



## PRISM CEMENT LIMITED

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Santacruz (W), Mumbai - 400 054.  
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website : www.prismcement.com



Ref : ASK/UD/848/AR 2016-17

August 11, 2017

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

Sub. : Annual Report of the Company for the year 2016-17

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 2016-17 approved and adopted by the shareholders of the Company as per the provisions of the Companies Act, 2013, at the 25<sup>th</sup> Annual General Meeting held on August 9, 2017, at National Institute for Micro, Small and Medium Enterprises (ni-msme), Auditorium Hall, 2<sup>nd</sup> Floor, Training Block, Yousufguda, Hyderabad - 500 045, Telangana.

Kindly take the same on records.

Thanking you,

Yours faithfully,

for **PRISM CEMENT LIMITED**

**ANEETA S. KULKARNI**  
**COMPANY SECRETARY**

# **ENHANCING EFFICIENCIES LEVERAGING OPPORTUNITIES**





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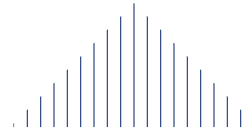
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### Cautionary Statement Regarding Forward-Looking Statement

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



# ENHANCING EFFICIENCIES LEVERAGING OPPORTUNITIES

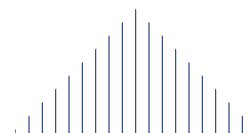
Just like a prism that alters the mere nature of white light and transforms it into seven beautiful colours, we at Prism Cement help render a new definition to any structure or building. We aim to grow, leveraging the inherent strength of the organization and create a better brand proposition for the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

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









# INDIA BUILDS MORE

## Time to leverage our integrated value proposition

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

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

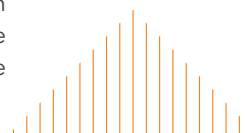
Among all the segments, housing sector happens to be the biggest demand driver of cement and accounting for about 67% of the total consumption. Rest of the sectors includes infrastructure at ~13%, commercial construction at ~11% and industrial construction at ~9%.

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

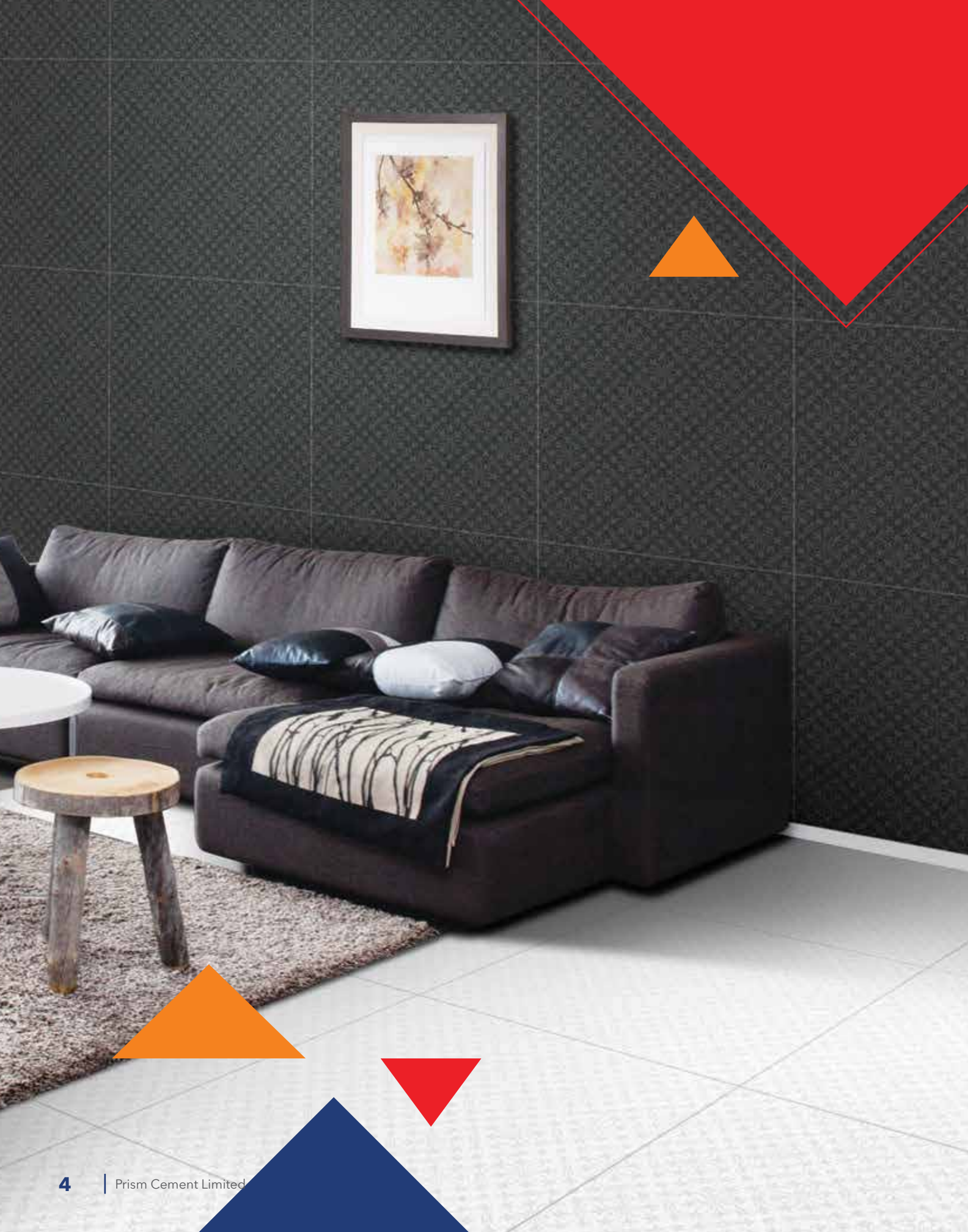
subjected to several roadblocks in last few years, our integrated bouquet of products like cement, TBK and RMC provides a unique opportunity to capture the demand.

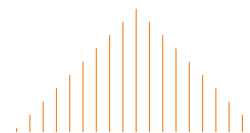
This fiscal, our focus is on consolidating our position in the market and leveraging our value proposition by bridging the gaps. The cement division has witnessed an improvement in operating performance on the back of ongoing cost rationalization measures. We have tried to be cost-effective by reducing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

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









# INDIA SPENDS MORE

## Time to strike a better value volume balance



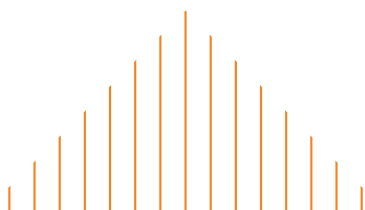
The rising household incomes, changing consumer preferences, rise in aspirational living and increased global exposure of the consumer has opened a plethora of opportunities for the cement industry in India. Unlike the olden days, a house in India today is considered as an expression of one's individuality,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

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

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

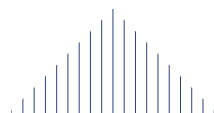
In RMC Division, we are expecting better prospects due to the robustness of the India economy and recommencement of construction activities. Our major focus area is the infrastructure segment, which is indicating a strong comeback. We have seen a substantial upsurge in the order book for the Mega Vertical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

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









# STAKEHOLDERS DESERVE MORE

## Time to elevate our operational benchmark

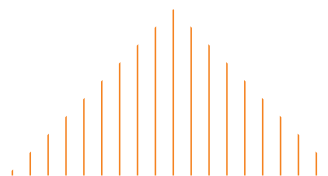
Going in sync with the changing trend, we at Prism Cement strive to integrate the element of safety and security for our consumers as well as stakeholders. One of the focus areas where we expect to constantly evolve is the operational efficiency. Our effort to improve operating performance on the back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

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

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

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

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







# LETTER FROM THE MANAGING DIRECTOR

Dear Shareholders,

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

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



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

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

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

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

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

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

the Captive Arrangement as per the Electricity Rules, 2005.

- ▲ The Division managed to optimize on logistic costs despite increase in fuel price in the later part of the year.
- ▲ Supply agreement with ECO Cements Ltd (ECL) for Bihar market. ECL will manufacture and supply cement to the Company as per the Company's quality and other specifications.
- ▲ The Company has also successfully won the bid for 1,38,300 tonnes per annum of coal from South Eastern Coalfields Ltd to partially secure the fuel requirement for the next 5 years.
- ▲ The premium/better priced brands such as 'Hitech', 'Duratech' and 'Champion Plus' together contributed nearly 11% of overall volumes as compared to 6% in FY16.

The TBK Division is in consolidation mode and we are relentlessly working on improving the performance. The division has scaled up the marketing activities and distribution channels. Further focus is on expanding product range, launch new products and display centres. We have sales team in place to generate demand for dealers through strong influencer connect. We are expanding presence in new geographies. We believe that the above initiatives should help to improve utilization levels and product mix.

The RMC Division's performance was also impacted due to heavy monsoons and

demonetization. With strong order book in the Mega Projects Vertical and gradual pick up in the real estate sector, we see good potential in this segment.

India has a significant growth potential and would immensely benefit from the ongoing reforms from a stable and forward looking Government. The major thrust on infrastructure sector and affordable housing in the recent budget along with forecast of normal monsoon this year will certainly push the growth trajectory. This favourable environment will be conducive for growth and will increase the sales of Cement, RMC and TBK segments.

I thank all the stakeholders for their immense contribution and belief in the Company. At the same time, I am also grateful to all our employees for their relentless efforts and dedication towards the organization.

Best Regards,  
**VIJAY AGGARWAL**



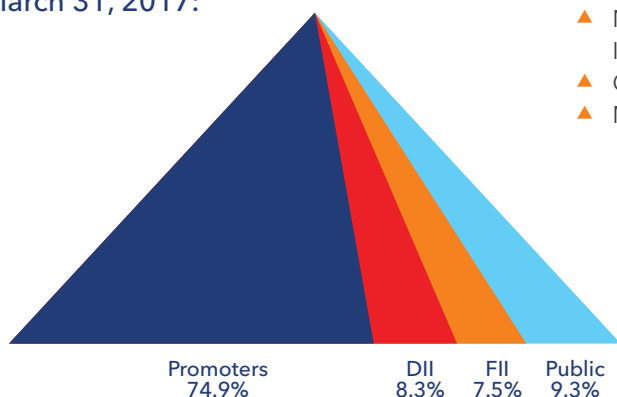


# THE WORLD OF PRISM CEMENT LIMITED

Prism Cement Limited is an integrated building materials Company with interest in Cement, Ready Mixed Concrete (RMC) and Tiles, Bathroom & Kitchen (TBK). It has three divisions namely Prism Cement, H & R Johnson (India) and RMC Readymix (India).

