments from June 26, 2016
19	Secured by first <i>pari passu</i> charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	67.78	Quarterly installments payable over a period of three years; 8 equal Quarterly instalments from June 26, 2016
20	Secured by first <i>pari passu</i> charge by way of hypothecation of stocks and book debts & both present & future of HRJ Division	2.13	As per due dates of respective buyer's credit
21	Secured by exclusive charge on vehicles of Cement Division	0.77	EMI over a period of 60 months from the respective date of disbursement
22	Secured by exclusive hypothecation charge over Plant & Machinery purchased out of Bank Finance & <i>pari passu</i> second charge over fixed assets of the Company and Personal Guarantee of Directors of Joint Venture Company	1.34	Repayable in 12 quarterly installments from July 2013
23	Secured against hypothecation of plant & machinery and other fixed assets further secured by way of equitable mortgage of industrial plot no.30	1.18	Repayable in three years from February 28, 2014
24	Secured by 1 st <i>pari passu</i> charge on Fixed Assets and 2 nd <i>pari passu</i> charge on current assets of the Company and further secured by personal guarantee of one Director of a Joint Venture Company	2.13	Repayable in quarterly installments starting from March 2014 to March 2017
25	Secured by 1 st <i>pari passu</i> charge on Fixed Assets and 2 nd <i>pari passu</i> charge on current assets of the Company and further secured by personal guarantee of one Director of a Joint Venture Company	0.35	Repayable in 8 quarterly installments starting from August 2015
26	Secured by charge on Vehicle	0.16	Repayable in 36 monthly installments
27	Hypothecation of entire plant and machinery and all other fixed assets of the Company (Present & Future)	1.35	The Term loan will be repaid in 94 months including moratorium period of 12 months. Repayment started from June 2012
28	Hypothecation of entire plant and machinery and all other fixed assets of the Company (Present & Future)	0.14	The Term loan will be repaid in 66 months including moratorium period of 6 months. Repayment started from January 2013
29	Hypothecation of entire plant and machinery and all other fixed assets of the Company (Present & Future)	0.72	The Term loan will be repaid in 72 months including moratorium period of 12 months. Repayment started from April 2013
30	Hypothecation of entire plant and machinery and all other fixed assets of the Company (Present & Future)	0.15	The Term loan will be repaid in 20 Quarterly Installment of ₹ 7.50 Lakhs starting from April 30, 2012
31	Hypothecation of entire plant and machinery and all other fixed assets of the Company (Present & Future)	0.10	The Term loan will be repaid in 12 Quarterly installment of ₹ 12.50 Lakhs starting from October 1, 2013

4 Long-term Borrowings (Contd.)

Sr. No.	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
32	Secured By hypothecation of Assets	0.01	Repayable in 24 monthly installments from July 14
33	First <i>pari passu</i> charge on all fixed assets and Corporate Guarantee of Prism Cement Limited	75.00	Payment terms in 16 equal quarterly installments commencing from March 2017
34	First <i>pari passu</i> charge on all fixed assets and Corporate Guarantee of Prism Cement Limited	75.00	Payment terms in 16 equal quarterly installments commencing from April 2017
35	Secured by hypothecation of Vehicle	0.09	Repayable on Demand
36	Secured against hypothecation of Vehicle	0.02	Repayable in 60 monthly EMI from November 6, 2012
37	Secured By hypothecation of Vehicles	0.14	Repayable in 60 months from the respective date of disbursement
38	Secured by way of hypothecation of the respective assets covered under the agreement	0.04	Repayment in 3 Year from October 15, 2014
	Total	811.58	

C. Unsecured Loans

Sr. No.	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
39	Non-convertible Debentures	100.00	Allotted on September 15, 2015 and repayable on September 14, 2018 with Interest reset clause on September 30, 2016 and September 30, 2017
40	Finance Lease obligations	9.35	Payable over period of 5 years from respective disbursement
41	Fixed Deposits	30.52	Payable over a period of one to two years from the respective date of disbursement
42	Other - Inter Corporate Loan	0.15	3 years from April 1, 2016
43	Buyer's Credit	5.44	As per due dates of respective buyer's credit
	Total	145.46	

5 The breakup of Net Deferred Tax Liability / Assets is as follows :

a. The breakup of Net Deferred Tax Liability (DTL) is as follows :

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Deferred Tax Assets		
Unabsorbed Depreciation as per Income Tax	—	182.85
Expenses provided but allowable in Income Tax on payment	1.08	21.33
Other timing differences	0.24	(5.52)
Total (A)	1.32	198.66
Deferred Tax Liability		
Fixed Assets : Impact of difference between tax depreciation & depreciation provided	13.43	228.49
Total (B)		
Net Deferred Tax Liability (B – A)	12.11	29.83

Note : Includes ₹ 0.03 Crores on account of acquisition made during the year.

b. The breakup of Net Deferred Tax Asset (DTA) is as follows :

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Deferred Tax Assets		
Expenses provided but allowable in Income Tax on payment	32.09	0.66
Carry forward business losses & unabsorbed depreciation	232.60	31.80
Other timing differences	(11.71)	—
Total (A)	252.98	32.46
Deferred Tax Liability		
Fixed Assets : Impact of difference between tax depreciation & depreciation provided	207.89	21.11
Total (B)		
Net Deferred Tax Asset (A – B)	45.09	11.35

6 Other Long-term Liabilities

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Security deposit from customers / others	190.52	139.14
Deferred Income	0.53	0.65
Other liabilities	1.44	1.62
Total	192.49	141.41

7 Long-term Provisions

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
For Employees' benefit	18.23	15.43
For Reserve for Unexpired Risk	5.12	6.10
For IBNR	7.54	4.34
For Statutory dues & Others	48.24	25.08
Total	79.13	50.95

8 Short-term Borrowings

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Secured Loans :				
Loans repayable to banks				
On Demand (refer Sr. No. 44, 45, 47 to 51 & 53 to 61) @	189.97		158.61	
Buyer's Credit (refer Sr. No. 46 & 52)	9.42	199.39	43.45	202.06
Unsecured Loans :				
From Banks	112.75		75.56	
Commercial Papers { Maximum balance outstanding during the year ₹ 225 Crores (Previous year : ₹ 125 Crores)}	100.00		100.00	
Others	63.09	275.84	69.91	245.47
Total	475.23		447.53	

@ In the current year, a sum of ₹ 46.44 Crores (Previous year : ₹ 49.36 Crores) borrowed by joint venture company's has been guaranteed by the directors of the said joint venture company's in their personal capacity.

Details of Secured Loans

Sr. No	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
44	Secured by first pari-passu charge on the entire current assets both present and future of the Cement Division	1.79	On Demand
45	Secured by first <i>pari passu</i> charge by way of hypothecation of stocks and book debts & both present & future of HRJ division	92.33	Payable within one year
46	Secured by first <i>pari passu</i> charge by way of hypothecation of stocks and book debts & both present & future of HRJ division	7.08	As per due dates of respective buyer's credit
47	Secured by exclusive charge by way of hypothecation of current assets of a Joint Venture Company	2.01	Repayable on demand
48	Secured by first <i>pari passu</i> charge by way of hypothecation of stocks and book debts both present & future of a Joint Venture Company	4.58	Repayable on demand
49	Secured by Assignment of LIC Policy of Director & personal guarantee of the all directors of a Joint Venture Company.		
50	Secured by Hypothecation of all plant and machinery of a Joint Venture Company.		
51	Secured by <i>pari passu</i> first charge by hypothecation of stocks and book debts and <i>pari passu</i> second charge over fixed assets of the Company and personal guarantees of three directors of a Joint Venture Company.	21.99	Loans repayable on demand



Sr. No	Security	As at 31-03-2016 ₹ Crores	Repayment Terms
52	Secured by <i>pari passu</i> first charge by hypothecation of stocks and book debts and <i>pari passu</i> second charge over fixed assets of the Company and personal guarantees of three directors of a Joint Venture Company.	2.34	As per due dates of respective buyer's credit
53	Secured by way of hypothecation of stocks and book debts and collaterally secured by way residual value of movable and immovable assets other than factory land & building of a Subsidiary Company	9.29	Loans repayable on demand
54	Secured by 1 st <i>pari passu</i> charge on Current Assets and 2 nd <i>pari passu</i> charge on Fixed Assets of the Company and further secured by personal guarantee of one Director of a Joint Venture Company.	9.89	Loans repayable on demand
55	Secured by first <i>pari passu</i> charge by way of hypothecation of stocks and book debts & second <i>pari passu</i> charge on the assets by way of mortgage and hypothecation in respect of those assets which are first charged to Term Loan Lenders of the Subsidiary Company	35.91	Loans repayable on demand
56	Secured by first <i>pari passu</i> charge by way of hypothecation of stocks and book debts & both present & future of a Joint Venture Company	5.39	Loans repayable on demand
57	Secured by personal guarantee of all the directors of a Joint Venture Company		
58	Secured by first <i>pari passu</i> charge on the entire current assets both present and future of a Joint Venture Company	2.25	Loans repayable on demand
59	Secured by Hypothecation of all the movable fixed assets of the company (including P&M, equipment, furniture & fixture etc.) of a Joint Venture Company		
60	Secured by personal guarantee of all the directors of a Joint Venture Company		
61	Secured by Hypothecation of Stocks & Book Debts of a Subsidiary Company	4.54	Loans repayable on demand
	Total	199.39	

9 Trade Payables

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Total outstanding dues of Micro Enterprises & Small Enterprises	1.20	0.24
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	741.32	783.87
Total	742.52	784.11

10 Other Current Liabilities

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Current maturities of long-term borrowings (refer note 10(a) below)	222.75	150.46
Current maturities of Finance Lease obligations	1.75	-
Creditors for capital items	27.95	39.39
Advance from Customers	79.99	47.83
Interest accrued but not due	42.65	36.90
Interest payable	2.76	2.01
Unclaimed Dividends	2.27	2.78
Unclaimed matured deposits and interest accrued thereon (includes interest ₹ 0.44 Crores (Previous year : ₹ 0.38 Crores))	2.26	1.80
Other Employees Benefit	28.98	16.86
Statutory Liabilities	46.18	49.68
Liability for expenses	277.81	270.06
Other Liabilities	2.12	5.74
Total	737.47	623.51

10(a) Break-up of Current maturities of long-term borrowings

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Secured Loans :		
Non-convertible Debentures	40.00	65.00
Term Loans	155.00	45.59
Vehicle Loans	1.27	0.94
Buyer's Credit	3.26	111.53
Unsecured Loans :		
Non-convertible Debentures	—	15.00
Buyer's Credit	5.44	1.91
Fixed Deposits	17.78	38.93
Total	222.75	150.46

11 Short-term Provisions

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
For Employees' benefit	13.92	15.84
For Taxation	1.25	1.64
For Distribution tax on dividend	0.01	0.01
For Reserve for Unexpired Risk	15.86	10.81
For IBNR	5.48	5.18
Others	—	0.01
Total	36.52	33.49

DESCRIPTORS		GROSS BLOCK					DEPRECIATION AND AMORTISATION					NET BLOCK			
		Opening Block	Acquisitions Additions	Consolidation adjustments (refer Note 1.1(f))	Additions	Deductions	Closing Block	Opening Balance	Acquisitions Additions	Consolidation adjustments (refer Note 1.1(f))	Adjustments (Refer Note 36)	For the year	Deductions	Closing Balance	As at year end
Tangible Assets :															
	Land -Freehold	2015-16 451.51	0.02	—	64.38	4.79	511.12	9.17	—	—	—	3.99	—	13.16	497.96
		2014-15 393.32	—	2.42	57.76	1.99	451.51	6.27	—	—	—	2.90	—	9.17	442.34
- Leasehold		2015-16 8.40	—	—	6.75	1.11	14.04	3.76	—	—	—	0.65	0.96	3.45	10.59
		2014-15 8.04	—	—	0.36	—	8.40	3.38	—	—	—	0.38	—	3.76	4.64
Leasehold Improvement		2015-16 7.62	0.23	—	0.20	0.74	7.31	3.76	0.13	—	—	1.08	—	4.97	2.34
		2014-15 6.51	—	—	1.11	—	7.62	2.89	—	—	—	0.87	—	3.76	3.86
Buildings		2015-16 358.06	0.92	—	11.01	4.52	365.47	125.06	0.38	—	—	13.96	0.22	139.18	226.29
		2014-15 351.47	-	3.41	8.08	4.90	358.06	109.69	—	0.09	3.92	15.48	4.12	125.06	233.00
Plant and Machinery		2015-16 2,752.87	5.94	—	80.72	17.13	2,822.40	1,247.08	3.18	—	60.82	105.68	3.91	1,412.85	1,409.55
		2014-15 2,732.19	—	1.70	39.93	20.95	2,752.87	1,161.29	—	0.38	1.46	93.11	9.16	1,247.08	1,505.79
Plant and Machinery-Finance Lease		2015-16 2.71	—	—	10.35	2.71	10.35	0.28	—	—	—	0.50	0.28	0.50	9.85
		2014-15 2.71	—	—	—	—	2.71	0.18	—	—	—	0.10	—	0.28	2.43
Railway siding		2015-16 16.27	—	—	—	—	16.27	12.85	—	—	—	0.19	—	13.04	3.23
		2014-15 16.27	—	—	—	—	16.27	11.54	—	—	1.13	0.18	—	12.85	3.42
Office Equipment		2015-16 20.63	0.01	—	2.02	0.45	22.21	14.13	0.01	—	0.02	2.48	0.34	16.30	5.91
		2014-15 19.01	—	0.13	1.61	0.12	20.63	7.47	—	0.12	2.73	3.90	0.09	14.13	6.50
Computers		2015-16 30.62	0.01	—	3.79	0.77	33.65	25.81	—	—	—	2.53	0.58	27.76	5.89
		2014-15 27.90	—	—	3.01	0.29	30.62	21.77	—	—	1.17	3.10	0.23	25.81	4.81
Mines Development		2015-16 144.18	—	—	23.90	—	168.08	59.70	—	—	—	28.61	—	88.31	79.77
		2014-15 136.04	—	—	27.25	19.11	144.18	35.95	—	—	—	23.76	0.01	59.70	84.48
Furniture & Fixtures		2015-16 69.57	0.39	—	4.45	1.34	73.07	41.42	0.26	—	0.02	6.20	1.07	46.83	26.24
		2014-15 67.33	—	0.22	2.16	0.14	69.57	32.28	—	0.10	1.41	7.71	0.08	41.42	28.15
Vehicles		2015-16 23.59	0.22	—	6.49	5.06	25.24	11.90	0.16	—	—	3.65	3.15	12.56	12.68
		2014-15 22.02	—	0.07	4.49	2.99	23.59	9.59	—	0.01	0.06	3.63	1.39	11.90	11.69
Truck Mixers, Loaders and Truck Dumpers		2015-16 62.91	—	—	0.04	3.45	59.50	52.91	—	—	0.37	4.39	3.45	54.22	5.28
		2014-15 64.67	—	—	—	1.76	62.91	49.22	—	—	—	5.40	1.71	52.91	10.00
Live Stock		2015-16 0.03	—	—	—	—	0.03	0.03	—	—	—	—	—	0.03	—
		2014-15 0.04	—	—	—	0.01	0.03	0.04	—	—	—	—	0.01	0.03	—
Total Tangible Assets		2015-16 3,948.97	7.74	—	214.10	42.07	4,128.74	1,607.86	4.12	—	61.23	173.91	13.96	1,833.16	2,295.58
		2014-15 3,847.52	—	7.95	145.76	52.26	3,948.97	1,451.56	—	0.70	11.88	160.52	16.80	1,607.86	2,341.11

12 FIXED ASSETS (Contd.)

DESCRIPTIONS		GROSS BLOCK				DEPRECIATION AND AMORTISATION					NET BLOCK				
		Opening Block	Acquisitions Additions	Consolidation adjustments (refer Note 1.1(f))	Additions	Deductions	Closing Block	Opening Balance	Acquisitions Additions	Consolidation adjustments (refer Note 1.1(f))	Adjustments (Refer Note 36)	For the year	Deductions	Closing Balance	As at year end
Intangible Assets :	2015-16	25.75	—	—	1.55	—	27.30	15.50	—	—	—	2.42	—	17.92	9.38
	2014-15	22.75	—	—	3.00	—	25.75	13.29	—	—	0.03	2.18	—	15.50	10.25
Intellectual Property Rights	2015-16	5.87	—	—	—	—	5.87	4.10	—	—	—	0.59	—	4.69	1.18
	2014-15	5.87	—	—	—	—	5.87	3.52	—	—	—	0.58	—	4.10	1.77
Mining Lease Rights	2015-16	11.44	—	—	—	—	11.44	3.19	—	—	—	0.40	—	3.59	7.85
	2014-15	19.60	—	—	—	8.16	11.44	2.80	—	—	—	0.67	0.28	3.19	8.25
Minerals Procurement Rights	2015-16	6.55	—	—	—	—	6.55	4.27	—	—	—	1.26	—	5.53	1.02
	2014-15	6.55	—	—	—	—	6.55	3.05	—	—	—	1.22	—	4.27	2.28
Technical Know-How	2015-16	0.23	—	—	—	—	0.23	0.09	—	—	—	0.03	—	0.12	0.11
	2014-15	0.23	—	—	—	—	0.23	0.06	—	—	—	0.03	—	0.09	0.14
Goodwill	2015-16	—	—	—	1.46	—	1.46	—	—	—	—	0.29	—	0.29	1.17
	2014-15	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Intangible Assets		49.84	—	—	3.01	—	52.85	27.15	—	—	—	4.99	—	32.14	20.71
Total Fixed Assets	2014-15	55.00	—	—	3.00	8.16	49.84	22.72	—	—	0.03	4.68	0.28	27.15	22.69
	2015-16	3,998.81	7.74	—	217.11	42.07	4,181.59	1,635.01	4.12	—	61.23	178.90	13.96	1,865.30	2,316.29
	2014-15	3,902.52	—	7.95	148.76	60.42	3,998.81	1,474.28	—	0.70	11.91	165.20	17.08	1,635.01	2,363.80

Notes :

- Depreciation for the year includes ₹ 0.32 Crores (Previous year : ₹ 0.34 Crores) considered for capitalisation.
- Addition during the year includes ₹ 0.02 Crores (Previous year : ₹ Nil) on account of Research assets.
- Gross block of fixed assets includes dedicated electricity lines costing ₹ 26.61 Crores (Previous year : ₹ 26.61 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vitaran Company Limited.
- Loss of ₹ 0.48 Crores (Previous year Gain: ₹ 0.26 Crores) arising on account of exchange difference on long term foreign currency borrowings, utilised for purchase of fixed assets has been capitalised and included in "Additions".
- Depreciation on Buildings and Plant & Machinery includes impairment loss of ₹ Nil (Previous year : ₹ 0.66 Crores).
- Addition to Leasehold land under Gross Block includes ₹ 1.96 Crores (Previous year : ₹ Nil) on account of reclassification from Freehold land ₹ 1.22 Crores (Previous year : ₹ Nil) and from Leasehold Improvements ₹ 0.74 Crores (Previous Year: ₹ Nil). Also Addition to Leasehold Improvements under Gross Block includes ₹ 0.15 Crores (Previous year : ₹ Nil) on account of reclassification from Leasehold land. Consequent adjustment relating to Depreciation is included in depreciation column for the year.
- Amortisation in case of Freehold Land represent amortisation of mining reserve on extraction basis.
- Remaining life of intangible assets

₹ Crores

Assets	Remaining useful life of the assets			
	0-5 Years	6-10 Years	22-27 Years	Total
Software	6.08	3.30	—	9.38
Intellectual Property Rights	1.18	—	—	1.18
Mining Lease Rights	—	—	7.85	7.85
Minerals Procurement Rights	1.02	—	—	1.02
Technical Know-how	0.11	—	—	0.11
Goodwill	1.17	—	—	1.17
Total	9.56	3.30	7.85	20.71

₹ Crores

13 Non-current Investments

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Long-term Investment - Unquoted :		
Insurance Company :		
- Government Securities and Government Bonds	40.41	14.96
- Debentures/ Bonds	45.21	65.60
- Infrastructure and Social Sector	40.51	50.52
Investment in Associate Company (refer note 1.1) : (4,900 fully paid share of ₹ 10/- each of Prism Power and Infrastructure Private Limited)	—	#
Other Company's :		
- Fully Paid/Ordinary/Equity/Preference Shares	0.31	0.31
- Others	0.10	0.10
Total	126.54	131.49

Amount less than ₹ 50,000/-

14 Long-term Loans and Advances

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Unsecured and Considered Good unless otherwise stated		
Security Deposits		
For utilities, premises and others	66.03	62.69
Considered doubtful	0.36	0.22
Less : Provision for doubtful deposits	0.36	0.22
	66.03	62.69
Capital Advances	59.37	65.15
Loans and Advances to related parties		
Considered good	11.46	11.21
Considered doubtful	0.83	—
Less : Provision for doubtful advances	0.83	—
	11.46	11.21
Deposits with Statutory Authorities (Net of provisions)		
Excise/VAT/Service Tax/Custom Duty deposited under protest	8.72	5.80
Other Loans and Advances		
Secured	0.07	—
Unsecured	37.13	29.78
Income Tax (Net of Provision)	0.84	2.23
Prepaid Expenses	6.77	11.69
	44.81	43.70
Total	190.39	188.55

15 Other Non-current Assets

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Balances with Banks in Escrow	0.05		0.05	
VAT Subsidy recoverable	80.17		59.35	
Bank Deposits with more than twelve months maturity :				
- Margin Money	0.71		0.46	
- Term Deposits	—		10.00	
- Term Deposits (restricted use)	0.10	0.81	0.05	10.51
Others		20.88		19.41
Total		101.91		89.32

16 Current Investments

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Insurance Company				
Unquoted :				
- Government Securities and Government Bonds	44.27		63.29	
- Debentures, Bonds & Certificate of Deposits	40.09		14.99	
- Infrastructure and Social Sector	20.01		—	
- Mutual Funds	12.13	116.50	7.81	86.09
Total		116.50		86.09

17 Inventories

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Raw Materials	130.03		121.76	
- Stock in transit	0.15	130.18	4.06	125.82
Fuel	54.81		136.23	
- Stock in transit	37.26	92.07	3.67	139.90
Stores and Spares	117.04		125.86	
- Stock in transit	—	117.04	—	125.86
Work-in-progress		38.56		39.82
Stock of traded goods	63.24		79.94	
- Stock in transit	4.53	67.77	5.41	85.35
Finished goods	201.03		185.21	
- Stock in transit	9.88	210.91	11.55	196.76
Total		656.53		713.51

18 Trade Receivables

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Secured - Considered Good :				
Over six months due	2.95		2.21	
Others due	24.96	27.91	21.94	24.15
Unsecured - Considered Good :				
Over six months due	39.72		37.63	
Others due	567.73	607.45	519.75	557.38
Unsecured - Considered Doubtful :				
Over six months due	61.01		46.32	
Others due	3.88		3.06	
Less : Provision for doubtful debts	64.89	—	49.38	—
Total		635.36		581.53

19 Cash, Cash Equivalent and Bank Balances

19.1 Cash and cash equivalents

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Cash in hand	2.83		1.81	
Cheques, drafts on hand	4.91		4.49	
Balances with banks in current accounts	72.30		62.77	
Term Deposits with banks (original maturity of less than three months) (restricted use)	6.47		9.06	
Total (A)		86.51		78.13

19.2 Other Bank Balances

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Balances with banks	4.80		1.03	
Term Deposits (restricted use) (Maturity more than three months but less than twelve months)	28.19		9.69	
Term Deposits (More than three months but less than twelve months maturity)	9.50		11.39	
Margin money with Banks (More than three months but less than twelve months maturity)	13.02		26.58	
Unclaimed Dividend accounts	2.27		2.78	
Total (B)		57.78		51.47
Total (A + B)		144.29		129.60

20 Short-term Loans and Advances

Particulars	As at 31-03-2016 ₹ Crores		As at 31-03-2015 ₹ Crores	
Considered good unless otherwise stated				
Deposits	2.89		2.70	
Deposits - Considered Doubtful	0.16		0.16	
Less : Provision for Doubtful Deposits	(0.16)	—	(0.16)	—
Income tax (net of provisions)	49.17		52.86	
VAT / Service Tax recoverable	19.57		25.06	
Prepaid Expenses	17.24		15.42	
Custom Duty receivable	0.39		-	
Balances with Excise and Customs	18.51		17.79	
Others	60.35		99.15	
Total		168.12		212.98

21 Other Current Assets

Particulars	As at 31-03-2016 ₹ Crores	As at 31-03-2015 ₹ Crores
Insurance Claim receivable	64.50	65.14
VAT Subsidy recoverable	14.42	101.52
Balances related to Coal Mine & Infrastructure (refer note 34)	39.92	29.70
Receivable related to sale of investment	109.98	-
Others	37.70	35.37
Total	266.52	231.73

22 Sales of products and services

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Sale of products	6,027.63	6,079.93
Sale of services	17.20	18.95
Total	6,044.83	6,098.88

Other Operating Income

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Sale of Scrap	10.10	8.92
Investment income of Insurance business	20.59	20.48
Claims & Recoveries	7.22	6.54
Others	18.86	14.93
Total	56.77	50.87

23 Other Income

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Interest income		
- Bank Fixed Deposits	5.37	3.61
- Others	4.56	7.60
Net gain on sales of investments	58.53	0.63
Gain on exchange fluctuations	—	3.01
Other non-operating income	1.19	20.86
Total	69.65	35.71

24 Change in Inventories

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Closing Stock (including in Transit)		
Finished Goods	210.91	196.76
Traded Goods	67.77	85.35
Work-in-progress	38.56	39.82
Less: Opening Stock (including in Transit)		
Finished Goods	196.76	144.72
Traded Goods	85.35	68.16
Work-in-progress	39.82	80.82
Less: Adjustments (refer note 1.1(f))		
Finished Goods	1.87	0.81
Traded Goods	0.26	—
Work-in-progress	0.09	0.05
Total	(6.91)	27.37

25 Manufacturing Expenses

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Stores and Spares consumed	103.82	106.82
Power and Fuel consumed	857.72	934.81
Plant & Machinery hire charges	57.05	91.24
Repairs to Plant and Machinery	42.58	50.84
Royalty	60.24	36.31
Sub-contract charges	57.27	54.72
Plant upkeep expenses	35.09	31.19
Quarry expenses	22.69	20.25
Die & Punches	4.69	4.82
Adjustment of excise duty on stock	1.70	5.93
Other manufacturing expenses	6.58	6.41
Total	1,249.43	1,343.34

26 Employees' Benefit Expenses

Particulars	2015-2016 ₹ Crores	2014-2015 ₹ Crores
Salaries, wages and bonus	390.80	340.73
Contribution to Provident and other funds (refer note 41)	26.55	24.80
Welfare and other expenses	19.18	19.38
Total	436.53	384.91

27 Finance Cost

Particulars	2015-2016 ₹ Crores	2014-2015 ₹ Crores
Interest expenses (refer note 52(c))	264.31	272.50
Finance lease interest	0.22	0.48
Amortisation of processing fees	13.10	18.96
Total	277.63	291.94

28 Other Expenses

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Rent	38.03	32.95
Rates and taxes	30.73	29.99
Travelling and Communication	53.97	51.82
Discounts, Incentives and Commission on sales	232.46	245.78
Advertisement, Sales promotion and Other marketing expenses	64.67	83.94
Research expenses *	2.80	2.79
Insurance	9.87	10.71
Freight outward	728.14	723.87
Loss on sale of assets	4.12	4.18
Provision for bad and doubtful debts/deposits	17.15	11.79
Add: Bad debts written off	2.18	2.31
Loss on exchange fluctuation	2.39	—
Concrete pumping expenses	16.60	15.85

Particulars	2015 - 2016 ₹ Crores	2014 - 2015 ₹ Crores
Repairs to Buildings	4.24	4.23
Repairs others	5.67	8.41
Bank charges	4.40	3.92
Claims paid- Insurance Business	5.35	5.42
Commission - Insurance Business	4.47	3.62
Miscellaneous expenses	89.54	77.12
Total	1,316.78	1,318.70
<i>* Research expenses comprises of :</i>		
Salaries & Wages	1.45	1.31
Travelling & Communication	0.34	0.28
Others	1.01	1.20
Total	2.80	2.79

29 Exceptional items comprises of the following :

Current Year :

- a) Payment to GAIL (India) Ltd. of ₹ 3.61 Crores (Previous Year: ₹ Nil) towards settlement of claim for the calendar year 2014 under long-term gas supply agreement.
- b) Amalgamation expenses incurred of ₹ 0.08 Crores (Previous Year: ₹ Nil) by a Joint Venture of the Company.