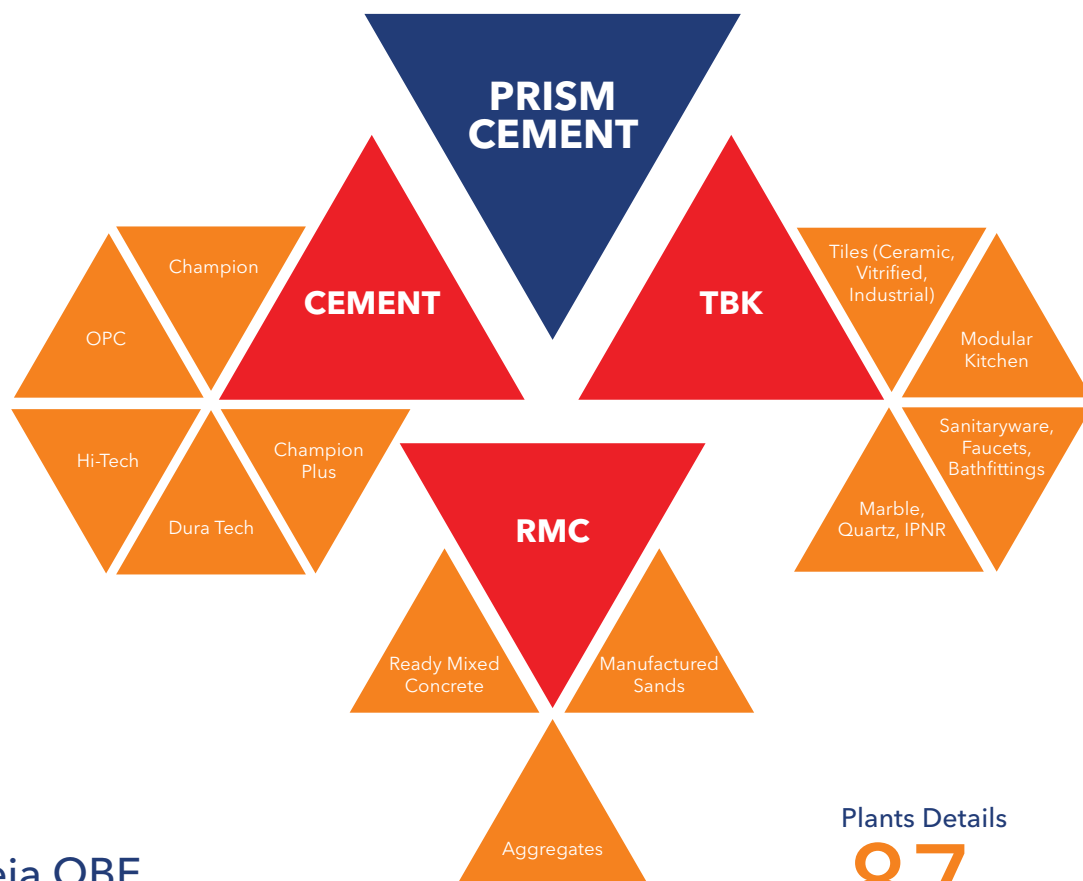


Shareholding  
pattern as on  
March 31, 2017:



## List of Public shareholding more than 1%

- ▲ HDFC Trustee Company Ltd- HDFC Equity Fund: 7.6%
- ▲ National Westminster Bank Plc as Trustee of the Jupiter India Fund: 1.6%
- ▲ CLSA Global Markets Pte. Ltd.: 1.2%
- ▲ Morgan Stanley Asia (Singapore) PTE: 1.0%



## Raheja QBE General Insurance Company Limited

Prism Cement currently holds 51% stake in Raheja QBE General Insurance Company Ltd, a Joint Venture with Australia based QBE Insurance Group (holds 49% 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 21<sup>st</sup> General Insurance Company in India. General Insurance business focuses on specialty products like liability insurance, marine liability, trade credit, etc.

## Distribution Network

**3,810**  
Cement Dealers

**1,000**  
TBK Dealers

**25**  
House of Johnson Outlets

## Plants Details

**87**  
RMC Plants

**₹4,928 cr**  
Market Capitalization (As on 31<sup>st</sup> March 2017, BSE)

**₹5,562 cr**  
Gross Revenue (Consolidated)

**₹2,838 cr**  
Gross Block (Consolidated)

**₹995 cr**  
Net Worth (Consolidated)



## SEGMENT REVIEW

### Prism Cement

Prism Cement is a building materials company based in central India with units in Satna, Madhya Pradesh with a capacity of 7 MTPA of cement. It manufactures Portland Pozzolana Cement (PPC) with the brand name of '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 to the markets of Eastern

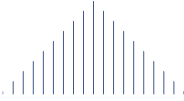
UP, MP and Bihar, with an average lead distance of 406 Kms from its Satna plant, Madhya Pradesh. It has wide marketing network with close to 3,810 dealers serviced from approximately 165 stock points.

The Company has plans for Greenfield expansion in Kurnool District, AP for which required land is in possession, limestone reserves secured and environment clearance in place.

### Operational Review

- ▲ The division has seen improvement in operating performance as compared to previous year with EBITDA per Tonne of ₹ 588 per Tonne in FY17 as compared to ₹ 372 per Tonne in FY16
- ▲ Savings in power and logistic costs during FY17 mitigating higher fuel costs
- ▲ The Company sold 52.1 Lakh Tonnes of cement and clinker as against 52.9 Lakh Tonnes in FY16
- ▲ 'Hitech', 'Duratech' and 'Champion Plus' contributed 11% in FY17 of overall volumes as compared to 6% in FY16

### Financial Review



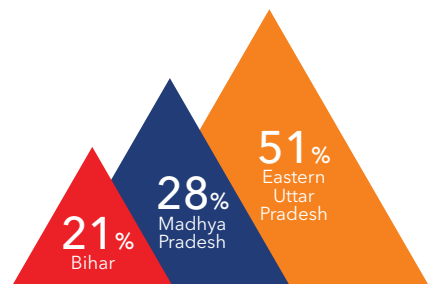
Particulars	FY17	FY16	FY15	FY14	FY13
Sales Volume (Cement & Clinker) - Lakh Tonnes	52.1	52.9	56.2	51.2	47.7
Revenue (₹ cr)	2,347	2,205	2,201	1,947	1,882
EBITDA (₹ cr)	306	197	230	89	162
Margin (%)	13.0	8.9	10.4	4.6	8.6
EBITDA per Tonne (₹)	588	372	410	173	339

**Note:**

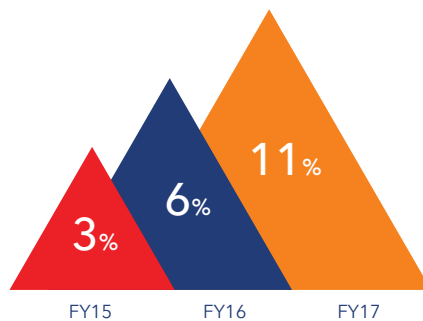
- FY16 and FY17 are as per IND-AS
- FY13, FY14 and FY15 are as per IGAAP
- All numbers mentioned herein exclude clinker sales for third party processing, if any



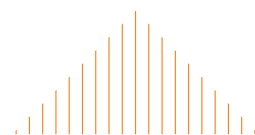
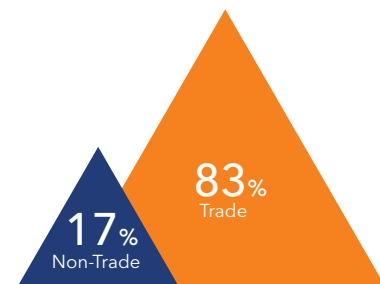
Region wise Cement Sales Mix



Cement Product Mix  
(Hitech+Duratech+Champion Plus)



Cement Sales Channel Mix





## RMC Readymix (India)

RMC Readymix (India) is one of India's leading ready mixed concrete manufacturers established in 1996. It currently operates 87 ready mixed concrete plants spread across 40 cities/towns in India. This division has been able to secure new positions in existing markets and exploring new markets. RMC has a backward integration in aggregate business and operates large quarries and crushers. Presently, the Company has 5 quarries across the country. RMC has been at the forefront in setting high standards for plant and machinery, production and quality systems in the ready-mixed concrete industry. It has given significant importance in providing high level of quality assurance to its customers. The Division has got a few of its technical laboratories accredited by NABL.

### RMC Specials Value-added Concrete

- ▲ **Enviroprotectcrete™** is a High Performance and Sustainable concrete. Used in mass foundations, underground structures, 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
- ▲ **FRCcrete™** is fibre reinforced concrete. Fibres include steel, glass or synthetic fibres. Used in terrace slabs, warehouses, container yards, railway platforms etc.

### Operational Review

- ▲ Started operations in two new cities and expansion in Prism Cement catchment areas
- ▲ Infra order book at record high
- ▲ Focus on O&M segment and cost management program in place
- ▲ NABL Accredited Labs
- ▲ Two of our RMC Plants have won **National Safety Awards** in 2016 and also four plants received Certificate of Appreciation

### Financial Review

Particulars	FY17	FY16	FY15	FY14	FY13
Revenue ( ₹ cr)	1,274	1,288	1,204	1,143	1,128
EBIDTA ( ₹ cr)	38	52	30	40	49
Margin (%)	3.0	4.0	2.5	3.5	4.3

#### Note:

- FY16 and FY17 are as per IND-AS
- FY13, FY14 and FY15 are as per IGAAP

## H & R Johnson (India)

H & R Johnson (India) was established in 1958. This division is the pioneer of ceramic tiles in India operating in TBK (Tiles, Bath and Kitchen) segments. Spanning for over five decades, HRJ has added various product categories to offer complete solutions to the customers. As of today, HRJ is one of the few entities in India offering end-to-end solutions of Tiles, Sanitaryware, Bath Fittings, Kitchenware and Engineered Marble & Quartz. The Division's tiles and bathroom products are sold under four strong brands of Johnson, Johnson Marbonite, Johnson Porselano and Johnson Endura. In the space of Ceramic/Vitrified tiles, HRJ along with its joint ventures and subsidiaries has a capacity of

over 61 mn sq mtr per annum spanning across 11 manufacturing plants across the country which is one of the largest in India. The Bathroom products include bath fittings and sanitary ware with two manufacturing plants at Baddi (HP) and Samba (J&K). Johnson Kitchen is the modular kitchen business foray of the Division. It has tie up with German modular kitchen manufacturer Nobilia for sourcing products. HRJ also produces tile fixing adhesives, grouts, industrial flooring and water proofing products through its joint venture with German partner ARDEX Endura (India) Pvt Ltd (50% partner). It has four plants in Bengaluru, Baroda, Durgapur and Alwar along with Pan India branch network.