Previous Year :

- c) Transfer fees and stamp duty paid for Land at Dewas ₹ 1.88 Crores as per direction of Hon'ble High Court of Madhya Pradesh.
- d) Gain of ₹ 64 Crores on sale of 1,23,51,600 equity shares of the Company held through Prism Trust for the benefit of the Company.
- e) Loss of ₹ 1.78 Crores on sale of Non-operating Land of a Joint Venture of the Company.

30 Provision for Current Tax includes Provision of Wealth Tax of ₹ Nil (Previous year : ₹ 0.20 Crores).

31 Computation of Earnings Per Share (EPS) is as under :

Particulars	2015 - 2016	2014 - 2015
Profit / (Loss) after Tax excluding dividend on own shares (₹ Crores)	3.30	2.62
Outstanding fully paid-up Equity shares	50,33,56,580	50,33,56,580
Weighted average number of equity shares outstanding (on sale of shares held through Trust- refer note 29(d))	50,33,56,580	50,10,21,620
Earnings Per Share (₹) – Basic & Diluted (Face value ₹ 10/- per share)	0.07	0.05

32 The Depreciation is being provided for on straight line method except for H. & R. Johnson (India) TBK Limited, including Subsidiary and Joint Venture of H. & R. Johnson (India) TBK Limited, Sentini Cermica Private Limited & Milano Bathroom Fittings Private Limited, where they have charged the same on written down value method. The proportion of value of depreciation which have been charged on written down value method is as under :

Amount of Depreciation charged on WDV basis ₹ 6.75 Crores (Previous year : ₹ 8.33 Crores).

Total Depreciation charged in Consolidated Accounts ₹ 178.58 Crores (Previous year : ₹ 164.86 Crores).

% of Depreciation charged on WDV basis to total Depreciation 3.78 % (Previous year : 5.05%)

33 Segment information as required by Accounting Standard - 17 on "Segment Reporting" is as follows :

2015 - 2016						₹ Crores
Particulars	Cement	TBK	RMC	Insurance	Unallocated	Total
Revenue :						
External (net of Excise)	2,027.24	2,308.58	1,259.51	42.08	—	5,637.41
Less : Inter – Segment	0.25	15.40	—	0.14	—	15.79
Total Revenue	2,026.99	2,293.18	1,259.51	41.94	—	5,621.62
Segment Result	152.82	9.83	25.62	11.35	—	199.62
Add : Unallocated Income (Net of Unallocated expenditure)						69.65
Less : Borrowing Cost (excluding bank charges)						277.63
Profit / (Loss) Before Tax						(8.36)
Tax Expenses						(11.66)
Profit / (Loss) for the year						3.30

Other Information :						₹ Crores
Particulars	Cement	TBK	RMC	Insurance	Unallocated	Total
Segment Assets	2,436.70	1,662.84	420.10	273.16	50.03	4,842.83
Segment Liabilities	688.75	585.88	243.01	158.40	2,150.59	3,826.63
Capital Expenditure	155.75	44.42	14.18	0.29	—	214.64
Depreciation and Amortisation	99.61	54.15	24.46	0.36	—	178.58

2014 - 2015						₹ Crores
Particulars	Cement	TBK	RMC	Insurance	Unallocated	Total
Revenue :						
External (net of Excise)	2,200.99	2,226.78	1,204.27	39.99	—	5,672.03
Less : Inter – Segment	0.39	16.86	—	0.35	—	17.60
Total Revenue	2,200.60	2,209.92	1,204.27	39.64	—	5,654.43
Segment Result	166.68	19.74	1.60	13.51	—	201.53
Add : Unallocated Income (Net of Unallocated expenditure)						81.01
Less : Borrowing Cost (excluding bank charges)						291.94
Profit / (Loss) Before Tax						(9.40)
Tax expenses						(12.02)
Profit / (Loss) for the year						2.62

Other Information :						₹ Crores
Particulars	Cement	TBK	RMC	Insurance	Unallocated	Total
Segment Assets	2,398.68	1,725.37	405.17	268.32	55.42	4,852.96
Segment Liabilities	715.98	510.48	207.12	107.27	2,257.78	3,798.63
Capital Expenditure	119.06	39.39	6.21	0.08	—	164.74
Depreciation and Amortisation	81.53	54.89	27.97	0.47	—	164.86

- 34** Other Current Assets (note no. 21) includes ₹ 39.92 Crores (Previous year : ₹ 29.70 Crores) being book value of various assets relating to Sial Ghogri Coal mine of the Company, which was de-allocated pursuant to Order of the Hon'ble Supreme Court dated September 24, 2014. The Nominated Authority under the Coal Mines (Special Provisions) Ordinance, 2014 and Coal Mines (Special

Provision) Rules, 2014 has communicated to the Company that a sum of ₹ 32.49 Crores has been determined as compensation payable to the Company. The Company has, *inter-alia*, disputed the quantum of compensation and has preferred a writ before the Hon'ble High Court of Judicature, Delhi and the Company has lodged claim of ₹ 72.86 Crores. The Hon'ble High Court has heard the matter and order is awaited.

35 (a) Contingent liabilities :

- (i) Guarantees given by the Company's bankers and counter guaranteed by the Company : ₹ 103.55 Crores (Previous year : ₹ 110.10 Crores).
- (ii) Corporate guarantees issued to the bankers on behalf of wholly owned subsidiary ₹ 160 Crores (Previous year : ₹ 80 Crores).
- (iii) Outstanding Letters of Credit ₹ 60.53 Crores (Previous year : ₹ 57.67 Crores)
- (iv) Prepayment charges claimed by banks on amounts prepaid ₹ 2.92 Crores (Previous year : ₹ 4.13 Crores)
- (v) Claims against the Company not acknowledged as debts on account of disputes :
 - (a) In respect of exemption of Central Sales Tax on coal purchases : ₹ 7.56 Crores (Previous year : ₹ 7.56 Crores). Against this matter, bank guarantee of ₹ 7.70 Crores (Previous year : ₹ 7.70 Crores) has been provided by the Company.
 - (b) Energy Development Cess ₹ 9.89 Crores (Previous year : ₹ 7.44 Crores)
 - (c) Tax on Rural and Road Development ₹ 10.38 Crores (Previous year : ₹ 9.45 Crores)
 - (d) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty, Service Tax and other claims ₹ 149.06 Crores. (Previous year : ₹ 123.96 Crores)
- (b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 29.05 Crores (Previous year : ₹ 61.41 Crores)
- (c) Disclosure of provisions made as per the requirements of Accounting Standard – 29 on "Provisions, Contingent Liabilities and Contingent Assets" are as follows :

₹ Crores

Particulars	As at 01-04-2015	Provisions made during the year	Amounts utilised or reversed during the year	As at 31-03-2016
MPEB Cess on Generation of Electricity	8.33	—	—	8.33
MP Entry Tax/VAT	10.05	—	—	10.05
UP Entry Tax	3.86	—	—	3.86
VAT on Inter Unit Transfer	0.68	—	—	0.68
Dispute with Contractors	1.00	—	1.00	—
Appeal with AP Comm. Tax Department	1.24	0.21	0.85	0.60
Mines Restoration Expenses	0.20	0.08	—	0.28
Total	25.36	0.29	1.85	23.80

In certain cases, the Company has made payments against the above provisions. In case the disputes are settled in the favour of the Company, there would be refund of ₹ 0.23 Crores (Previous year : ₹ 1.34 Crores) and in the event, these are settled against the Company there would be cash outflow of ₹ 23.57 Crores (Previous year : ₹ 24.02 Crores).

- d "In terms of long-term gas supply agreement (GSA) with GAIL (India) Limited having validity till April, 2028, the Company is required to draw 1074064 MMBTU of Re-Liquefied Natural Gas (RLNG) per calendar year. In case of under drawn quantities determined on calendar year basis, the Company is liable to deposit purchase price under Take or Pay Obligation (TOP) of the GSA and is allowed to draw such underdrawn quantities in the balance term of the GSA at then prevailing price.

There were under drawn quantities of RLNG of 653690 MMBTU for the calendar year 2015 and 171042 MMBTU for the quarter ended March 31, 2016. GAIL has allowed under drawn quantities for the calendar year 2015 to be carried forward under downward flexibility clause of GSA till April 2028 without any payment. However, because of the same, the Company has exhausted its downward flexibility limit. The amount committed under TOP for the under drawn quantities for the quarter ended March 31, 2016, which would be due in December 2016 if it remains undrawn, is approximately ₹ 9.05 Crores.

In view of decreasing trend in prices of RLNG in recent months and also increase in the capacity utilization due to favorable market conditions, the management is confident about utilization of under drawn RLNG as above in balance part of the calendar year and also in subsequent contracted period. The aforesaid amount, if payable, will only be in the nature of an advance payment for RLNG which can be drawn anytime thereafter up to the end of term of the GSA i.e. April 2028. Accordingly, in view of the management this contract is not in the nature of Onerous contract and no effect of the same is required to be given in these accounts.

36 Depreciation & Amortisation :

Current Year :

During the last quarter, based on technical evaluation of material items of the fixed assets, the Company has completed componentization exercise in terms of the provision contained in Schedule II to the Companies Act, 2013 and have provided depreciation by giving effect from April 1, 2015.

Further based on the transitional provision provided in Note 7(b) of Schedule II to the Act, the charge to retained earnings in respect of assets having no useful life as on April 1, 2015 on account of above exercise, net of deferred tax adjustment is ₹ 40.23 Crores.

Previous Year :

Effective from April 1, 2014, the useful lives of fixed assets have been revised in accordance with Schedule II to the Companies Act, 2013 (the Act). Due to above, depreciation charge for the year ended March 31, 2015 is lower by ₹ 44.66 Crores.

Further based on transitional provision provided in Note 7(b) of Schedule II to the Act, the charge to retained earnings in respect of assets having no useful life as on the effective date, net of deferred tax adjustment is ₹ 7.87 Crores. Some of the entities of the Group has opted to charge such amount (₹ 0.20 Crores) to consolidated statement of profit and loss.

- 37 Capital work-in-progress includes pre-operative expenses of ₹ 58.31 Crores (Previous year : ₹ 53.07 Crores), the details of which are as under :

Particulars	₹ Crores	
	2015 - 2016	2014 - 2015
Indirect expenditure incurred during the year and considered as pre-operative expenses		
Salary, Wages and Bonus	2.85	2.77
Contribution to Provident and other funds	0.12	0.13
Rent, Rates and Taxes	0.32	0.29
Travelling and Communication	0.37	0.85
Professional fees	0.26	0.73
Depreciation	0.32	0.34
Miscellaneous expenses	1.00	2.30
	5.24	7.41
Add : Expenditure up to Previous year	53.07	46.26
	58.31	53.67
Less : Adjustment relating to Coal Block/Capitalised during the year	—	0.60
Balance Carried forward	58.31	53.07
Cost relating to Acquisition of assets and related direct expenses	11.77	18.60
Total Capital Work-in-progress	70.08	71.67

- 38 The matter relating to reappointment and remuneration of the Managing Director and appointment & remuneration of two Executive Director & CEOs of the Company are being placed for approval of the shareholders.

In view of non-availability of profits for the current year, remuneration paid to these Managerial Personnel, during their respective tenures, is in excess of the limit prescribed under Schedule V to the Companies Act, 2013 by ₹ 0.67 Crores. Pending approval from the shareholders of the Company and the Central Government, such excess amount is held in trust by them. Steps are being taken by the Company for obtaining approval for waiver of recovery.

- 39 Subsequent to the date of the Balance Sheet, insurance claim of the year 2012 relating to collapse of blending silo and consequential damages was rejected by the insurance company. The Company had recognised a sum of ₹ 58.95 Crores as receivable. The Company is in the process of initiating legal action against the insurance company and has already initiated arbitration proceedings with the party responsible for the construction of blending silo for recovery of damages. Based on legal opinion and judicial precedents, the

Company has more than reasonable chance of recovery of the amount recognised as recoverable and accordingly, the Company has continued to recognise the same.

- 40** During the year, certain amendments having effect from April 1, 2014 were made to the Payment of Bonus Act, 1965 whereby wage threshold for determining applicability of the said Act was increased from ₹ 10,000 to ₹ 21,000 per month and wage ceiling for calculation of bonus was increased from ₹ 3,500 to ₹ 7,000 per month. Certain High Court has issued interim orders staying the retrospective implementation of the above amendments. In view of the same, the Company has [paid / provided] its liability on account of additional bonus payable for the financial year 2015-16 and no provision has been considered for the financial year 2014-15. The amount for which the Company is contingently liable is ₹ 1.01 Crores.
- 41** Prior Period Item : Contribution to Provident and other funds (note no. 26) includes additional charge of ₹ 1.45 Crores (Previous year: ₹ Nil) pertaining to earlier years in respect of Gratuity.
- 42** During the year, after obtaining requisite approvals, the Company has transferred 23% stake in one of its subsidiary, Raheja QBE General Insurance Company Limited (RQBE) to joint venture partner, QBE Asia Pacific Holdings Limited. Presently, the Company holds 51% of the equity of RQBE.

43 Employee Benefits :

(a) Defined contribution plans :

The Company has recognised an expense of ₹ 16 Crores (Previous year : ₹ 15.47 Crores) towards defined contribution plans, in respect of Provident Fund and Superannuation Fund. The Company contributes to the Provident Fund Trust managed by it or to Recognised Provident Fund. In the event, the Company expect any material deficit in payment of interest, necessary amount is contributed to the own Provident Fund Trust.

(b) Defined benefit plans :

The actuarial valuation of the present value of the defined benefit obligations were carried out at March 31, 2016. The present value of the defined benefit obligations and the related service costs, were measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as per actuarial valuation on March 31, 2016 for the Defined Benefits Plan :

- (i) Changes in the defined benefit obligation for leave entitlement and gratuity :

Particulars	₹ Crores			
	2015 - 2016		2014 - 2015	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
A. Changes in the defined benefit obligation :				
Liability at the beginning of the year	20.61	36.42	17.73	30.33
Current service cost	2.31	5.57	2.20	4.78
Past service cost	—	1.45	—	—
Interest cost	1.36	2.51	1.22	2.31
Actuarial (gain)/loss on obligation	5.11	0.96	5.02	2.57
Benefits paid	(6.39)	(9.31)	(5.56)	(3.57)
Liability at the end of the year (A)	23.00	37.60	20.61	36.42
B. Changes in the fair value of plan assets :				
Fair value of plan assets at the beginning of the year	N.A.	27.92	N.A.	24.70
Expected return on plan assets	N.A.	2.40	N.A.	2.10
Employer's contributions	N.A.	5.98	N.A.	3.76
Actuarial gain/(loss) on plan assets	N.A.	(0.53)	N.A.	0.92
Benefits paid	N.A.	(3.77)	N.A.	(3.57)
Fair value of plan assets at the end of the year (B)	N.A.	32.00	N.A.	27.91
C. Balance Liability (A – B)	23.00	5.60	20.61	8.51

(ii) Actual Return on Plan Assets :

Particulars	₹ Crores			
	2015 - 2016		2014 - 2015	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Expected Return on plan assets	N.A.	2.40	N.A.	2.10
Actuarial gain/(loss) on plan assets	N.A.	(0.53)	N.A.	0.92
Actual Return on plan assets	N.A.	1.87	N.A.	3.02

(iii) Expenses recognised in Statement of Profit and Loss for the year ended March 31, 2016 :

Particulars	₹ Crores			
	2015 - 2016		2014 - 2015	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Current service cost	2.31	5.57	2.20	4.78
Past service cost	—	1.45	—	—
Interest cost	1.36	2.51	1.22	2.31
Expected return on plan assets	N.A.	(2.40)	N.A.	(2.10)
Actuarial (gain)/loss	5.11	1.50	5.02	1.65
Expense recognised in Statement of Profit and Loss	8.78	8.63	8.44	6.64

(iv) The categories of plan assets as a percentage of total plan are as follows :

Particulars	Percentage
Equity Shares	16.59%
Central and State Government Securities	46.25%
Other Fixed Income Securities/Deposits	37.16%
Total	100.00%

(v) Actuarial Assumptions used in accounting for leave entitlement and gratuity :

- Discount rate : 7.81~ 8.08% (Previous year : 7.90% ~ 8.08%)
- Expected rate of return on plan assets : 8% ~ 8.75% (Previous year : 8% ~ 8.75%)
- The estimates of future salary increases of 4% ~ 7% (Previous year : 4% ~ 7%), considered in actuarial valuation, taking into account the general trend in salary rise and the inflation rates.

44 Lease Arrangements :

- Under finance lease arrangements, the Group had acquired mining rights of limestone, against which the total payment has been made and no contingent rent is payable.
- Details of Finance lease agreements (Machinery and Equipments) – Non-cancellable :
The Group has entered into finance lease agreement for plant and machinery. Future minimum lease payments (MLP) under these leases are as follows:

Particulars	₹ Crores			
	2015 - 2016		2014 - 2015	
	MLP	Interest not due	MLP	Interest not due
a. Due not later than one year	1.75	0.65	1.01	0.48
b. Due later than one year but not later than five years from the balance sheet date	7.60	1.21	0.08	0.04
c. Later than five years	—	—	—	—

- c Details of Operating lease agreements (Land, Machinery and Equipments) – Non-cancellable :

₹ Crores		
Particulars	2015 - 2016	2014 - 2015
Future Lease Rental Payments		
a. Due not later than one year	18.49	4.81
b. Due later than one year but not later than five years from the balance sheet date	33.34	10.24
c. Later than five years	NIL	NIL

Lease rentals of ₹ 8.14 Crores (Previous year : ₹ 4.48 Crores) in respect of obligations under operating leases have been recognised in the Statement of Profit and Loss.

- d The Group has operating leases for commercial premises which are cancellable at any time during the tenure of the respective agreements.

45 Disclosure in respect of Company's Joint Ventures :

Name of the Joint Venture	Proportion of Ownership Interest	Country of Incorporation
Ardex Endura (India) Private Limited	50%	India
Sentini Cermica Private Limited	50%	India
Antique Marbonite Private Limited	50%	India
Spectrum Johnson Tiles Private Limited	50%	India
Coral Gold Tiles Private Limited (w.e.f. 04.11.2015)	50%	India
Small Johnson Floor Tiles Private Limited	50%	India

The aggregate of Company's Share in the above Joint Ventures is :

₹ Crores		
Particulars	As at 31-03-2016	As at 31-03-2015
Capital Commitments	2.23	2.10
Contingent Liabilities	16.32	11.55

46 Government Grants by way of Tax subsidy/exemption schemes :

VAT Subsidy is grouped under Revenue from Operations as part of Sales.

- a As per Madhya Pradesh Industrial Investment Promotion Assistance Scheme (2004), the second Cement Unit at Satna is entitled for subsidy at the rate of 75% of VAT/CST paid on sales, subject to prescribed limits. Subsidy receivable for the year is ₹ 57.73 Crores (Previous year : ₹ 59.54 Crores).
- b As per Industrial Promotion Policy 2010 of Madhya Pradesh, HRJ Unit at Dewas is entitled for subsidy of VAT /CST paid on sales achieved above the normal production capacity. Subsidy receivable for the year is ₹ 0.22 Crores (Previous year : ₹ 0.42 Crores).
- c As per Assam Industries (Tax Exemption) Scheme 2009, RMC Unit at Guwahati is entitled to Sales Tax Exemption subject to prescribed limit, at the rate of 99% of tax payable. Amount recognised for the year is ₹ 0.80 Crores (Previous year: ₹ 0.42 Crores).
- d As per Andhra Pradesh Industrial Promotion policy - 2005-2010, Silica Ceramica Private Limited is entitled for subsidy of 50% of VAT/CST paid against sales from their unit. Subsidy receivable for the year is ₹ 15.80 Crores (Previous year : ₹ 16.38 Crores).
- e The Company started commercial production of ready mixed plant in Guwahati, Assam on August 6, 2012 and is entitled for 34% of the excise duty paid on finished goods, since that date. During the current financial year, the Company received refund of ₹ 0.21 Crores, out of which ₹ 0.15 Crores relates to earlier financial years.
- f Silica Ceramica Private Limited is entitled to receive incentive from Government of Andhra Pradesh for Power, which has been recognised and credited to respective expense amounting to ₹ 3.01 Crores (Previous year : ₹ 2.77 Crores).



47 Disclosure regarding transactions with Related Parties in terms of Accounting Standard - 18 is as under :

a. Name of the related parties with whom transactions have taken place :

Joint Ventures	Key Management Personnel
Sentini Cermica Private Limited	Mr. Vijay Aggarwal – Managing Director (re-appointment w.e.f. 03.03.2016)
Antique Marbonite Private Limited	Mr. Vivek Agnihotri – Executive Director & CEO (Cement) (w.e.f. 17.08.2015)
Spectrum Johnson Tiles Private Limited	Mr. Joydeep Mukherjee – Executive Director & CEO (HRJ) (w.e.f. 03.03.2016)
Small Johnson Floor Tiles Private Limited	Mr. Venugopal M. Panicker – Executive Director & CEO (RMC)
Ardex Endura (India) Private Limited	Mr. Ganesh Kaskar – Executive Director & CEO (HRJ) (upto 02.03.2016)
Solid Johnson Floor Tiles Private Limited (Merged with Small Johnson Floor Tiles Private Limited w.e.f. 01.04.2015)	Mr. S. Ramnath – Executive Director – (Cement) (upto 04.02.2015)
Coral Gold Tiles Private Limited (w.e.f. 04.11.2015)	

Joint Venture of wholly owned subsidiary	Companies in which Directors and/or their relatives have significant influence
TBK Shri Ram Tile Bath Kitchen Private Limited	Peninsula Estates Private Limited
TBK Deziner's Home Private Limited	Varahagiri Investments & Finance Private Limited
TBK Unique Jalgaon Tile Bath Kitchen Private Limited	Windsor Realty Private Limited
TBK P B Shah Tile Bath Kitchen Private Limited	
TBK Deepgiri Tile Bath Kitchen Private Limited	
TBK Prathap Tile Bath Kitchen Private Limited	
TBK Rangoli Tile Bath Kitchen Private Limited (upto 30.07.2015)	Associate
TBK Bansal Ceramics Private Limited	Prism Power and Infrastructure Private Limited
TBK Rath Sales Agencies Private Limited	
TBK Florance Ceramics Private Limited	Subsidiaries of Joint Venture
TBK Sanitary Sales Private Limited	Antique Minerals Private Limited
TBK Tile Home Private Limited	Solid Johnson Floor Tiles Private Limited (Merged with Small Johnson Floor Tiles Private Limited w.e.f. 01.04.2015)
TBK Samiyaz Tile Bath Kitchen Private Limited	
TBK Krishna Tile Bath Kitchen Private Limited	
TBK Reddy Tile Bath Kitchen Private Limited	
TBK Kadakia's Tile Bath Kitchen Private Limited	
TBK Rishi Ceramics Private Limited	
TBK Aishwarya Tile Bath Kitchen Private Limited	
TBK Raj Kamal Tile Bath Kitchen Private Limited	
TBK Shree Ganesh Traders Private Limited	
TBK Vaibhavi Tile Bath Kitchen Private Limited	
TBK Home Trends Private Limited	
TBK Solan Ceramics Private Limited	

b. Following are the transactions with related parties as defined under Accounting Standard -18 on "Related Party Disclosures" :

₹ Crores					
Name of the related party	Nature of transaction	Amount of transaction in 2015-2016	Amount outstanding as at 31-03-2016 (Payable)/ Receivable	Amount of transaction in 2014-2015	Amount outstanding as at 31-03-2015 (Payable)/ Receivable
Mr. Vijay Aggarwal	Remuneration	11.79	—	4.50	—
Mr. Vivek Agnihotri	Remuneration	1.39	(0.22)	—	—
Mr. Ganesh Kaskar	Remuneration	2.34	(0.23)	2.38	(0.26)
Mr. Joydeep Mukherjee	Remuneration	0.17	(0.02)	—	—
Mr. Venugopal Panicker	Remuneration	1.47	(0.23)	1.24	(0.17)
Mr. S. Ramnath	Remuneration	—	—	3.83	(0.19)
Windsor Realty Private Limited	Sale of goods and Services	—	—	—	0.40
	Rent Paid	1.79	—	2.11	—
	Security Deposit	—	1.81	—	1.81
Peninsula Estates Private Limited	Rent Paid	0.10	—	0.10	—
	Deposit Given	—	0.03	—	0.03
Varahagiri Investments & Finance Private Limited	Rent Paid	0.41	—	0.41	—
	Deposit Given	—	0.11	—	0.11
Prism Power and Infrastructure Private Limited	Advances	—	—	—	0.01
	Advance write off	0.01	—	—	—
Sentini Cermica Private Limited	Purchase of Goods and services	82.01	(12.08)	83.04	(11.42)
	Reimbursement of expenses received	0.18	—	0.11	—
Antique Marbonite Private Limited	Purchase of Goods and services	151.87	(30.53)	147.56	(24.58)
	Interest Received	0.01	—	0.22	—
	Interest Paid	0.60	—	0.51	—
	Reimbursement of expenses received	0.14	—	0.13	—
Spectrum Johnson Tiles Private Limited	Purchase of Goods and services	42.24	(8.07)	44.13	(8.10)
	Reimbursement of Expenses paid	0.05	—	0.11	—
	Interest Paid	0.08	—	#	—
	Rent paid	0.02	—	0.02	—
TBK Samiyaz Tile Bath Kitchen Private Limited	Deposit Received	—	(0.01)	0.01	(0.01)
TBK Kadakia's Tile Bath Kitchen Private Limited	Rent Received	—	—	0.02	—
	Loan Repaid	(0.17)	0.22	—	—
TBK Rathie Sales Agencies Private Limited	Rent Received	—	—	0.05	—
	Reimbursement of expenses received	0.10	—	—	—
	Interest Received/ (waived off)	0.04	—	0.03	—
TBK Shri Ram Tile Bath Kitchen Private Limited	Interest Received/ (waived off)	—	—	0.16	—
	Rent Received	—	—	0.03	—
	Selling & Distribution Expenses	0.55	—	0.44	—