### Operational Review

- ▲ Focus on marketing activities and optimizing distribution channels
- ▲ Expand product categories with better product display
- ▲ Expansion in the new markets and identified white spaces
- ▲ Large national trade network of 1,000 dealers and 10,000 sub-dealers
- ▲ 25 'House of Johnson' chain of retail outlets across India contributing ~8% of Division's total sales

### Financial Review

Particulars	FY17	FY16	FY15	FY14	FY13
Revenue ( ₹ cr)	1,882	2,228	2,227	1,916	1,832
EBIDTA ( ₹ cr)	7	77	78	45	89
Margin (%)	0.4	3.4	3.5	2.3	4.9

**Note:**

- FY16 and FY17 are as per IND-AS
- FY13, FY14 and FY15 are as per IGAAP



**The Company won the Reader Digest Trusted Brand 2017 Award. The Company has won this award a total of 9 times, and 8 times in a row from the year 2010 to 2017**

# FINANCIAL HIGHLIGHTS

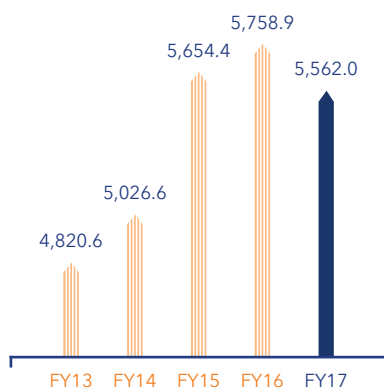
Consolidated Financials (₹ cr)

Particulars	FY17	FY16	FY15	FY14	FY13
Total Income from Operations (Net)	5,562.0	5,758.9	5,654.4	5,026.6	4,820.6
EBITDA	355.5	340.9	353.5	179.3	305.7
EBITDA Margin (%)	6.4	5.9	6.3	3.6	6.3
EBIT	256.8	309.1	188.7	(21.1)	125.8
EBIT Margin (%)	4.6	5.4	3.3	(0.4)	2.6
PAT (Adjusted for Minority Interest)	(1.8)	2.9	2.6	(86.2)	(62.5)
Net Profit Margin (%)	0.0	0.1	0.0	(1.7)	(1.3)
Equity	994.9	998.2	1,054.3	1,058.8	1,148.6
Gross Block	2,837.5	2,698.8	3,998.8	3,902.5	3,575.3
Current Investments	52.9	116.9	86.1	114.6	106.2
Cash & Cash Equivalents	81.0	131.1	129.6	110.7	98.9
ROCE (%)	8.6	9.6	5.7	(0.7)	4.0
Book Value per Share (₹)	19.8	19.8	20.9	21.0	22.8

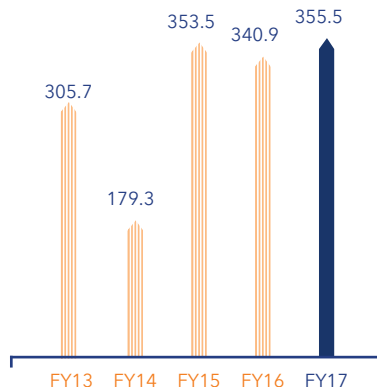
**Note:**

- FY16 and FY17 are as per IND-AS
- FY13, FY14 and FY15 are as per IGAAP

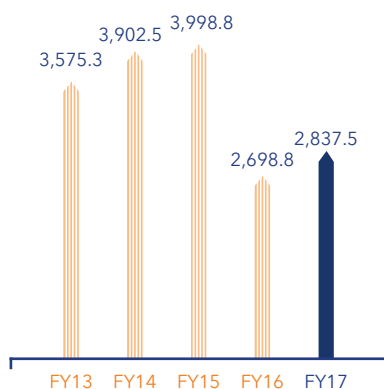
Income From Operations (₹ cr)



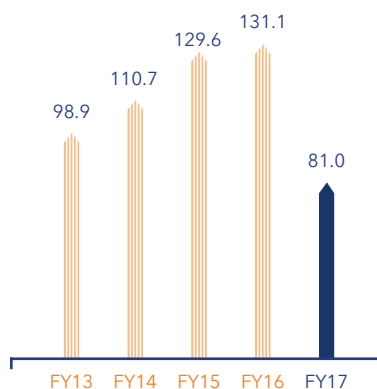
EBITDA (₹ cr)



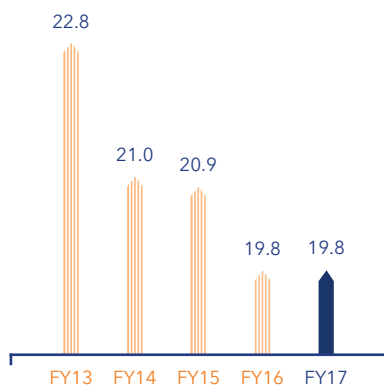
Gross Block (₹ cr)



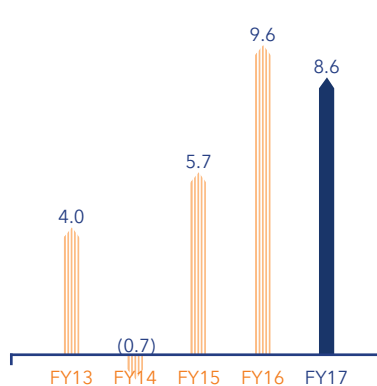
Cash and Cash Equivalents (₹ cr)



Book Value per Share (₹)



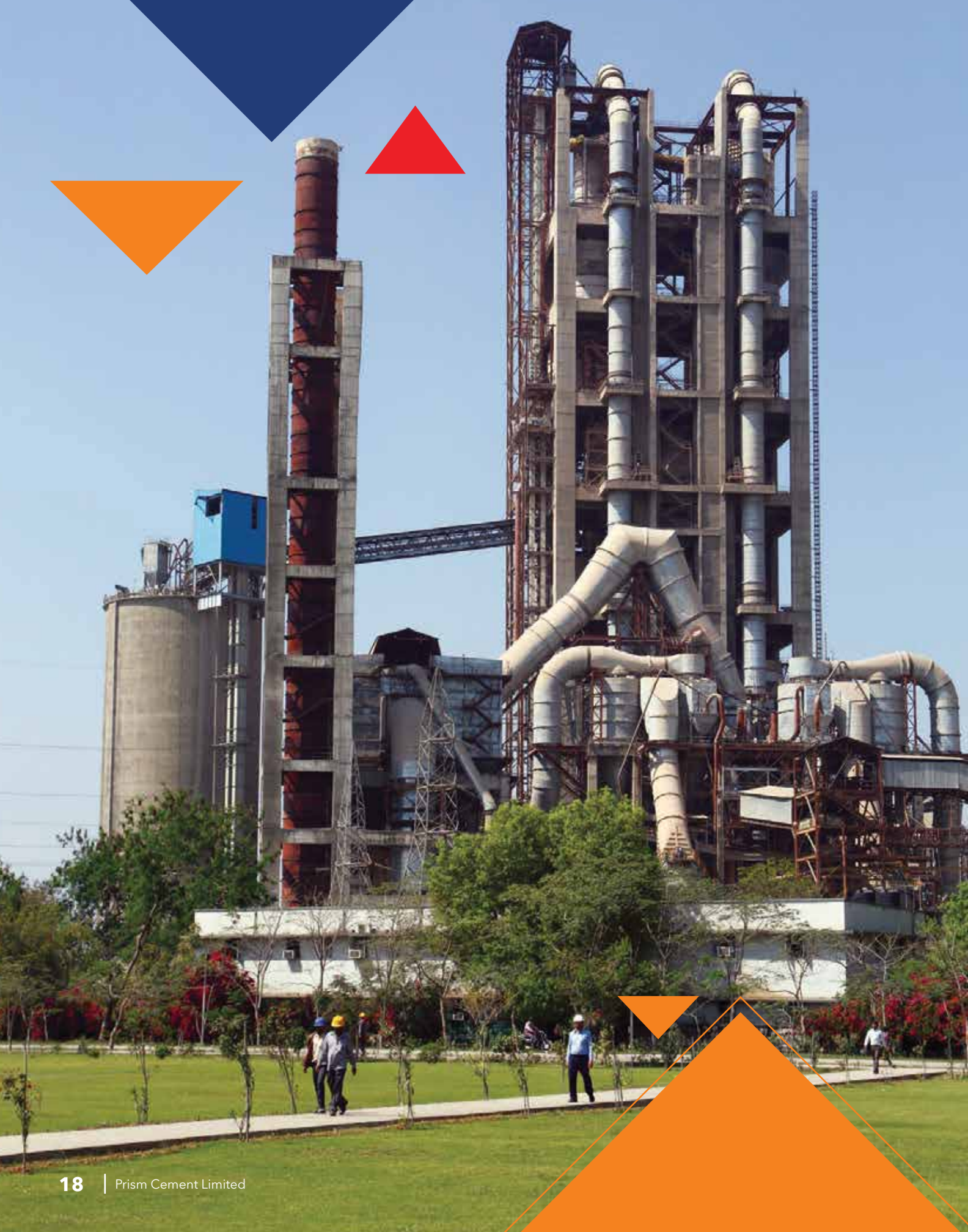
ROCE (%)



Note:

- FY16 and FY17 are as per IND-AS
- FY13, FY14 and FY15 are as per IGAAP





# CORPORATE INFORMATION

## Board of Directors

**Mr. Shobhan M. Thakore**  
Chairman

**Mr. Rajan B. Raheja**

**Mr. Vijay Aggarwal**  
Managing Director

**Mr. Vivek Agnihotri**  
Executive Director & CEO (Cement)

**Mr. Joydeep Mukherjee**  
Executive Director & CEO (HRJ)

**Mr. Atul R. Desai**  
Executive Director & CEO (RMC)  
From August 29, 2016

**Mr. J. A. Brooks**

**Ms. Ameeta A. Parpia**

**Dr. Raveendra Chittoor**  
From July 3, 2017

**Mr. V. M. Panicker**  
Executive Director & CEO (RMC)  
Upto August 24, 2016

## Chief Financial Officer

Mr. Pramod K. Akhramka

## Company Secretary

Ms. Aneeta S. Kulkarni

## Investors Relations

Mr. Munzal Shah  
General Manager - Investors Relations  
Tel: +91 22 6675 4142-46  
Email: investorrelations@prismcement.com

## Corporate Office

'Rahejas', Main Avenue, 2<sup>nd</sup> Floor, V. P. Road,  
Sanataacruz (West), Mumbai-400 054.

## Registered Office

305, Laxmi Niwas Apartments,  
Ameerpet, Hyderabad-500 016.

## 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.

## Bankers

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

## Auditors

G. M. Kapadia & Co., Mumbai.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Economy Overview

### World Economy

As per IMF's World Economic Outlook report of April 2017, the global economy grew at 3.1% in 2016 which was marginally lower than 3.4% in 2015. The Advanced Economies are estimated to have grown at 1.7% whereas the Emerging Markets & Developing Economies are estimated to have grown by 4.1% in 2016. The world's largest economy, United States of America grew at 1.6% in 2016 against 2.6% in 2015, but economic activities in the second half started to regain momentum. China, the world's second largest economy continues to witness slowdown in economic growth given its economic rebalancing by the central government, where it wants to reduce credit dependent growth. However, the pace of losing growth has slowed down in China's economy which has led to an increase in the global energy prices during the year.