₹ Crores

Name of the related party	Nature of transaction	Amount of transaction in 2015-2016	Amount outstanding as at 31-03-2016 (Payable)/ Receivable	Amount of transaction in 2014-2015	Amount outstanding as at 31-03-2015 (Payable)/ Receivable
TBK Sanitary Sales Private Limited	Reimbursement of expenses paid	0.03	—	0.02	—
	Selling & Distribution Expenses	0.67	—	0.41	—
TBK Deepgiri Tile Bath Kitchen Private Limited	Loan Repaid	—	—	0.13	—
	Reimbursement of expenses paid	0.07	—	0.04	—
	Interest Received/ (waived off)	0.10	—	—	—
	Loan Given	—	—	0.25	—
TBK Solan Ceramics Private Limited	Loan Given	0.03	0.36	—	—
TBK Florance Ceramics Private Limited	Reimbursement of expenses paid	0.06	—	—	—
	Loan given	0.12	0.24	—	—
	Selling & Distribution Expenses	0.55	—	0.21	—
TBK Reddy Tile Bath Kitchen Private Limited	Interest Received/ (waived off)	(0.02)	—	0.04	—
TBK Bansal Ceramics Private Limited	Loan Given	—	—	0.20	—
TBK Deziners Home Private Limited	Loan Received	—	—	0.25	—
	Investment in Preference shares	—	—	0.30	—
Small Johnson Floor Tiles Private Limited	Purchase and Services	40.73	8.99	#	—
	Reimbursement of expenses paid	0.05	—	—	—
	Divided Received	#	—	#	—
TBK Rishi Ceramics Private Limited	Interest Received/ (waived off)	0.08	—	—	—
	Selling & Distribution Expenses	0.32	—	0.36	—
TBK Shri Ganesh Traders Private Limited	Interest Received/ (waived off)	0.03	—	0.01	—
	Reimbursement of expenses paid	0.01	—	0.11	—
Others	Purchase of Goods and services	14.52	5.57	33.62	(7.94)
	Sale of goods and Services	61.37	7.78	65.23	9.66
	Rent Paid	#	—	#	—
	Selling & Distribution Expenses	1.92	0.03	1.66	—
	Interest Received/ (waived off)	0.58	—	0.12	—
	Remuneration	0.17	—	0.17	—

Name of the related party	Nature of transaction	₹ Crores			
		Amount of transaction in 2015-2016	Amount outstanding as at 31-03-2016 (Payable)/Receivable	Amount of transaction in 2014-2015	Amount outstanding as at 31-03-2015 (Payable)/Receivable
Others (contd.)	Reimbursement of Expenses received	0.07	0.01	0.11	—
	Loan Given	—	—	0.05	—
	Reimbursement of Expenses paid	0.15	—	0.23	—

Amount less than ₹ 50,000/-

Note : In the above table, remuneration includes Leave encashment & Gratuity on actual payment.

48 Imported & indigenous material consumed, stores & spares consumed and Value of imports on CIF basis :

a. Material consumed

Particulars	2015 - 2016		2014 - 2015	
	₹ Crores	(%)	₹ Crores	(%)
Imported	75.43	5.01	61.45	3.88
Indigenous	1,430.89	94.99	1,521.99	96.12
Total	1,506.32	100.00	1,583.44	100.00

b. Stores and Spares consumed

Particulars	2015 - 2016		2014 - 2015	
	₹ Crores	(%)	₹ Crores	(%)
Imported	22.45	21.62	27.59	25.83
Indigenous	81.37	78.38	79.23	74.17
Total	103.82	100.00	106.82	100.00

c. Value of imports on CIF Basis :

Particulars	₹ Crores	
	2015 - 2016	2014 - 2015
Spares	18.91	37.53
Raw Materials	61.91	38.71
Capital Goods	11.45	10.95
Fuel	181.61	76.11
Traded Goods	48.33	73.62

49 a. Details of earnings in foreign currency :

F.O.B. value of Export : ₹ 49.15 Crores (Previous year : ₹ 57.04 Crores)

b. Details of expenditure in foreign currency :

Particulars	₹ Crores	
	2015 - 2016	2014 - 2015
Finance and other charges	2.47	1.07
Travelling and communication expenses	0.55	0.87
Fees for technical services	0.38	0.62
Other expenditures	0.69	0.31
Total	4.09	2.87

- 50 According to the information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2016 as follows :

₹ Crores		
Particulars	2015 - 2016	2014 - 2015
Principal amount due	1.20	0.24
Interest due on above	—	—
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprises Development Act, 2006	—	—
Amount of interest due and payable for the period of delay	—	—
Amount of interest accrued and remaining unpaid as at year end	—	—
Amount of further remaining due and payable in the succeeding year	—	—

51 Payment to the auditors :

₹ Crores		
Particulars	2015 - 2016	2014 - 2015
For Statutory Audit	0.71	0.57
For Tax Audit	0.08	0.07
For Company Law Matters and Taxation services	0.25	0.20
For Reimbursement of Expenses	0.01	0.01
Total	1.05	0.85

Note : The above does not include fees paid to other auditors i.e. auditors of the joint venture and subsidiaries amounting to ₹ 0.44 Crores (Previous year : ₹ 0.37 Crores)

52 Disclosure of Foreign Currency Exposure :

- (a) Forward exchange contracts to hedge the foreign currency exposure for payments to be made against imports & borrowings

In Crores				
Currency	As at 31-03-2016		As at 31-03-2015	
	Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
US Dollar (USD)	0.01	0.56	—	—
Euro	—	—	0.02	1.55

- (b) Particulars of unhedged foreign currency asset/liability as at Balance Sheet date :

In Crores					
Currency	Nature	As at 31-03-2016		As at 31-03-2015	
		Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
Euro	Asset	#	0.02	#	0.23
Swiss Francs (CHF)	Asset	—	—	#	0.02
Danish Krone (DKK)	Asset	—	—	#	0.01
LKR	Asset	10.58	4.80	0.19	0.09
GBP	Asset	0.06	5.40	0.08	7.70

(b) Particulars of unhedged foreign currency asset/liability as at Balance Sheet date : (contd.)

In Crores					
Currency	Nature	As at 31-03-2016		As at 31-03-2015	
		Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
US Dollar (USD)	Asset	0.11	7.56	0.31	19.54
AUS Dollar (AUD)	Asset	2.16	109.98	-	-
Euro	Liability	0.16	12.31	0.15	9.99
LKR	Liability	0.21	0.09	0.32	0.15
US Dollar (USD)	Liability	2.30	151.84	3.33	208.51
Japanese Yen (Yen)	Liability	0.03	0.02	0.23	0.12

Amount less than 50,000/-

- c In the FY 2014-15, the Company had booked INR USD Cross Currency Swap Contracts of USD 5.92 Crores against the underlying INR borrowing of ₹ 365 Crores. For the FY 2015-16, the actual interest earned on notional INR deposit, interest paid on notional USD borrowing and marked to market loss on USD exposure aggregating net gain of ₹ 0.34 Crores (Previous year: ₹ 4.08 Crores) are included in interest expenses under finance cost in Note No. 27.

53 Disclosure in terms of Schedule III to the Companies Act, 2013

₹ Crores				
Name of the Entities	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or (Loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount
Parent				
Prism Cement Limited	69%	697.46	80%	2.64
Subsidiaries (Indian)				
1. Raheja QBE General Insurance Company Limited	22%	227.17	315%	10.39
2. Silica Ceramica Private Limited	4%	42.07	- 885%	(29.25)
3. Milano Bathroom Fittings Private Limited	2%	17.54	104%	3.44
4. H. & R. Johnson (India) TBK Limited *	-2%	(22.73)	-106%	(3.49)
5. RMC Readymix Porselano (India) Limited	0%	0.05	0%	#
Minority Interest in all subsidiaries (Indian)				
1. Raheja QBE General Insurance Company Limited	-11%	(111.31)	- 82%	(2.70)
2. Silica Ceramica Private Limited	0%	(0.16)	6%	0.21
3. Antique Minerals Private Limited (Subsidiary of Antique Marbonite Private Limited)	0%	(0.36)	2%	0.06



₹ Crores

Name of the Entities	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or (Loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount
Joint Ventures (Indian)				
1. Antique Marbonite Private Limited *	6%	62.63	269%	8.88
2. Sentini Cermica Private Limited	3%	36.45	133%	4.40
3. Small Johnson Floor Tiles Private Limited	1%	14.18	78%	2.58
4. Spectrum Johnson Tiles Private Limited *	2%	18.97	77%	2.53
5. Ardex Endura (India) Private Limited *	3%	28.34	99%	3.27
6. Coral Gold Tiles Private Limited	1%	5.90	10%	0.34
Total	100%	1016.20	100%	3.30

* Based on consolidated financial statements of the respective entities.

Amount less than ₹ 50,000/-.

54 Figures for the previous year have been regrouped/reclassified/reinstated, wherever considered necessary.

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date : May 25, 2016

Rajesh G. Kapadia
(Chairman)

Vijay Aggarwal
(Managing Director)

Joydeep Mukherjee
*(Executive Director &
CEO - HRJ)*

Pramod K. Akhramka
(Chief Financial Officer)

Ameeta A. Parpia
(Director)

Vivek K. Agnihotri
*(Executive Director &
CEO - Cement)*

Venugopal M. Panicker
*(Executive Director &
CEO - RMC)*

Aneeta S. Kulkarni
(Company Secretary)

FORM AOC - I

(Pursuant to first proviso to sub-section (3) Section 129 read with Rules 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiaries/Joint Ventures/Associates

Part A : Subsidiaries

₹ Crores

Sr. No.	Name of Subsidiary	Milano Bathroom Fittings Private Limited	Silica Ceramica Private Limited	H. & R. Johnson (India) TBK Limited *	RMC Readymix Porselano (India) Limited \$	Rajeha QBE General Insurance Company Limited
1	Reporting Currency	INR	INR	INR	INR	INR
2	Share Capital	4.60	16.69	1.61	0.05	207.00
3	Reserves & Surplus	12.94	25.38	(24.34)	#	20.17
4	Total Assets	31.54	343.91	65.08	0.05	274.42
5	Total Liabilities	13.99	301.84	87.81	#	47.25
6	Investments	0.01	—	0.40	—	242.63
7	Turnover	45.30	243.55	137.05	—	42.88
8	Profit Before Taxation	4.11	(29.25)	(3.30)	#	14.52
9	Provision for Taxation	0.67	—	0.19	#	4.13
10	Profit After Taxation	3.44	(29.25)	(3.49)	#	10.39
11	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
12	% of Shareholding	100.00%	99.63%	100.00%	100.00%	51.00%

Part B : Associates and Joint Ventures

₹ Crores

Sr No.	Name of Associates/Joint Ventures	Sentini Cermica Private Limited	Spectrum Johnson Tiles Private Limited *	Antique Marbonite Private Limited *	Ardex Endura (India) Private Limited*	Small Johnson Floor Tiles Private Limited	Coral Gold Tiles Private Limited @	Prism Power and Infrastructure Private Limited \$
1.	Latest audited Balance Sheet date	31-03-2016	31-03-2016	31-03-2016	31-03-2016	31-03-2016	31-03-2016	31-03-2016
2.	Shares of Associates/Joint Ventures held by the company on the year end							
	- Number	23,00,000	21,65,388	40,00,000	65,00,000	20,00,000	26,00,000	4,900
	- Amount of investment in Associates/Joint Venture	11.50	8.03	20.03	6.50	10.00	5.46	#
	- Extend of Holding %	50%	50%	50%	50%	50%	50%	49%
3.	Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate
4.	Reason why the Associate/Joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Not operational and not material
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	36.45	18.97	62.63	28.34	14.18	5.90	#
6.	Profit/Loss for the year							
	i. Considered in Consolidation	4.40	2.53	8.94	3.27	2.58	0.34	N.A.
	ii. Not Considered in Consolidation	4.40	2.53	8.94	3.27	2.58	0.34	N.A.

* Based on Consolidated financial statements of respective entities

\$ Entities yet to commence operations

Denotes amount less than ₹ 50,000/-

@ Profit of Coral Gold Tiles Private Limited has been considered for the period from November 4, 2015 to March 31, 2016

Notes : (i) Name of entities which have been liquidated or sold during the year - None.

(ii) The reporting period of all the subsidiaries is March 31, 2016.

(iii) Investments excludes investment in subsidiaries.

(iv) On November 4, 2015, Prism Cement Limited has acquired 50% of holding in Coral Gold Tiles Private Limited.

(v) On March 18, 2016, Prism Cement Limited has acquired additional 0.345% holding in Silica Ceramica Private Limited.

(vi) During the year, Prism Cement Limited has transferred 23% holding in Raheja QBE General Insurance Company Limited.

Rajesh G. Kapadia
(Chairman)

Ameeta A. Parpia
(Director)

Vijay Aggarwal
(Managing Director)

Vivek K. Agnihotri
(Executive Director & CEO - Cement)

Joydeep Mukherjee
(Executive Director & CEO - HRI)

Venugopal M. Panicker
(Executive Director & CEO - RMC)

Pramod K. Akhramka
(Chief Financial Officer)

Aneeta S. Kulkarni
(Company Secretary)

Place : Mumbai
Date : May 25, 2016



NOTICE

NOTICE IS HEREBY GIVEN that the Twenty-fourth Annual General Meeting of the Company will be held on Tuesday, August 23, 2016 at 9.30 a.m. at Taj Mahal Hotel, 4-1-999, King Koti Road, Abids, Hyderabad - 500 001, to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajan B. Raheja (DIN : 00037480), who retires by rotation and being eligible, offers himself for re-appointment.
3. **Ratification of the Appointment of Auditors**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants, (Firm Registration No. 104767W), as the Auditors of the Company to hold office from the conclusion of the 22nd Annual General Meeting until the conclusion of the 26th Annual General Meeting, be and is hereby ratified."

Special Business :

4. **Re-appointment of Mr. Vijay Aggarwal as Managing Director**

To consider and, if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association, approval of the Company be and is hereby accorded to the re-appointment of Mr. Vijay Aggarwal (DIN : 00515412) as Managing Director of the Company, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this Meeting and initialled by

the Chairman for the purpose of identification, which Agreement is hereby specifically approved with full liberty to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination & Remuneration Committee of the Board), in accordance with the statutory limits/approvals as may be applicable, to revise/alter/modify/amend/change the terms and conditions of the Agreement, from time to time, as may be agreed to by the Board and Mr. Aggarwal.

1. Period :

Three years with effect from March 3, 2016.

2. Remuneration :

- (i) Remuneration, by way of salary, dearness allowance, perquisites and other allowances payable, and commission, which together shall not, in any financial year, exceed ₹ 9 crores (Rupees Nine crores only), as may be decided from time to time by the Board.
- (ii) Company's contribution to provident fund, superannuation fund or annuity fund as per rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity and encashment of leave at the end of the tenure, payable as per the rules of the Company, shall not be included in the computation of limits for the remuneration and perquisites aforesaid."

"RESOLVED FURTHER THAT notwithstanding anything herein, in the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of Mr. Aggarwal as Managing Director of the Company, the above mentioned remuneration be paid to Mr. Aggarwal, as minimum remuneration, subject to requisite approvals as may be necessary."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution in its absolute discretion, deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

5. Appointment of Mr. Vivek Agnihotri as Executive Director & CEO (Cement)

To consider and, if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association, approval of the Company be and is hereby accorded to the appointment of Mr. Vivek Krishan Agnihotri (DIN : 02986266) as Executive Director & CEO (Cement) of the Company, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this Meeting and initialled by the Chairman for the purpose of identification, which Agreement is hereby specifically approved with full liberty to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination & Remuneration Committee of the Board), in accordance with the statutory limits/approvals as may be applicable, to revise/alter/modify/amend/change the terms and conditions of the Agreement, from time to time, as may be agreed to by the Board and Mr. Agnihotri.

1. Period :

Three years with effect from August 17, 2015.

2. Remuneration :

- (i) Remuneration, by way of salary, dearness allowance, perquisites and other allowances payable, and commission, which together shall not, in any financial year, exceed ₹ 4 crores (Rupees Four crores only), as may be decided from time to time by the Board.
- (ii) Company's contribution to provident fund, superannuation fund or annuity fund as per rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity and encashment of leave at the end of the tenure, payable as per the rules of the Company, shall not be included in the computation of limits for the remuneration and perquisites aforesaid."

"RESOLVED FURTHER THAT notwithstanding anything herein, in the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of

Mr. Agnihotri as Executive Director & CEO (Cement) of the Company, the above mentioned remuneration be paid to Mr. Agnihotri, as minimum remuneration, subject to requisite approvals as may be necessary."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution in its absolute discretion, deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

6. Appointment of Mr. Joydeep Mukherjee as Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Joydeep Mukherjee (DIN : 06648469), who was appointed as Additional Director of the Company with effect from March 3, 2016 and who holds office upto the date of this Annual General Meeting as per Section 161 of the Companies Act, 2013 ('the Act') and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

7. Appointment of Mr. Joydeep Mukherjee as Executive Director & CEO (HRJ)

To consider and, if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association, approval of the Company be and is hereby accorded to the appointment of Mr. Joydeep Mukherjee (DIN : 06648469) as Executive Director & CEO (HRJ) of the Company, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this

Meeting and initialled by the Chairman for the purpose of identification, which Agreement is hereby specifically approved with full liberty to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination & Remuneration Committee of the Board), in accordance with the statutory limits/approvals as may be applicable, to revise/alter/modify/amend/change the terms and conditions of the Agreement, from time to time, as may be agreed to by the Board and Mr. Mukherjee.

1. Period :

Three years with effect from March 3, 2016.

2. Remuneration :

- (i) Remuneration, by way of salary, dearness allowance, perquisites and other allowances payable, and commission, which together shall not, in any financial year, exceed ₹ 4 crores (Rupees Four crores only), as may be decided from time to time by the Board.
- (ii) Company's contribution to provident fund, superannuation fund or annuity fund as per rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity and encashment of leave at the end of the tenure, payable as per the rules of the Company, shall not be included in the computation of limits for the remuneration and perquisites aforesaid."

"RESOLVED FURTHER THAT notwithstanding anything herein, in the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of Mr. Mukherjee as Executive Director & CEO (HRJ) of the Company, the above mentioned remuneration be paid to Mr. Mukherjee, as minimum remuneration, subject to requisite approvals as may be necessary."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution in its absolute discretion, deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

8. Waiver of recovery of excess remuneration paid to Mr. Vijay Aggarwal

To consider and, if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT, pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government, the recovery of excess remuneration paid to Mr. Vijay Aggarwal, Managing Director of the Company, for the period March 3, 2016 to March 31, 2016 resulting from non-availability of profits for the year ended March 31, 2016 and detailed as hereunder, be and is hereby waived :

₹ Crores		
Remuneration paid	Remuneration as per limits prescribed in Schedule V to the Companies Act, 2013 in case of non-availability of profits	Excess Remuneration paid
0.45	0.13	0.32

"RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things and furnish such information, clarifications, declarations, certificates and other documents, to file applicable forms and to authorise person(s) to represent before the Central Government as may be required in this regard."

9. Waiver of recovery of excess remuneration paid to Mr. Vivek Agnihotri

To consider and, if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT, pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government, the recovery of excess remuneration paid to Mr. Vivek Agnihotri, Executive Director & CEO (Cement) of the Company, for the period August 17, 2015 to March 31, 2016 resulting from non-availability of profits for the year ended March 31, 2016 and detailed as hereunder, be and is hereby waived :

₹ Crores		
Remuneration paid	Remuneration as per limits prescribed in Schedule V to the Companies Act, 2013 in case of non-availability of profits	Excess Remuneration paid
1.30	0.99	0.31

“RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things and furnish such information, clarifications, declarations, certificates and other documents, to file applicable forms and to authorise person(s) to represent before the Central Government as may be required in this regard.”

10. Waiver of recovery of excess remuneration paid to Mr. Joydeep Mukherjee

To consider and, if thought fit, to pass the following resolution as a Special Resolution :

“RESOLVED THAT, pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the Central Government or any other approvals as may be required, the recovery of excess remuneration paid to Mr. Joydeep Mukherjee, Executive Director & CEO (HRJ) of the Company, for the period March 3, 2016 to March 31, 2016 resulting from non-availability of profits for the year ended March 31, 2016 and detailed as hereunder, be and is hereby waived :

₹ Crores		
Remuneration paid	Remuneration as per limits prescribed in Schedule V to the Companies Act, 2013 in case of non-availability of profits	Excess Remuneration paid
0.16	0.13	0.03

“RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things and furnish such information, clarifications, declarations, certificates and other documents, to file applicable forms and to authorise person(s) to represent before the Central Government as may be required in this regard.”

11. To ratify remuneration of the Cost Auditors of the Company

To consider and, if thought fit, to ratify, the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies

Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. D. C. Dave & Co., Cost Accountants (Firm Registration No. : 000611) appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, be paid a remuneration of ₹ 8,25,000/-, in addition to applicable taxes and reimbursement of out-of-pocket expenses.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

12. Private Placement of Non-convertible Debentures and/or other Debt Securities

To consider and, if thought fit, to pass the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and subject to other applicable Rules, Regulations, Guidelines, Notifications and Circulars issued by SEBI, the Reserve Bank of India, Foreign Exchange Management Act, 1999, the Government of India, Ministry of Corporate Affairs, Registrar of Companies, the Stock Exchanges, Articles of Association of the Company and subject to receipt of necessary approvals as may be applicable and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals which may be agreed to by the Board of Directors of the Company (‘the Board’, which term shall be deemed to include any Committee thereof which the Board may have constituted or herein after constitute to exercise its powers including the powers conferred by this resolution), the approval of the Company, be and is hereby accorded to the Board for making offer(s) or invitation(s) to subscribe to secured/unsecured Non-convertible Debentures (“NCDs”) including but not limited to Bonds, and/or other Debt Securities, on Private Placement basis, in one or more tranches, to such person(s)/Financial Institution(s)/Bank(s)/Mutual Fund(s)/Body Corporate(s)/Company(ies)/any other entities on such terms and conditions as the Board may deem fit during a period of one year from the date of passing of this resolution upto an aggregate amount of



₹ 1250,00,00,000/- (Rupees Twelve Hundred Fifty Crores only) within the overall borrowing limits of the Company, as approved by the members, from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to arrange or settle or vary/ modify the terms and conditions on which all such monies are to be borrowed from time to time, as to interest, premium, repayment, pre-payment, security or otherwise, as it may deem expedient, and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or any regulatory bodies and to delegate all or any of the powers conferred herein to any Committee of Directors or any other Officer(s)/Authorised Representative(s) of the Company and/or in such manner as it may deem fit.”

NOTES :

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business mentioned under Item Nos. 4 to 12 above, is annexed hereto. Details of the Directors seeking re-appointment/appointment under Item 2, 4 - 7 of the Notice as stipulated under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 are included in the Notice.
2. **A member entitled to attend and vote at the Annual General Meeting (the 'AGM/Meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, in order to be effective, be deposited at the Registered Office of the Company, duly completed and signed, not later than forty-eight hours before the commencement of the Meeting.**
3. **A person can act as a proxy on behalf of not more than fifty members holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
4. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Members/proxies are requested to bring duly filled attendance slip(s) sent herewith to attend the Meeting.
6. The Register of Members and Transfer Books of the Company will remain closed from Wednesday, August 17, 2016 to Tuesday, August 23, 2016 (both days inclusive).
7. Members are requested to send all communication relating to shares to the Company's Registrar & Transfer Agent - Karvy Computershare Private Limited, Unit : Prism Cement Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 ('Karvy'). Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Nomination facility for shares is available for Members. The prescribed format, in this regard, can be obtained from Karvy.
10. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Rules made thereunder, copies of the Annual Report, Notice of the 24th AGM and instructions for e-voting alongwith the Attendance Slip and Proxy Form are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report is being sent by the permitted mode. Members holding shares in physical form can send their email address for registration to einward.ris@karvy.com quoting the Folio Number and Name of the Company. The Notice of the 24th AGM and the Annual Report will also be available on the Company's website www.prismcement.com for members to download. Even after registering for e-communication, members are entitled to receive such communication in printed form, upon making a request in writing for the same.
11. The Company has transferred unpaid/unclaimed dividends declared as per the provisions of Section 125 of the Companies Act, 2013 and Rules thereunder, from time to time, to the Investor Education and Protection Fund

(IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on September 8, 2015 (date of last AGM) on the website of the Company www.prismcement.com, as also on the website of the Ministry of Corporate Affairs.

Shareholders who have not encashed their equity dividend warrants so far are requested to make their claim to Karvy. After transfer of the said amount to IEPF, no claims in this respect shall lie against the Company.

12. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to Karvy.
13. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on any working day, except Saturday and Sunday, up to the date of the Meeting.
14. Members who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.
15. Members desiring any information relating to the accounts are requested to write to the Company, well in advance, so as to enable the management to keep the information ready.
16. In compliance with the provisions of Section 108 and other applicable provisions of the Act, if any, the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically on all resolutions set forth in this Notice from a place other than the venue of the meeting ('remote e-voting').

The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Tuesday, August 16, 2016, ('cut-off date') are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means.

The facility for voting through electronic voting system/ ballot paper will be made available at the AGM and members attending the Meeting who have not already cast their vote by remote e-voting shall be eligible to vote at the Meeting.

Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Ms. Savita Jyoti, M/s. Savita Jyoti Associates, Practising Company Secretaries, Hyderabad as the Scrutiniser to scrutinise the entire e-voting process, in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

The Company has entered into an arrangement with Karvy for facilitating e-voting for AGM.

The instructions for e-voting are as under :

A. In case a Member receives Notice of AGM through email (for Members whose email addresses are registered with the Company/Depositories) :

- i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering the details appropriately, click on "LOGIN".
- iv. You will reach the 'Password Change' menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT (e-voting Event Number) i.e. **Prism Cement Limited.**
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the member will appear. If you desire to cast all the



votes assenting/dissenting to the Resolution, then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you shall not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through email at sj.pcltd@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No."
- xi. The Portal will remain open for voting from **August 18, 2016 (9.00 a.m.) till August 22, 2016 (5.00 p.m.)**.
- xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available at the "Download" section of <https://evoting.karvy.com> or contact Karvy on Toll Free No. 1800 345 4001 for any further clarifications.

B. In case a Member receives the physical copy of the Notice of AGM and Attendance Slip (for Members whose email addresses are not registered with the Company/Depositories) :

- i. Password is provided in the enclosed Attendance Slip : EVEN (e-voting Event Number) of Prism Cement Limited, User ID and password.
- ii. Please follow steps from Sl. No. (i) to (xii) under heading 'A' above to vote through e-voting platform.