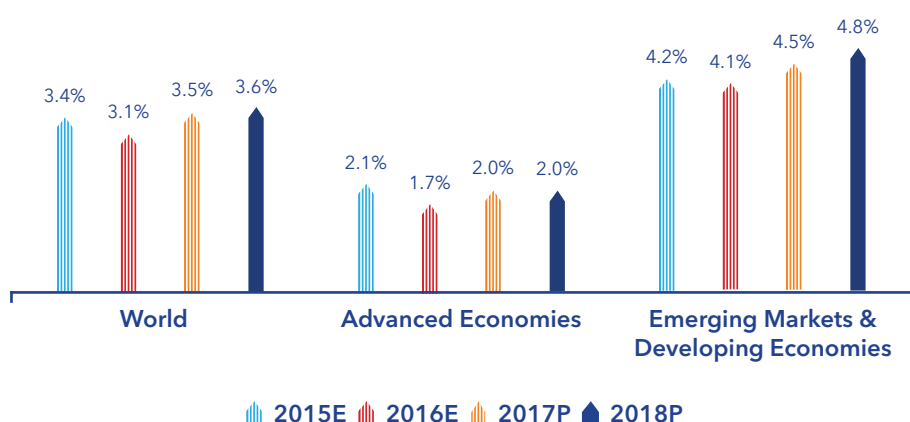
IMF has projected that the global economic growth prospects have revived and would further gain momentum. However, the key downward risks to global economic growth are geo-political concerns in the Middle East & the Korean Peninsula along with growing protectionist policies in the Advance Economies.

### Indian Economy

As per Central Statistics Office estimates, Indian economy grew at 7.1% in FY17. The growth would have been better had it not been for demonetization announced in November 2016, which had an adverse impact on consumer demand. The economic growth in India was largely supported by the agriculture sector which has witnessed a strong growth backed by a normal monsoon in 2016. Also, the Government's push towards fast tracking infrastructure development with increased



Exhibit 1: World Economic Growth



Source: IMF, World Economic Outlook, April 2017





spending has led to an increased growth of the construction sector. The downward cycle of policy interest rates continued during the year where RBI reduced repo rate by 50 bps in two equal installments of 25 bps each. With global energy prices reversing its trend and bouncing back from their lows, inflation has started to move up but was well within the RBI's comfort zone.

By leveraging the growing digitalization in India, the Central Government implemented AADHAR-based Direct Benefit Transfers (DBT) which has successfully plugged unwarranted leakages, resulting in savings to the Government. The strong fundamentals continue to attract foreign inflows where the

net FDI inflows in FY17 increased to \$60.08 bn from \$55.56 bn in FY16.

The big-ticket reform of Goods & Services Tax has been passed and is likely to be implemented sooner than later. This landmark reform would help in getting away with complex state levied taxes and bring them under one ambit. This would propel the momentum of India's economic growth going forward which is expected to rise further.

While most indicators are pointing towards better growth prospects going ahead including normal monsoons, the key challenge for the Government is resolving the mounting NPAs problem in the Indian Banking System.



## Industry Overview

### Cement

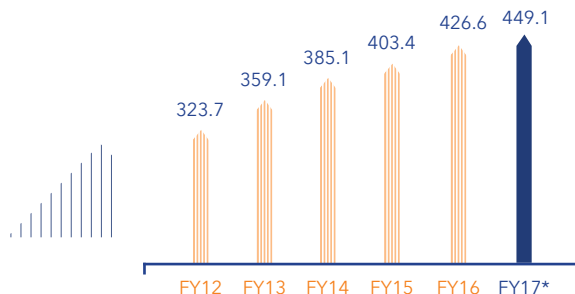
With total installed capacity of around 450 MT, India currently is the world's 2<sup>nd</sup> largest cement producer as well as consumer. The housing sector, which is a large contributor to GDP is the largest consumer of cement in India and has approximately 67% share of the total consumption. It is followed by the infrastructure sector with 13%, commercial construction with 11% and industrial construction with 9% share of the total cement consumption in India.

Referring the data by Ministry of Commerce and Industry, the Cement production in India has steadily grown at a CAGR of 6.7% over the last decade from close to 150 MT in FY06 to more than 280 MT in FY16. At the beginning of the year, the cement demand was expected to grow at similar levels, however, heavy rainfalls and demonetization

took a toll on the cement demand in India. As a result for the first time over the last decade, the Industry witnessed a fall in annual cement production. The total cement production for the year FY17 stood at ~280 MT, down by 1% over FY16.

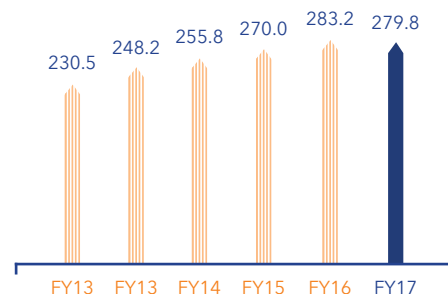
Going ahead, cement demand is expected to improve with an increase in Government's spending on the infrastructure sector as well as increased impetus on building affordable houses through various incentive schemes for both developers and end-use buyers. Over the last few years, the Industry has witnessed consolidation where debt-laden companies have been able to sell assets. This along-with long term growth drivers would help in improving utilization levels in the industry. However, the cement industry is expected to face some margin pressure with the rise in fuel, power and logistic costs.

**Exhibit 2: Installed Capacity of Production of Cement in India, MT**

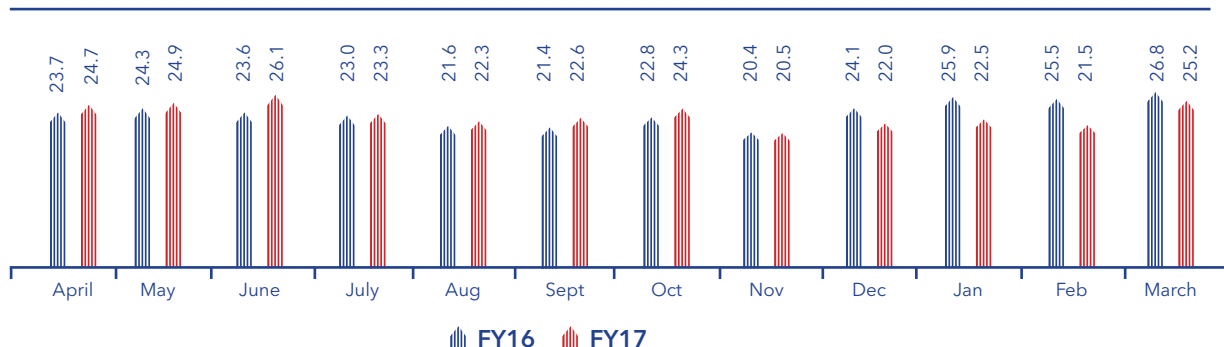


Source: Market reports  
Note: \*Capacity adds adjusted pro-rata for the months they were operational in that year

**Exhibit 3: India Annual Cement Production, MT**



Source: Office of the Economic Adviser

**Exhibit 4: India Monthly Cement Domestic Production, MT**

Source: Office of the Economic Adviser

**Key Demand Drivers****Major Infrastructure Projects**

Dedicated Freight Corridor	3,330 km rail corridor connecting key Indian cities to expedite freight movement
Delhi Mumbai Industrial Corridor	1,500 km along western corridor of DFC
Metro Projects	Several cities across the country are implementing metro projects
Road Projects	NHAI awarded projects, approx. 10,000 km awards in 2016, up 3x from 2015

**Implementation of GST**

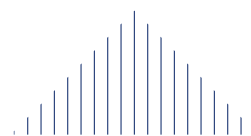
The year saw the approval of Goods and Services Tax (GST) in the Parliament. With the likely implementation of GST sooner than later, the inter-state transport is likely to get a huge fillip. The cost of transportation would be rationalized having a positive impact on the cement industry. Over the medium term, GST would reduce tax cascading and boost India's competitiveness, investment and job creation.

**Strong budgetary allocation by state government**

During the budget, the MP Government has increased its allocation by 17% for public works to ₹ 5,966 cr towards the construction of roads and bridges. Also, outflow for rural development has increased by 6.7% where the government has assigned ₹ 2,850 cr towards Pradhan Mantri Gram Sadak Yojana (PMGSY). The Bihar Government has improved its allocation for rural works by 24.4% where ₹ 5,500 cr has been allocated for the Pradhan Mantri Gram Sadak Yojana. This is 55% higher than the allocation in FY17. Also, ₹ 5,506 cr has been allocated for the construction of state highways.

**Housing for All**

The "Housing for All by 2022" initiative was started to reduce the shortfall in demand and supply of affordable houses in India. It has set a target of building 20 mn houses by 2022. The "Housing for All" scheme initially covers only 500 Tier I cities and will be implemented in three phases. The budget allocation for Pradhan Mantri Awas Yojana for FY18 has increased 39% over FY17.



## Ready Mixed Concrete

Ready mixed concrete has much better acceptability globally than in India. It currently consists of 10% of the total cement consumed in India as against close to 50% to 70% in developed countries. In India, ready mixed concrete in the metro and Tier I cities holds a share of close to 35% of the total cement consumed and 20% in Tier II cities. The Central Government is currently focused towards enhancing the rate of execution of infrastructure projects. The acceptability is also likely to increase due to evolving construction technology.

Currently the growing pollution is the biggest challenge faced by the urban cities. Hence, there is an increased trend of using the ready mixed concrete across major construction sites in cities. As per the report by Cement Vision 2025 by CII - A T Kearney,

India would witness a steady growth in the use of ready mixed concrete and has projected its share to grow up to 25% by 2025 of the total cement consumed.

One of the key drivers of growth for the ready mixed concrete segment is rapid urbanization. Also, some major government initiatives which include the development of 100 smart cities in India which would lead to higher demand for setting up commercial buildings such as shopping malls, schools, offices, colleges, banks, and hospitals. The others include government-led fast growing infrastructure projects comprising roads, bridges and dams.

The growing acceptance of ready mixed concrete is also due to lot of innovation in the concrete materials providing cutting edge solutions to construction challenges.





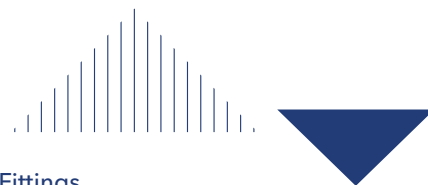
## Tiles, Bath fitting and Kitchen

### Tiles

The growing population and urbanization has led to a continuous growth for the ceramic tiles industry globally. The demand growth is driven by both residential and non-residential sector where the key growth markets are China, India, United States, and Brazil.

As per the Acimac Survey, the Indian Ceramic tiles sector with the production volume of close to 850 mn sq mtr in 2015 is the third largest tiles market after China and Brazil. India is also amongst the fastest growing major markets globally. The per capita consumption of tiles in India is lowest among the top five countries, providing immense potential for growth.

Morbi in Saurashtra, Gujarat is currently the hub of ceramic tiles and sanitary-ware manufacturing in India. It accounts for 70% of India's gross production and 5% of the world's needs. India also has a very large unorganized sector which is almost half of the total industry. With the growing tiles industry in India and fast changing consumer patterns, domestic manufacturers are investing in new product development and new technology to make customized designs. The industry has also witnessed global companies entering the Indian ceramics sector with a view to leverage the growing opportunity. The continuous dumping of Chinese tiles at cheaper rates is one of the major threats to the domestic manufacturers. However, the government continues to remain watchful and on industries demand, imposes dumping duty to protect the domestic manufacturer's interest.



### Bath Fittings

According to the Ken Research report, the bath fittings and accessories market in India is growing at a considerable rate and is expected to reach ₹ 143.1 bn market by 2019. Apart from volume growth there would also be value growth with the growing number of foreign players entering the Indian market and increasing demand for premium range of products. The demand for bath fittings and accessories in India is largely driven by growing personal disposable income, urbanization and improving consumer awareness with regards to bath accessories.

As per Ken Research, India is also well equipped to become the second largest market for sanitary-ware products in the Asia-Pacific region. The key drivers for it would be affluent living standards with the adoption of western lifestyles leading to higher spend on more premium design sanitary-ware products.

### Modular Kitchen

India is witnessing a growing trend of nuclear families, moving towards apartment-style homes. With rising per capita income and higher disposable income aesthetics in home furniture, India is on an upsurge. The urban house buyers are looking forward to invest more in homes that come with well-fitted, kitchens leading to efficient use of space and convenient storing along with elegant look. This has fueled the demand for the latest kitchen fittings including modular kitchens. As per the Technavio Research, growth prospects for modular kitchen market in India are very strong and it is expected to grow at a CAGR of 51.87% over the period 2014-2019.







## Operational Review

### Cement

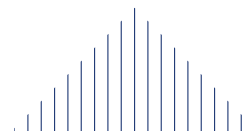
During the year, the Cement Division's performance should be viewed in light of two major events, the heavy monsoons in the region that the Company sells cement and demonetization. The clinker and cement sales during the year were nearly flat at 5.2 MT. While the first and fourth quarter saw positive volume growth the second and third quarter volumes were impacted by above events. Notably, the month of March saw the best ever volume for the Division surpassing previous highs. All the three premium / better priced brands such as 'Hitech', 'Duratech' and 'Champion Plus' are well accepted in the markets and together contribute nearly 11% of overall volumes as compared to 6% in FY16.

The Division has seen improved operating performance on the back of ongoing cost rationalization measures. To reduce power costs, Company has signed a power supply agreement with BLA Power for sourcing 25 MW of power for its plant. Prism Cement acquired 15.23% equity stake for ₹ 21 cr in BLA Power Pvt Ltd under the Captive Arrangement as per the Electricity Rules, 2005. The Division also managed to optimize

on logistic costs despite increase in fuel price in the later part of the year. The Division also managed to optimize on logistic costs despite increase in fuel price in the later part of the year. Others initiatives include, supply agreement with ECO Cements Ltd (ECL). ECL operates a cement grinding plant with a capacity of 0.6 mn tonnes per annum at Bhabhua District of Bihar. ECL will manufacture and supply cement to the Company as per the Company's quality and other specifications. The arrangement with ECL is expected to help the Company optimize its Logistic cost as well as improve local availability in its strategic markets of Bihar. The Company has also successfully won the bid for 1,38,300 tonnes per annum of coal from South Eastern Coalfields Ltd in two auctions held during the year. The Company has partially secured the fuel requirement for the next 5 years.

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.





### RMC Readymix (India)

During the year, the turnover decreased by one percent as compared to previous year. This Division too having started on a good note lost momentum due to heavy monsoon and demonetization. As a result, capacity utilization was lower. It continues to operate pan India with total of 87 concrete plants spread across 40 cities & metros. The Division keeps on exploring to add further RMC plants across India keeping in mind the demand potential. It started operations in two new cities during the year.

Due to lower utilization levels and cost push, the Division reported lower EBITDA at ₹ 38 cr in FY17 as compared to ₹ 52 cr in FY16. The Division continues to focus towards increasing value added product sales and put more efforts to manage costs. It also intends to improve output from transportation and pumping resources.

### H & R Johnson (India)

HRJ operates in TBK (Tiles, Bath and Kitchen) segment. The Division has re-organized its several verticals during the year. As a result, the revenue declined by 15.5% to ₹ 1,882 cr in FY17. Capacity utilization of own plants were at historic lows. The Division continues to scale-up its marketing activities through various initiatives like strengthening of distribution

network, merchandising and has also taken various initiatives to optimize the costs.

The Company has launched new products – Endura EDC in 30cmX30cm in 1.2cm thickness, 60cmX60cm twin white, 80cmX80cm Twin White, 100cmX100cm Twin White, 60cmX60cm Lava Stone and 100cmX100cm Lava Stone. The Division has also launched co-ordinated floor tiles matching with its wall tile portfolio.

Amongst the on-going cost rationalization measures, renewed focus is on reducing logistic costs, improving plant efficiencies, reducing power & fuel costs and optimizing channel distribution.

The Division has a total of 1,000 dealers and nearly 10,000 sub dealers. It also has large formats 25 'House of Johnson' chain of retail outlets contributing ~8% of Divisional total sales.

The Company won Reader Digest Trusted Brand 2017 Award.



## Consolidated Financial Review

During the year, total revenues stood at ₹ 5,562 cr as against ₹ 5,758.9 cr in FY16. The Cement Division revenues increased by ~6% at ₹ 2,347 cr compared to the last year's ₹ 2,205 cr. HRJ and RMC Division recorded a revenue de-growth of 15.5% and 1.1% to ₹ 1,882 cr and ₹ 1,274 cr respectively. Overall EBITDA were at ₹ 355.5 cr in FY17 as compared to ₹ 340.9 cr in FY16. The EBITDA margin were at 6.4% in FY17 as compared to 5.9% in FY16.

### Outlook

Post demonetization period, the ground level activity/businesses has gradually picked up and getting back to normalize level. The impending growth momentum is likely to pick-up going forward. The recent Union Budget has further put impetus on infrastructure development especially on roads, airports, irrigation and railway capex. The budget has set target to double farmer's income in five years. This along with focus on affordable housing should help to boost demand for all the three Divisions in the medium to long term.

With the Government advancing in the right direction with intent and resolve supported by interest rate cuts from RBI augurs well for the industry. The Government's continued thrust on core schemes such as '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 push for fast track roads and highways will bolster the construction industry leading to increased demand for cement and ready mixed concrete. There would be incremental demand from Government-backed projects.

The States have also re-aligned with Government's thrust on development as core agenda with increasing spend on

infrastructure and housing in State Budgets. Most States have cleared the Real Estate Bill, which would bring in transparency and better execution. All the above initiatives would lead to better cement demand in the medium to long term. The Cement Division's capital employed is at an attractive level of ~\$36 per tonne. This would lead to higher return on capital employed as utilization levels go up.

HRJ Division continues to possess robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens. The focus is on increasing the utilization levels and better working capital management. The Division intends to further improve the product display of value added products. Demonetization coupled with other historic reforms like GST in due course would result in significant benefit for organized sector including your Company. Efforts are also on to increase presence in unrepresented markets.

The markets in many of the metros are expected to see a turnaround in the near term as economy picks up and construction activities resume. With the Mega Projects Vertical, RMC Division is focusing to cater the infrastructure segment, which is reflecting strong comeback. Subsequently the order book has increased substantially for the Mega Projects Vertical. The Company has taken measures which going forward would help to improve operational efficiency and productivity.





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.

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 Risk:** The impact of macro-economic variables such as a slowdown in the economic activity and real estate sector will have an adverse effect on the Company's performance.

**Measures:** The Company has strategies in place that monitors the environment and aims to mitigate this risk.


**Political Risk:** The delay in the Government approvals such as giving clearances to the projects can impact the growth of the Company.

**Measures:** Prism Cement has diversified business segment to mitigate the risk factor. Additionally, the Governments' determination to push the stalled projects provides ample growth opportunity.

**Credit Risk:** There can be a delay in payments from the existing clients which can hamper the cash flows for the Company.

**Measures:** The Company has diversified customer base spread across institutional and retail clients which mitigate the risk of delay in cash flows.





**Cost Risk:** The cost of input materials such as rise in the fuel cost and competitive pricing can stress the balance sheet.

**Measures:** The Company has won coal linkages and bought a stake in power generation Company which to an extent address the impact of cost.

### Human Resource

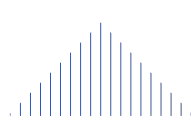
Prism Cement believes that Human Capital is one of the most precious assets of the Company. Human Capital plays a very important role in the growth story of the Company. The major drivers of the human resources in the Company are:

#### Building capability and nurturing leadership

Strong employee with a good spirit takes the Company to the next level. The Company provides an equal employment opportunity with transparent HR policies.

#### Prioritizing values and incorporating performance culture

Inculcation of ethics and values of the high standard is the strong pillar of the Company. Prism Cement is known for adopting the best practices in the 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) which recognizes talent and incorporates their ideas and inputs to improve the working environment and productivity. Under Learning bytes, the Company provides the Product and Functional training. Performance improvement plan for under-performers and Health check-up camps for employees are in place.

### Sustainable Growth through agile and diverse organization

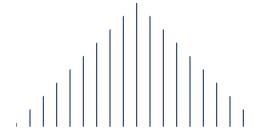
Various measures have been taken to restructure the organization and the policies to suit the business requirements and enable the Company to sustain growth and improve productivity. The Company has HR Connect- Zonal/Regional HR meetings with branch employees.

### Internal Control Systems

The Company has a well-established framework of internal controls in place across all areas which include suitable monitoring procedures and competent qualified professionals. These systems maintain strict accounting control, optimum utilization of resources and efficiency in operations as well as financial reporting, compliance with policies, applicable laws, rules and regulations. In addition to the statutory audit, the financial controls of the Company at various locations are reviewed by the internal auditors, who report their finding 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

Prism Cement is committed for carrying the responsibility of sustainable growth by transforming the challenges it faces into value creation opportunities. The principles of sustainable growth extend to

our CSR initiatives, which focus on holistic development of the local community and create social, ecological and economic value to the society are:



The Company believes that the infrastructure development has a long-lasting impact and drives society towards growth. In a step towards this direction, building WBM roads & PCC roads, construction of cremation sheds and other rural infrastructure developments works are carried out.

The Company has a full-fledged Medical Centre, with diagnostic facility like Digital X-Ray, Pathology Lab, Occupational Health diagnostic equipment and Dentistry. The Company conducts Special Mega Medical Camps, Mobile Health Van Services and 24 hours free ambulance, School Child health check-up. The Company is also sponsoring cataract surgery and providing assistance to government health schemes. The Company also constructs toilets blocks in nearby government schools.