C. GENERAL INSTRUCTIONS :

- i. The e-voting period commences from 9.00 a.m. on August 18, 2016 and ends at 5.00 p.m. on August 22, 2016. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.
- ii. The voting rights shall be as per the number of equity shares held by the Member(s) as on Tuesday, August 16, 2016, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- iii. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iv. The Scrutiniser shall immediately after the conclusion of voting at the Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or any other Director, who shall counter sign the same.
- v. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed as passed on the date of the Meeting.
- vi. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.prismcement.com and on Karvy's website www.evoting.karvy.com and shall also be communicated to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.
- vii. A Route Map along with prominent landmark for easy location to reach the venue of AGM is annexed to this notice.

By Order of the Board of Directors,

Aneeta S. Kulkarni
Company Secretary

Place : Mumbai
Date : June 6, 2016

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out the material facts relating to Item Nos. 4 to 12 mentioned in the accompanying Notice dated June 6, 2016.

Item Nos. 4 - 7

The Board of Directors of the Company at its meeting held on August 17, 2015 appointed Mr. Vivek Krishan Agnihotri (DIN : 02986266) as Director in casual vacancy caused by the resignation of Mr. S. Ramnath and designated him as Executive Director & CEO (Cement) of the Company for a period of three years with effect from August 17, 2015.

Pursuant to Section 161 of the Companies Act, 2013, Mr. Agnihotri holds office as Director up to August 24, 2016 i.e. the date on which Mr. Ramnath's term would end. Mr. Agnihotri is eligible for appointment as a Director of the Company.

The Board of Directors of the Company at its meeting held on February 11, 2016 :

- (i) Re-appointed Mr. Vijay Aggarwal (DIN : 00515412) as the Managing Director of the Company for a period of three years with effect from March 3, 2016.
- (ii) Appointed Mr. Joydeep Mukherjee (DIN : 06648469) as Additional Director and designated him as Executive Director & CEO (HRJ) of the Company for a period of three years with effect from March 3, 2016.

Pursuant to Section 161 of the Companies Act, 2013, Mr. Mukherjee holds office as Additional Director up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company.

The Company has received notices from a shareholder under Section 160 of the Companies Act, 2013, proposing the names of Mr. Agnihotri and Mr. Mukherjee for appointment as Directors of the Company.

Statement as per proviso (iv) of Part (B) of Part II of Schedule V to the Companies Act, 2013 and information pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 :

I. GENERAL INFORMATION				
1.	Nature of Industry	Manufacture of Cement, Tiles, Bath and Kitchens and Readymixed Concrete.		
2.	Date or expected date of commencement of commercial production	The Company was incorporated on March 26, 1992.		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4.	Financial performance based on given indicators	₹ Crores		
		Particulars	2015-16	2014-15
		Total Revenue	5,621.93	5,627.36
		Total Expenses	5,639.39	5,700.23
		Exceptional Items	(3.61)	62.12
		Profit/(Loss) Before Tax	(21.07)	(10.75)
		Profit/(Loss) After Tax	8.36	14.70
		Dividend Rate	—	—
5.	Foreign investments or collaborators, if any	There are no foreign collaborators. The Company is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The foreign holding in the Company as on March 31, 2016 is 9.86%.		



II. INFORMATION ABOUT THE APPOINTEES		
A Mr. Vijay Aggarwal		
	1. Background details	<p>Mr. Vijay Aggarwal, 47 years, was appointed as Managing Director on the Board of Directors since March 3, 2010 and has earlier been a Director on the Board of the Company as an alternate to Mr. Satish B. Raheja. He was the Managing Director and CEO of the erstwhile H. & R. Johnson (India) Limited since 1998, before it was amalgamated with the Company.</p> <p>Mr. Aggarwal graduated from IIT Delhi with a B. Tech in Electrical Engineering and completed PGDM from IIM, Ahmedabad, where he was conferred the Gold Medal for being the first ranker and K. V. Srinivas Gold Medal for being the best all-rounder. He started his career with SBI Capital Markets Limited and has several years of experience in the manufacturing industry.</p> <p>Mr. Aggarwal is also a Director on the Board of Aptech Limited, Asianet Satellite Communications Limited, Exide Industries Limited, Exide Life Insurance Company Limited and Raheja QBE General Insurance Company Limited. He is Chairman of the Audit Committee of Asianet Satellite Communications Limited and Exide Life Insurance Company Limited & member of the Audit Committees of Aptech Limited, Exide Industries Limited and Raheja QBE General Insurance Company Limited.</p> <p>In the past Mr. Aggarwal has been a part of various associations in different capacities. He has served as the Chairman of Indian Council of Ceramic Tiles and Sanitaryware (ICCTAS), as Vice-Chairman of Ceramics and Allied Products (including Refractories) Panel at Capexil and as Member of the Managing Committee of Bombay Chamber of Commerce and Industry.</p>
	2. Past Remuneration	The remuneration paid to Mr. Aggarwal for the year 2015-16 is ₹ 5.04 crores (excluding leave encashment and retirals paid at the end of the previous tenure).
	3. Recognition and awards	<p>Under the dynamic leadership of the Managing Director, the Company has won various awards in the field of energy efficiency, safety, etc.</p> <p>Mr. Aggarwal was awarded the most Innovative Corporate Leader of the year 2011 by the Power Brand Hall of Fame, London.</p>
	4. Job profile and his suitability	Mr. Aggarwal, as the Managing Director of the Company, functions under the overall superintendence and guidance of the Board of Directors of the Company. In view of his qualifications and varied experience, the Board has bestowed the above responsibilities on Mr. Aggarwal.
	5. Remuneration proposed	To be decided by the Nomination & Remuneration Committee/Board of Directors from time to time within the overall limits as approved by shareholders.
	6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the general industry and the specific company profile, the remuneration decided by the Nomination & Remuneration Committee/Board of Directors is in line with industry trends and is fair and reasonable.
	7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	<p>Except for the remuneration payable to him, Mr. Aggarwal has no direct or indirect pecuniary relationship with the Company or with any of the Directors or managerial personnel of the Company.</p> <p>The Company does not pay any bonus, severance fee and no stock option is granted to the Managing Director.</p>
B. Mr. Vivek K. Agnihotri		
	1. Background details	Mr. Vivek K. Agnihotri, 56 years, was appointed as Executive Director & CEO (Cement) on the Board of Directors since August 17, 2015. Mr. Agnihotri has a good and varied experience in the cement industry of over 28 years.

		<p>Mr. Agnihotri was the Chief Corporate Services Officer at Ambuja Cement Limited, Mumbai in charge of corporate strategy, business risk management, M&A, CSR, land, environment, sustainability, alignment with group companies ACC/Lafarge/Holcim and special projects (coal, greenfield, etc.) prior to joining the Company.</p> <p>He joined ACC in 1987 and held a series of assignments in sales, marketing and commercial services and as Business Head before holding position of Chief Corporate Services Officer since January 2015.</p> <p>Prior to his joining ACC, Mr. Agnihotri has worked with DCM Limited. Mr. Agnihotri has done B.A. - Economics (Hons.) and MBA - Marketing from University of Delhi.</p>
2.	Past Remuneration	The remuneration paid to Mr. Agnihotri as Executive Director & CEO (Cement) with effect from August 17, 2015 is ₹ 1.27 crores (excluding retinals).
3.	Job profile and his suitability	Mr. Agnihotri, as the Executive Director & CEO (Cement) of the Company, functions with special focus on the Cement Division under the overall superintendence and guidance of the Board of Directors and the Managing Director of the Company. In view of his qualifications and varied experience, the Board has bestowed the above responsibilities on Mr. Agnihotri.
4.	Remuneration proposed	To be decided by the Nomination & Remuneration Committee/Board of Directors from time to time within the overall limits as approved by shareholders.
5.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the general industry and the specific company profile, the remuneration decided by the Nomination & Remuneration Committee/Board of Directors is in line with industry trends and is fair and reasonable.
6.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	<p>Except for the remuneration payable to him, Mr. Agnihotri has no direct or indirect pecuniary relationship with the Company or with any of the Directors or managerial personnel of the Company.</p> <p>The Company does not pay any bonus, severance fee and no stock option is granted to the Executive Director & CEO (Cement).</p>
C.	Mr. Joydeep Mukherjee	
1.	Background details	<p>Mr. Joydeep Mukherjee, 49 years, was appointed as Executive Director & CEO (HRJ) on the Board of Directors since March 3, 2016. He joined the Company in December 2015 and was designated Chief Executive Officer - HRJ (Designate).</p> <p>Mr. Mukherjee has a good and varied experience, especially in Sales, Marketing and General Management, in diverse industries of over 27 years. Mr. Mukherjee was the Chief Executive - West & South at ACC Limited, New Delhi in-charge of three integrated cement plants, two grinding units, two blending units and one bulk handling unit. He was responsible for all strategic projects and proposed expansions, manufacturing, marketing, logistics, business strategy, finance and legal functions.</p> <p>He joined ACC in June 2007 as Director - Sales before holding position of Chief Executive since June 2013. Prior to his joining ACC, Mr. Mukherjee has worked with Hindalco Limited, Indian Aluminium Company Limited, Flex Industries Limited and India Foils Limited.</p> <p>Mr. Mukherjee has done B.A. (Hons), Kolkata, Post Graduate Diploma in Marketing Management, IGNOU, Kolkata and EMIB - International Business and Marketing from IIFT, New Delhi.</p>
2.	Past Remuneration	The remuneration paid to Mr. Mukerjee as Executive Director & CEO (HRJ) with effect from March 3, 2016 is ₹ 0.16 crores (excluding retinals).



	3. Job profile and his suitability	Mr. Mukherjee, as the Executive Director & CEO (HRJ) of the Company, functions with special focus on the H & R Johnson (India) Division under the overall superintendence and guidance of the Board of Directors and the Managing Director of the Company. In view of his qualifications and varied experience, the Board has bestowed the above responsibilities on Mr. Mukherjee.
	4. Remuneration proposed	To be decided by the Nomination & Remuneration Committee/Board of Directors from time to time within the overall limits as approved by the shareholders.
	5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the general industry and the specific company profile, the remuneration decided by the Nomination & Remuneration Committee/Board of Directors is in line with industry trends and is fair and reasonable.
	6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Except for the remuneration payable to him, Mr. Mukherjee has no direct or indirect pecuniary relationship with the Company or with any of the Directors or managerial personnel of the Company. The Company does not pay any bonus, severance fee and no stock option is granted to the Executive Director & CEO (HRJ).
III. OTHER INFORMATION		
	1. Reasons of loss or inadequate profits	For the year 2015-16, the Company earned net profit after tax of ₹ 8.36 crores. However, the Company has made inadequate profits primarily due to sluggish demand and weak markets which have adversely impacted the margins.
	2. Steps taken or proposed to be taken for improvement	The Company is taking all efforts to improve its performance which, <i>inter alia</i> , include : <ul style="list-style-type: none"> • Use of petcoke and other alternative fuels for cement operations and reduction of power consumption. • Installation of coal gasifiers at plants in Andhra Pradesh for manufacture of tiles. • Cost management and greater utilisation of assets and adding new readymixed concrete plants in existing markets where demand is robust. • Strengthening of distribution network, merchandising and various initiatives to optimise the costs. • Launching new brands.
	3. Expected increase in productivity and profits in measurable terms	All efforts are being undertaken to ensure an improved performance and increase the profitability of the Company.
IV. DISCLOSURES		
	1.	The appointment may be terminated at any time by either party giving six months notice of such termination to the other party.
	2.	Mr. Aggarwal, Mr. Agnihotri and Mr. Mukherjee do not hold any securities of the Company.
	3.	Mr. Aggarwal, Mr. Agnihotri and Mr. Mukherjee do not have any <i>inter-se</i> relation among themselves and with any employee of the Company.

The draft Agreement(s) to be entered into with the Managing Director and the Executive Director & CEOs are available for inspection at the Company's Registered Office at Hyderabad and at the Corporate Office at Mumbai, on all working days between 11.00 a.m. to 1.00 p.m., except Saturdays, up to the date of the Annual General Meeting.

The Directors are of the view that the Company would be immensely benefited by the experience and guidance of Mr. Vijay Aggarwal, Mr. Vivek Agnihotri and Mr. Joydeep Mukherjee and therefore recommend adoption of the Resolutions at Item Nos. 4 to 7.

Except for Mr. Vijay Aggarwal, Mr. Vivek Agnihotri and Mr. Joydeep Mukherjee who may be deemed to be interested in their respective appointments, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, financially or otherwise, deemed to be concerned or interested in these items of business.

Item Nos. 8 - 10

The remuneration paid to Mr. Vijay Aggarwal, Managing Director, Mr. Vivek Agnihotri, Executive Director & CEO (Cement) and Mr. Joydeep Mukherjee, Executive Director & CEO (HRJ) from their respective dates of appointment till March 31, 2016 was approved by the Nomination & Remuneration Committee and the Board of Directors at their respective meetings held on August 17, 2015 and February 11, 2016 and is subject to the approval of the shareholders.

In case of no profits or inadequacy of profits in any financial year, the terms of appointment of the aforesaid Directors provide for payment of minimum remuneration during the currency of their respective tenures as per details mentioned in the Resolutions at Item Nos. 4, 5 and 7.

Due to generally depressed market conditions and sluggish GOI infrastructure spends, the net profit of the Company in the financial year 2015-16, as computed u/s. 198 of the Companies Act, 2013 and Rules thereunder, was inadequate for the payment of remuneration to the aforesaid Directors as per their terms of appointment.

In spite of tough market conditions such as low demand, low spend on infrastructure development compounded by pressure on prices that affected the overall profitability of the industry, the Company under the guidance of Mr. Aggarwal, Mr. Agnihotri and Mr. Mukherjee used this trying period as an opportunity to implement several strategic initiatives and realign the structure to be future ready, viz. initiatives such as new product launches, improvement in manufacturing processes for increased productivity, financial restructuring that resulted in significant reduction in interest costs and working capital, etc.