For promotion of education, the Company provides support for infrastructure development of government schools through renovation of buildings, providing furniture like desk table, dari and fans for sitting arrangement and uniform distribution to students.





The Company is aware about its environmental responsibility, conducts its manufacturing operations in a highly efficient manner without compromising with the ecological sustenance. For conservation of environment, the Company works towards planting of saplings in villages and mines areas. The Company provides saplings to villagers and students, grouting tree guards and conducts awareness programs on environment sustainability.

The Company has been distributing clean water supply to the community by distributing bore well water through mobile tankers and operates water booths at strategic points in villages in the peak of summer season. Installation of hand pumps, cleaning of rivers, deepening of pond and construction of water harvesting structures are the focus area of the Company.



The Company recognizes women empowerment as a priority segment. Hence, the Company arranges different vocational trainings like beautician course and papad and pickle making. For unemployed youth, the Company arranges drivers training, basic computer training and for agriculture development farmers training are organized.

Promoting a healthy life style, the Company has always been seen as a significant factor to enhance sports activities in the community by sponsoring different tournaments like cricket, football, badminton, volleyball, etc. Development of playgrounds and sport facilities in rural areas is also carried out.



The Company is creating social awareness on health, education, gender equality, environment, water conservation and drug abuse by slogan writing as well as supporting charitable trusts, NGO's and other such other institution engaged in social welfare and development. The Company is also provide their support to overcome natural calamities and disasters by providing rescue of marooned villagers, providing logistics, food & shelters and medical aid as well as repairing of roads.

# 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

### 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, economics, law, etc.
- As on March 31, 2017, the total strength of the Board is eight Directors comprising four

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

- During the year ended March 31, 2017, seven Board Meetings were held on (i) May 17, 2016, (ii) May 25, 2016, (iii) August 9, 2016, (iv) August 29, 2016, (v) November 30, 2016, (vi) December 13, 2016 and (vii) February 14, 2017.
- 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 2016-17 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. Shobhan M. Thakore <sup>\$1</sup> Chairman	Non-executive Independent	00031788	5	Yes	8	6	2
Mr. Rajan B. Raheja	Non-executive Non-independent	00037480	6	No	5	1	—
Mr. Vijay Aggarwal Managing Director	Executive Non-independent	00515412	5	Yes	5	4	1



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. Vivek K. Agnihotri Executive Director & CEO (Cement)	Executive Non-independent	02986266	5	Yes	—	—	—
Mr. Joydeep Mukherjee Executive Director & CEO (HRJ)	Executive Non-independent	06648469	6	Yes	—	—	—
Mr. Atul R. Desai <sup>\$2</sup> Executive Director & CEO (RMC)	Executive Non-independent	01918187	4	N. A.	—	—	—
Mr. J. A. Brooks	Non-executive Independent	00142045	3	Yes	—	—	—
Ms. Ameeta A. Parpia	Non-executive Independent	02654277	7	Yes	3	3	1
Mr. Rajesh G. Kapadia <sup>#1</sup>	Non-executive Non-independent	00003272	—	N. A.	—	—	—
Mr. V. M. Panicker <sup>#2</sup>	Executive Non-independent	02975912	2	Yes	—	—	—

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

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

<sup>\$1</sup> Appointed as Chairman w.e.f. August 9, 2016.

<sup>\$2</sup> Appointed w.e.f. August 29, 2016.

<sup>#1</sup> Resigned on July 15, 2016.

<sup>#2</sup> Resigned on August 24, 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 special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed at the subsequent Board meeting.

The Company Secretary and the Chief Financial Officer are invited to attend all the Board Meetings.

### 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.

The details of familiarisation programme for Independent Directors have been disclosed on the website of the Company [www.prismcement.com/aboutus/policies](http://www.prismcement.com/aboutus/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 & Employees. These Codes are hosted on the Company's website [www.prismcement.com/core-values/codeofconduct](http://www.prismcement.com/core-values/codeofconduct). 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/codeofconduct/upsi](http://www.prismcement.com/core-values/codeofconduct/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 14, 2017, *inter alia*, to discuss the 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 and 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.

Apart from the Board members, the Chief Financial Officer is invited to attend all the Committee Meetings. Other senior management executives and advisors/consultants are called as and when necessary, to provide additional inputs for the items being discussed by the Committee(s).

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, 2017, 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 eight times during the year ended March 31, 2017 on (i) May 24, 2016, (ii) May 25, 2016, (iii) August 8, 2016, (iv) August 9, 2016, (v) December 12, 2016, (vi) December 13, 2016, (vii) February 13, 2017 and (viii) February 14, 2017. The details of

attendance by the Committee Members are as follows :

Name of Member	Category	No. of Audit Committee Meetings attended
Ms. Ameeta A. Parpia <i>Chairperson</i>	Non-executive Independent	8
Mr. J. A. Brooks	Non-executive Independent	6
Mr. Shobhan M. Thakore	Non-executive Independent	6

The terms of reference of the Audit Committee cover the matters specified in Section 177 of the Companies Act, 2013 to, *inter alia*, 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, 2017, 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, 2017, 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 :

- 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.
- 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.
- Review the performance of the Board of Directors.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.

During the year ended March 31, 2017, two meetings of the NRC were held on (i) May 24, 2016 and (ii) August 29, 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	2
Mr. Rajan B. Raheja	Non-executive Non-independent	1
Mr. J. A. Brooks	Non-executive Independent	1

## Performance Evaluation

In accordance with the provisions of the Companies Act, 2013, 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. The performance evaluation of the Independent Directors and of every Director was also done by the Nomination & Remuneration Committee.

Structured questionnaires were prepared in line with the SEBI Guidance Note on Board Evaluation covering various aspects such as structure, attendance at the meetings, participation and contribution, functions, knowledge and competency, initiative, commitment, 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, 2017, the Non-executive Directors were paid in aggregate, an amount of ₹ 18.50 lakhs as sitting fees as under :

Name of Member	₹ Lakhs
Mr. Rajan B. Raheja	3.00
Mr. J. A. Brooks	3.90
Ms. Ameeta A. Parpia	6.70
Mr. Shobhan M. Thakore	4.90

- (ii) Apart from this, Non-executive Directors (NEDs) 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 NEDs shall be approved by the NRC/Board. In view of his valuable contribution to the Company, the NRC, at its meeting held on May 25, 2017, approved a commission of ₹ 60 lakhs to be paid to Mr. J. A. Brooks, Non-executive Independent Director. Accordingly, the Company has provided for the payment of commission of ₹ 60 lakhs to Mr. Brooks for the financial year 2016-2017, in addition to the sitting fees for attending the Board/Committee Meetings.

**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, Annuity Funds, 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.
- For the year 2015-16, due to non-availability of profits, the Company had made applications to the Central Government seeking approval 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 H & R Johnson (India) Divisions of the Company.

Pending the above application, the Company has recovered excess remuneration of ₹ 0.67 Crores and ₹ 2.11 Crores paid, during their respective tenures, to the Managing

Director and the Executive Director & CEOs of the Cement, H & R Johnson (India) and RMC Readymix (India) Divisions of the Company due to inadequacy of profits for the years 2015-16 and 2016-17, respectively.

**Details of the remuneration paid for the year ended March 31, 2017 are as under :**

Name	Business relationship with the Company	Remuneration paid during the year (₹ Crores)	Date of Appointment
Mr. Vijay Aggarwal	Managing Director	3.89	March 3, 2016
Mr. Vivek K. Agnihotri	Executive Director & CEO - Cement	2.35	August 17, 2015
Mr. Joydeep Mukherjee	Executive Director & CEO - HRJ	2.21	March 3, 2016
Mr. Atul R. Desai	Executive Director & CEO - RMC	1.42	August 29, 2016
Mr. V. M. Panicker	Executive Director & CEO - RMC	0.83	Resigned on August 24, 2016

*Remuneration includes salary, allowances, performance incentive, contribution to provident and annuity funds, perquisites, leave encashment etc. (wherever applicable).*

**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 agreed and applicable as per Company Rules.
3. Retirement benefits - contribution to provident fund, 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 & CEO, wherever applicable, as per Company Rules.

**d. Details of shares of the Company held by the Directors as on March 31, 2017 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, 2017, the Stakeholders Relationship Committee comprises of Ms. Ameeta A. Parpia, Independent Director as the Chairperson and Mr. Vijay Aggarwal, Managing Director 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, 2017 on (i) May 25, 2016, (ii) August 9, 2016, (iii) December 13, 2016 and (iv) February 14, 2017. 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

The Board has designated Ms. Aneeta S. Kulkarni, Company Secretary, as Compliance Officer. During the year ended March 31, 2017, eight complaints were received from shareholders, which were resolved satisfactorily. As on March 31, 2017, 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, 2017, the Committee comprises of Mr. Vijay Aggarwal - Chairman, Mr. Vivek K. Agnihotri - Member, Mr. Joydeep Mukherjee - Member and Mr. Atul R. Desai - Member.

The Committee has met four times during the year ended March 31, 2017 on (i) May 25, 2016, (ii) August 9, 2016, (iii) December 13, 2016 and (iv) February 14, 2017. The details of attendance by the Committee Members are as follows :

Name of Member	No. of SA & TC Meetings attended
Mr. Vijay Aggarwal	4
Mr. Vivek K. Agnihotri	4
Mr. Joydeep Mukherjee	4
Mr. Atul R. Desai *	2
Mr. V. M. Panicker #	2

\* Appointed w.e.f. August 29, 2016.

# Resigned on August 24, 2016.

To expedite the process of share transfers in physical segment, officers of the Company have been authorised to approve share transfers 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 13, 2017. As on March 31, 2017, 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 A. Parpia	Member & Independent Director	1
Mr. Vivek K. Agnihotri	Member	1
Mr. Joydeep Mukherjee	Member	1
Mr. Atul R. Desai *	Member	1
Mr. V. M. Panicker #	Member	N. A.

\* Appointed w.e.f. August 29, 2016.

# Resigned on August 24, 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, 2017, four meetings of the Risk Management Committee were held on (i) May 24, 2016, (ii) August 8, 2016, (iii) December 12, 2016 and (iv) February 13, 2017. The composition of the Risk Management Committee as at March 31, 2017 and the details of attendance at the meetings of the Committee is as under :

Name of Member	Designation	Attendance at the Meeting of the Risk Management Committee
Mr. Vijay Aggarwal	Chairman	4
Ms. Ameeta A. Parpia	Member	4
Mr. Vivek K. Agnihotri	Member	4
Mr. Joydeep Mukherjee	Member	4
Mr. Atul R. Desai *	Member	2
Mr. Pramod K. Akhramka	Member	4
Ms. Aneeta S. Kulkarni	Member	4
Mr. V. M. Panicker §	Member	2

\* Appointed w.e.f. August 29, 2016.

§ Resigned on August 24, 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/aboutus/policies](http://www.prismcement.com/aboutus/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/aboutus/policies](http://www.prismcement.com/aboutus/policies). As on March 31, 2017, Raheja QBE General Insurance Company Limited (RQBE), is a material non-listed subsidiary company in terms of the SEBI LODR.

Ms. Ameeta A. Parpia and Mr. Shobhan M. 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/aboutus/policies](http://www.prismcement.com/aboutus/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 'D' forming part of the Directors' Report.

All other transactions entered into with Related Parties as defined under the Companies Act, 2013 and the 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, 2017 which were in conflict with the interests of the Company. Details of such related party transactions are given in Note 4.08 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 BSE and

NSE, the same are not being sent separately 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, 2017.

## 8. General Body Meetings

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

Date of Meeting	Time of Meeting	Venue
August 23, 2016	9.30 a.m.	Taj Mahal Hotel, 4-1-999, King Koti Road, Abids, Hyderabad - 500 001
September 8, 2015	9.30 a.m.	
July 31, 2014	9.30 a.m.	

- (ii) Four special resolutions were passed at the Annual General Meeting held on July 31, 2014, three special resolutions were passed at the Annual General Meeting held on September 8, 2015 and seven special resolutions were passed at the Annual General Meeting held on August 23, 2016.
- (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 9, 2017.

## 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/Nava Telangana (Telugu) and are displayed on the Company's website [www.prismcement.com/investors/financialresults](http://www.prismcement.com/investors/financialresults).
- 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** is a part of the Annual Report and is annexed separately.

## 11. General Shareholder Information

### A. Annual General Meeting

**Date and Time** : August 9, 2017 at 11.00 a.m.

**Venue** : National Institute for Micro, Small and Medium Enterprises (ni-msme), Auditorium Hall, 2<sup>nd</sup> Floor, Training Block, Yousufguda, Hyderabad - 500 045, Telangana.

## B. Financial Calendar

### — Reporting for the Quarter ending :

June 30, 2017	-	} Within 45 days from the close of the quarter
September 30, 2017	-	
December 31, 2017	-	
March 31, 2018	-	Within 60 days from the close of the financial year

— **Annual General Meeting for the year 2018** - Within six months from the close of the financial year

**C. Book Closure** : Thursday, August 3, 2017 to Wednesday, August 9, 2017 (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
BSE 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 2017-18 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 BSE Limited.
- (iv) The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

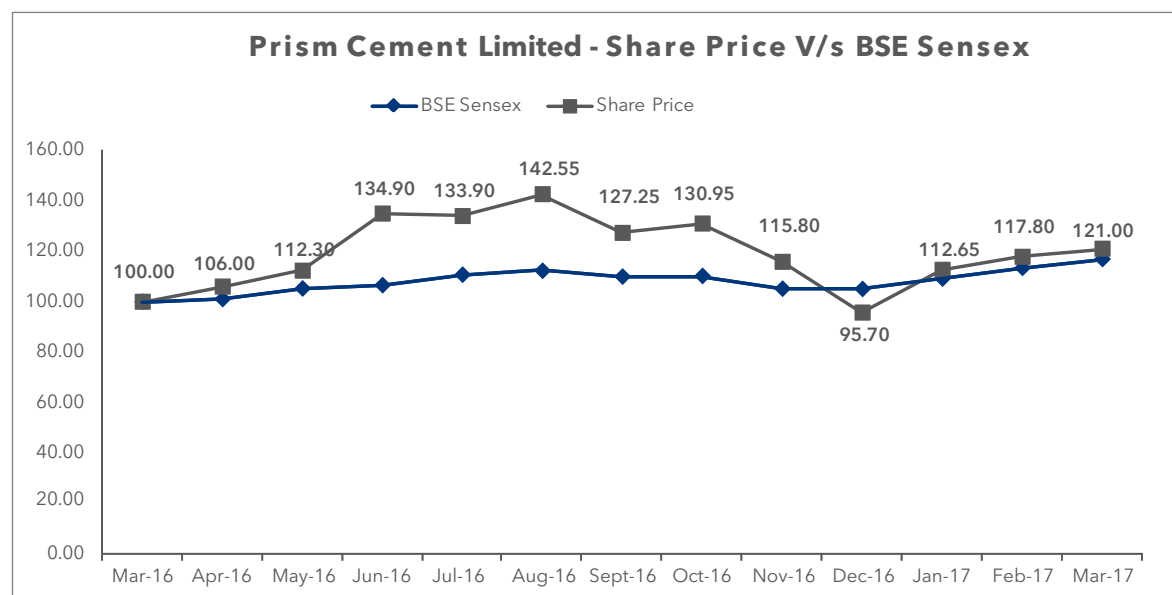
## E. Market price data for the year ended March 31, 2017 :

MONTH	BSE PRICES		NSE PRICES	
	High ₹	Low ₹	High ₹	Low ₹
April 2016	88.10	80.60	88.15	80.65
May 2016	94.45	82.00	94.60	82.10
June 2016	112.95	92.45	112.45	92.50
July 2016	111.10	103.05	110.80	103.20
August 2016	115.50	102.90	115.25	103.15
September 2016	114.15	100.50	113.90	100.35
October 2016	110.20	103.90	110.70	103.50
November 2016	106.25	80.50	106.35	79.30
December 2016	90.00	77.25	90.30	77.25
January 2017	95.65	79.70	96.10	79.85
February 2017	111.20	89.65	112.30	89.95
March 2017	101.15	92.70	101.55	92.70

### Performance in comparison to BSE Sensex :

Closing value of 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, 2016.



[Source : [www.bseindia.com](http://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](mailto:einward.ris@karvy.com)  
website : [www.karvycomputershare.com](http://www.karvycomputershare.com)  
Tel. No. : +91 40 6716 1500/1562  
Fax No. : +91 40 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 in terms of the SEBI LODR is regularly carried out by an independent practicing Company Secretary.

### ***Dealing with securities which have remained unclaimed***

Pursuant to Regulation 39 of the SEBI LODR, 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.	142	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.	142	40,800

## H. Transfer of Unpaid/Unclaimed Dividend Amounts/Shares to Investor Education & Protection Fund

### ➤ ***Transfer of unclaimed equity shares into Investor Education and Protection Fund (IEPF) Suspense Account***

Pursuant to the provisions of Section 125(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ('the Rules') the Company shall transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government on the specified date. In accordance with the said Rules, the Company has published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the Rules, to take immediate action in the matter.

### ➤ ***Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education & Protection Fund***

During the year under review, the Company has transferred unpaid/unclaimed final

dividend for the year ended March 31, 2009 and the 1st interim dividend for the year ended March 31, 2010 to the Investor Education and Protection Fund. No claim lies against the Company in respect thereof.

The Company has uploaded full details of such shares due for transfer as well as unclaimed dividends on the website of the Company [www.primscement.com](http://www.primscement.com).

Both the unclaimed dividends and the shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the Rules.

## I. Distribution of shareholding and shareholding pattern as of March 31, 2017 :

### **Distribution of Shareholding**

No. of equity shares	No. of shareholders	No. of equity shares	% of Shareholding
1 - 100	48,776	39,50,314	0.78
101 - 200	17,429	33,48,394	0.67
201 - 300	6,196	17,88,016	0.36
301 - 400	2,565	10,00,835	0.20
401 - 500	5,189	25,78,139	0.51
501 - 1000	5,255	44,82,830	0.89
1001 - 5000	4,151	91,57,063	1.82
5001 - 10000	438	32,12,894	0.64
10001 - 50000	294	59,16,848	1.18
50001 and above	112	46,79,21,247	92.95
<b>Total</b>	<b>90,405</b>	<b>50,33,56,580</b>	<b>100.00</b>



## Shareholding Pattern

Category	No. of Shares	% Shareholding
Promoters	37,68,81,169	74.87
FII/NRI/OCBs	3,94,99,411	7.85
Corporate Bodies	48,52,613	0.96
Financial Institutions/ Banks/Mutual Funds	4,17,16,955	8.29
Indian Public	4,04,06,432	8.03
<b>Total</b>	<b>50,33,56,580</b>	<b>100.00</b>

## J. Dematerialisation of Shares

Trading of the Company's shares is compulsorily in dematerialised form for all investors. As of March 31, 2017, equity shares representing 98.69% have been dematerialised with the following depositories :

Description	ISIN	Depositories
Equity shares	INE010A01011	NSDL & CDSL

## K. Commodity price risk or foreign exchange risk and hedging activities

During the year 2016-17, 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 No. 4.07 to the Annual Accounts.

## L. 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 87 readymixed concrete plants and 5 aggregate crushers spread across 40 locations in the country.

### Correspondence

Shareholders' correspondence may be addressed to the Registrar & Transfer Agent at Hyderabad and also at [einward.ris@karvy.com](mailto:einward.ris@karvy.com). Investors can also mail their queries to the Company at [investor@prismcement.com](mailto:investor@prismcement.com) for redressal.

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

## M. Details of Debenture Trustee

Axis Trustee Services Limited,  
Ground Floor, Axis House,  
Wadia International Centre,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400 025  
e-mail : [debenturetrustee@axistrustee.com](mailto:debenturetrustee@axistrustee.com)  
website : [www.axistrustee.com](http://www.axistrustee.com)  
Tel. No. : +91 22 6226 0054  
Fax No. : +91 22 4325 3000

## 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, 2017.

For **PRISM CEMENT LIMITED**

**VIJAY AGGARWAL**

Managing Director

Place : Mumbai

Date : May 25, 2017

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,  
Prism Cement Limited

We have examined the compliance of conditions of Corporate Governance by Prism Cement Limited ("the Company") for the financial year ended on March 31, 2017 as stipulated in Regulations 17 to 27, 46(2) (b) to (i) and paragraphs C, D & E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out the examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27, 46(2) (b) to (i) and para C, D & E of Schedule V of Chapter IV of the SEBI Listing Regulations during the year ended March 31, 2017.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of 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

**Atul Shah**

Partner

Membership No.: 39569

Place : Mumbai

Date : May 25, 2017

# DIRECTORS' REPORT

To the Shareholders,

The Directors present the Twenty-fifth Annual Report together with the audited Statement of Accounts of the Company for the year ended March 31, 2017.

## FINANCIAL RESULTS (Standalone)

Particulars	2016-17 ₹ Crores	2015-16 ₹ Crores
Revenue from operations	5,464.61	5,696.80
Other income	90.63	134.33
Total Income	5,555.24	5,831.13
Expenses	5,527.11	5,849.40
Profit/(Loss) before exceptional items and tax	28.13	(18.27)
Exceptional items	—	(3.61)
Profit/(Loss) before Tax	28.13	(21.88)
Tax expenses	10.62	29.99
Profit for the year	17.51	8.11
Surplus - opening balance	185.62	256.83
Amount available for appropriation	203.13	264.94
Less:		
(i) Transfer to Debenture Redemption Reserve	36.34	42.56
(ii) Adjustment relating to transitional provision as per Schedule II to the Companies Act, 2013	—	35.28
(iii) Other Comprehensive (Income)/Loss (net of tax)	2.35	1.48
Surplus - closing balance	164.44	185.62

## RESERVES

Out of the profits available for appropriation, an amount of ₹ 36.34 Crores has been transferred to the Debenture Redemption Reserve and the balance ₹ 164.44 Crores is proposed to be retained in the Statement of Profit and Loss.