The Company has initiated several measures, as stated aforesaid, to improve the overall performance, the effect of which is expected in the coming years. These steps will be beneficial to the Company as the Indian economy revives and the market demand rebounds.

Pursuant to the provisions of Section 197 read together with Schedule V to the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration upto the ceiling limits as specified in Schedule V. Any remuneration paid/to be paid to the Executive Directors in excess of the prescribed limits shall be subject to the approval of the Central Government.

The Nomination & Remuneration Committee and the Board of Directors have, at their respective meetings held on May 25, 2016, subject to the approval of the shareholders and the Central Government, ratified, confirmed and approved, the payment of remuneration to the aforesaid Directors in excess of the limits prescribed under the Act. The Company intends to seek approval from the Central Government for waiver of recovery of excess remuneration paid. Such excess amount is held in trust by the said Managerial Personnel of the Company pending approval from the Central Government and from the shareholders of the Company.

The remuneration to Mr. Aggarwal during the period April 1, 2015 to March 2, 2016 was paid pursuant to the remuneration approved by the Nomination & Remuneration Committee and the Board of Directors at their respective meetings held on January 24, 2013, by the shareholders at the AGM held on June 25, 2013 and in accordance with MCA Circular No. 07/2015 dated April 10, 2015 read with MCA Circular No. 46/2011 dated July 14, 2011 and hence no approval is required for the said period.

The Directors recommend the passing of the Special Resolutions at item Nos. 8, 9 and 10.

Except for Mr. Aggarwal, Mr. Agnihotri and Mr. Mukherjee who may be deemed to be interested in their respective resolutions for waiver of recovery of excess remuneration, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, financially or otherwise, deemed to be concerned or interested in these items of business.

Item No. 11

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. D. C. Dave & Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 at a remuneration of ₹ 8,25,000/-, in addition to applicable taxes and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

The Directors recommends passing of the Resolution at Item No. 11 of the Notice, as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.



Item No. 12

As per Section 42 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to Non-convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of members by way of a special resolution. Such an approval by way of special resolution may be obtained once a year for all the offers and invitations made for such NCDs during the year.

NCDs issued on private placement basis are a significant source of borrowings for the Company. The borrowings of the Company as on the date of notice consists of secured NCDs and Fund & Non-fund based Credit Facilities from Banks by way of Cash Credit/Overdraft/Short Term Loan/WCDL/LC/BG, etc. The Company has, as on date, borrowed ₹ 710 crores by way of NCDs at competitive costs due to which the average cost of borrowing for the Company has reduced. The Company seeks to pass an enabling resolution to borrow funds in addition to the existing borrowings to meet its requirement of funds for repayment/reduction of high cost borrowings, working capital requirements and general corporate purposes.

The members had, at the Annual General Meeting held on September 8, 2015, approved a similar resolution which was valid for a year. Therefore, the approval of the members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 12, within the overall borrowing limits of the Company, as approved by the members from time to time.

CIN : L26942TG1992PLC014033

Registered Office :

305, Laxmi Niwas Apartments,
Ameerpet, Hyderabad - 500 016
Phone : +91 40 23400218 ; Fax : +91 40 23402249
email : investor@prismcement.com
website: www.prismcement.com

The Directors recommends passing of the Resolution at Item No. 12 of the Notice, as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.

Details of Director seeking re-appointment as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 :

Mr. Rajan Raheja (DIN : 00037480), aged 62 years, is an industrialist with a rich and varied experience. He is a Director on the Board of the Company since 1994. Mr. Raheja is an Honours Graduate from the Mumbai University. He is a member of the Nomination and Remuneration Committee of the Company.

Directorships in other Listed Companies :

Exide Industries Limited
Hathway Cable & Datacom Limited
Supreme Petrochem Limited

Chairmanships/Memberships of Board Committees in other Listed Companies:

Supreme Petrochem Limited
Stakeholders Relationship Committee - Member

Mr. Raheja may be deemed to be concerned or interested to the extent of 5,14,06,327 equity shares held by him in the Company. He does not have any inter-se relation with any other Director or any employee of the Company.

By Order of the Board of Directors,

Aneeta S. Kulkarni
Company Secretary

Place: Mumbai
Date: June 6, 2016

PRISM CEMENT LIMITED

CIN : L26942TG1992PLC014033

Registered Office : 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016

Phone : +91 40 23400218; Fax : +91 40 23402249; email : investor@prismcement.com; website : www.prismcement.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No./Client ID : DP ID :

I/We, being the member(s) holding Shares of **Prism Cement Limited**, hereby appoint

1. Name : E-mail ID :

Address :

Signature :

or failing him/her

2. Name : E-mail ID :

Address :

Signature :

or failing him/her

3. Name : E-mail ID :

Address :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on August 23, 2016 at 9.30 a.m. at Taj Mahal Hotel, 4-1-999, King Koti Road, Abids, Hyderabad - 500 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business		FOR *	AGAINST *
1.	Adoption of Audited Financial Statements for the year ended March 31, 2016		
2.	Re-appointment of Director retiring by rotation		
3.	Ratification of Appointment of Auditors		
Special Business		FOR *	AGAINST *
4.	Re-appointment of Mr. Vijay Aggarwal as Managing Director		
5.	Appointment of Mr. Vivek Agnihotri as Executive Director & CEO (Cement)		
6.	Appointment of Mr. Joydeep Mukherjee as Director of the Company		
7.	Appointment of Mr. Joydeep Mukherjee as Executive Director & CEO (HRJ)		
8.	Waiver of recovery of excess remuneration paid to Mr. Vijay Aggarwal		
9.	Waiver of recovery of excess remuneration paid to Mr. Vivek Agnihotri		
10.	Waiver of recovery of excess remuneration paid to Mr. Joydeep Mukherjee		
11.	To ratify remuneration of the Cost Auditors of the Company		
12.	Private Placement of Non-convertible Debentures and/or other Debt Securities		

Signed this day of 2016

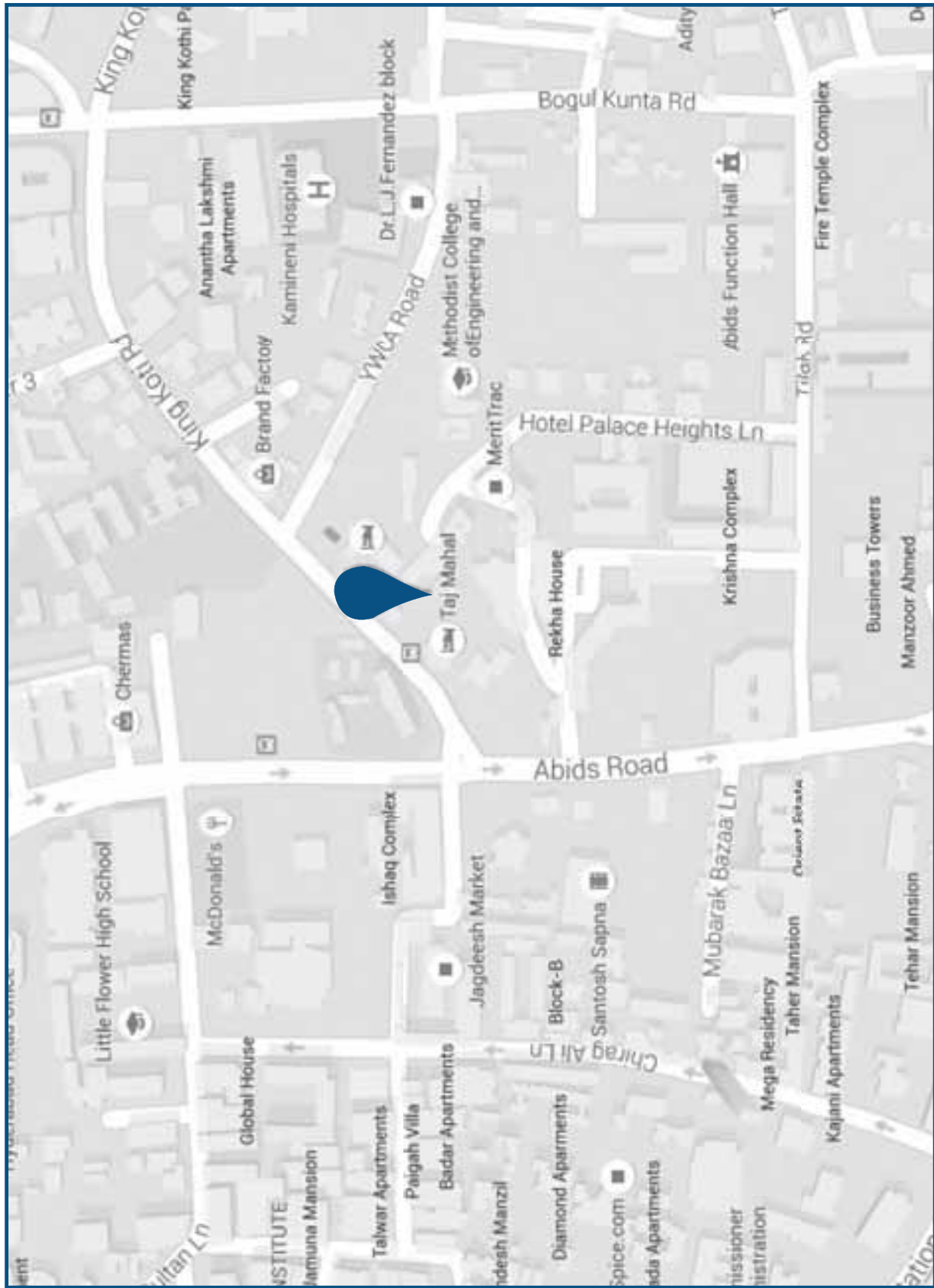
Signature of shareholder.....

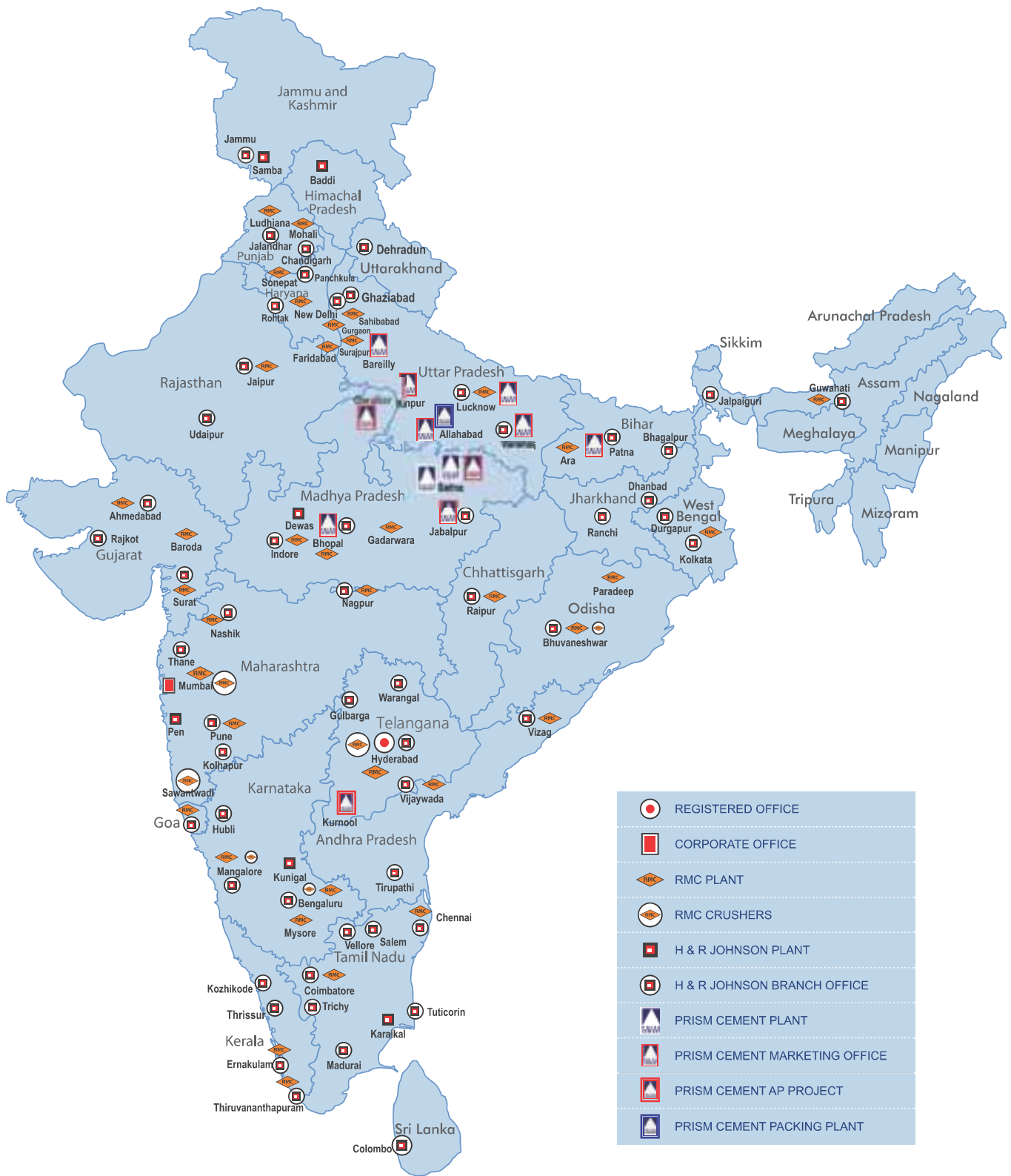
Signature of proxyholder(s).....

Affix
Revenue
Stamp

Notes :

- * 1. Please put 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 3. Please complete all details including details of member(s) in above box before submission.





PRISM CEMENT LIMITED