## DIVIDEND

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have approved a Dividend Distribution Policy. The Policy is enclosed as 'Annexure A' and also uploaded on the Company's website at [www.prismcement.com/aboutus/policies](http://www.prismcement.com/aboutus/policies).

In view of inadequate profits, the Directors have not recommended any dividend for the financial year ended March 31, 2017.

## OPERATIONS

During the year ended March 31, 2017 revenue from operations decreased marginally by 4 per cent to ₹ 5,464.61 Crores from ₹ 5,696.80 Crores in the previous year. However, due to efficient cost rationalisation measures and prudent resource management, the Company earned a profit before tax of ₹ 28.13 Crores and profit after tax of ₹ 17.51 Crores during the year ended March 31, 2017 as against loss before tax of ₹ 21.88 Crores and profit after tax of ₹ 8.11 Crores during the year ended March 31, 2016.

For the year ended March 31, 2017, the consolidated Comprehensive Income of the Company and its subsidiary companies amounted to ₹ 14.25 Crores as against a profit after tax of ₹ 25.26 Crores for the previous year.

## SHARE CAPITAL

The paid-up equity share capital was ₹ 503.36 Crores as on March 31, 2017. During the year under review, the Company has not issued shares with differential voting rights neither granted only stock options nor sweat equity.

## FINANCE

The Company has repaid/prepaid loans of ₹ 541.52 Crores and tied-up fresh loans of ₹ 262.51 Crores during the year under review to finance, *inter alia*, its repayment of debts, ongoing long term working capital and capital expenditure. The loans were used for the purpose they were sanctioned by the respective banks/financial institutions.

Pursuant to the approval granted by the shareholders, the Company raised ₹ 200 Crores by way of privately placed Secured Redeemable Non-convertible Debentures ('NCDs'), during the year 2016-17 to finance, *inter alia*, its refinancing of debts, ongoing long term working capital and general corporate purpose. The proceeds of the NCDs issue have been fully utilised for the purposes of the issue. NCDs aggregating ₹ 140 Crores were redeemed in accordance with the terms of NCDs during the year. NCDs aggregating ₹ 110 Crores have been further redeemed in April 2017 and June 2017.

## FIXED DEPOSITS

The Company accepted fixed deposits aggregating ₹ 8.55 Crores during the year ended March 31, 2017. Out of the total 3,991 deposits of ₹ 21.40 Crores from the public and the shareholders as at March 31, 2017,



601 deposits amounting to ₹ 2.19 Crores had matured and had not been claimed as on that date. Since then, 134 of these deposits aggregating to ₹ 0.76 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 ₹ 0.86 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, JOINT VENTURE AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries, Joint Venture and Associate 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 ('RQBE')**, the general insurance subsidiary has established itself as a recognised niche player poised to grow by focusing on the identified growth segments. RQBE forayed into the health insurance segment with the launch of its new product line during the year ended March 31, 2017.
- **Silica Ceramica Private Limited ('Silica')** has taken some major steps during the year to reduce its cost of production. The Tile Body recipe was changed to improve product quality and market acceptance. This has also helped in reducing the process losses and increase of premium quality production. The overall process loss has come down during 2016-17. Higher premium quality production ensures higher sales realisation per m<sup>2</sup>. Premium quality production recorded significant improvement during the year. However, due to higher fuel cost and lower capacity utilisation, the total variable cost remained significantly higher. The profitability for the year suffered mainly due to unavailability of natural gas

from ONGC during the year 2016-17. Silica entered into an agreement with Gail in the month of August 2016 for continuous supply of natural gas of 40,000 SCM per day at competitive rates. Supply of natural gas has already started from November 2016. With the availability of natural gas, the variable cost is expected to reduce during the FY 2017-18.

- **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 states/union territories of Maharashtra, Madhya Pradesh, Andhra Pradesh, Delhi, Chandigarh, Punjab, Himachal Pradesh, Karnataka and Uttar Pradesh. HRJTBK and its Joint Ventures have total 25 showrooms of House of Johnson and 10 showrooms of Johnson Corners as at March 31, 2017.
- **Milano Bathroom Fittings Private Limited ('Milano')**, the wholly-owned subsidiary of the Company manufacturing bathroom fittings and accessories, has performed satisfactorily during the year. Improved capacity utilisation at the Samba Unit, introduction of new product range and cost efficient manufacturing has contributed to the growth of Milano.
- 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.
- RMC Readymix Porselano (India) Limited, a wholly-owned subsidiary is yet to commence operations.

#### 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 has set up new plants in West Bengal near Durgapur and in Rajasthan at Khushkhera, Dist. Alwar and both the plants have commenced commercial operations.
- **Sentini Cermica Private Limited ('Sentini')**, the mid-segment glazed floor tile JV Company in Telangana, has performed satisfactorily during the year. The profitability for the year suffered mainly due to lower capacity utilisation.

In addition, Antique Marbonite Private Limited, Spectrum Johnson Tiles Private Limited, Small Johnson Floor Tiles Private Limited and Coral Gold Tiles Private Limited, the tile Joint Venture companies in Gujarat, performed satisfactorily during the year.



## Associate

Prism Power and Infrastructure Private Limited, an Associate of the Company is yet to commence operations.

## CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company are prepared in accordance with the Companies Act, 2013 and the applicable Indian Accounting Standards alongwith all relevant documents and the Auditors Report form part of this Annual Report.

The financial statements of the subsidiary companies are not attached alongwith the financial statements of the Company. 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/financialresults](http://www.prismcement.com/investors/financialresults).

## DIRECTORS

The Directors, with deep regret, inform about the sad and untimely demise of Mr. Rajesh G. Kapadia, the erstwhile Chairman of the Company, on October 21, 2016. He was associated with the Company since inception and will always be remembered for his wealth of knowledge and experience. He had resigned from the Board of Directors of the Company with effect from July 15, 2016 due to his ill-health.

Mr. Shobhan M. Thakore, Non-executive Independent Director, was appointed as the Chairman of the Board of Directors of the Company with effect from August 9, 2016.

Mr. V. M. Panicker resigned as Executive Director & CEO (RMC) on August 24, 2016. The Board wishes to place on record its appreciation of the valuable contributions made by Mr. Panicker during his tenure with the Company.

The Board of Directors, at its Meeting held on August 29, 2016, appointed Mr. Atul R. Desai as Additional Director with effect from August 29, 2016. He holds office up to the date of the forthcoming Annual General Meeting. The Board has also, subject to requisite approvals, appointed Mr. Desai as Executive Director & CEO (RMC) for a period of three years with effect from August 29, 2016, upon terms and conditions mentioned in the

Notice of the ensuing Annual General Meeting read with the Explanatory Statement thereto.

The Board, on the recommendations of the Nomination & Remuneration Committee and subject to the approval of the shareholders, appointed Dr. Raveendra Chittoor as a Non-executive Independent Director of the Company with effect from July 3, 2017 for a period of five years, not liable to retire by rotation. Dr. Chittoor, appointed as an Additional Director, will hold office till the ensuing Annual General Meeting and is eligible for appointment.

The Company has received requisite notice in writing from a member proposing the appointments of Mr. Desai and Dr. Chittoor. The Board recommends the above appointments.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Rajan B. 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 22<sup>nd</sup> 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, Mr. Thakore and Dr. Chittoor, 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 terms and conditions of appointment of the Independent Directors are placed on the website of the Company [www.prismcement.com/corevalues/codeofconduct-independentdirectors](http://www.prismcement.com/corevalues/codeofconduct-independentdirectors).

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.prismcement.com/aboutus/policies](http://www.prismcement.com/aboutus/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, 2017. Additionally, several Committee Meetings were held including the Audit Committee, which met eight 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. Atul R. Desai	Appointed as Additional Director and designated as Executive Director & CEO (RMC) w.e.f. August 29, 2016.
2.	Mr. V. M. Panicker	Resigned as Executive Director & CEO (RMC) on August 24, 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/aboutus/policies](http://www.prismcement.com/aboutus/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 2016-17, no complaints were received.

## RISK MANAGEMENT

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 Company works across a wide range of products i.e. Cement, Tiles, Bath and Kitchens, 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 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.

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/aboutus/policies](http://www.prismcement.com/aboutus/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 2016-17. Requisite disclosure including composition of the CSR Committee has been made in the prescribed form annexed herewith as Annexure 'B'.

## BUSINESS RESPONSIBILITY REPORTING

A separate section on Business Responsibility forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 annexed herewith as Annexure 'C'.

## LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to 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/aboutus/policies](http://www.prismcement.com/aboutus/policies).

There were 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 and Joint Venture - 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 'D'. The said guarantees are given in the interest of the Company.

Attention of the members is drawn to the disclosure of Related Party Transactions set out in Note 4.08 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, 2017, 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, 2017 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

Disclosures pertaining to remuneration and other details as required under 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 'E'.

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. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information 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 'F' 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 2016-17.

## AUDITORS

### Statutory Auditors

The shareholders at the 22<sup>nd</sup> Annual General Meeting appointed M/s. G. M. Kapadia & Co., Chartered Accountants, Mumbai as the Company's Auditors upto conclusion of the 26<sup>th</sup> 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. The Auditors 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 Secretary, Hyderabad to undertake the Secretarial Audit of the Company for the year 2016-17 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 Auditor of the Company. The Report of the Secretarial Auditor in Form MR - 3 is annexed herewith as Annexure 'G'.

## 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, 2017, appointed M/s. D. C. Dave & Co., Cost Accountants as the Cost Auditors for the year ending March 31, 2018 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, 2016 were filed on October 22, 2016, within the stipulated timeline. The cost audit report for the year ended March 31, 2017 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 'H' 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 Auditor 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

Place : Mumbai  
Date : July 3, 2017

**SHOBHAN M. THAKORE**  
Chairman



# ANNEXURE 'A' TO THE DIRECTORS' REPORT

## Dividend Distribution Policy

### Objective

The objective of this policy is to lay down the criteria to be considered by the Board of Directors ('Board') before recommending dividend to its shareholders for a financial year and to provide clarity to stakeholders on the profit distribution of the Company.

The Board shall consider distribution of profits in accordance with the business strategies, applicable provisions of the Companies Act, 2013 and Rules thereunder, the applicable SEBI Regulations, Tax Regulations and other applicable legislations, and the Articles of Association.

### Dividend Eligibility

The Company currently has only one class of shares i.e. Ordinary Equity Shares. Therefore, dividend, if declared, will be distributed amongst all shareholders based on their shareholding and be paid on per share basis.

### Considerations while deciding dividend

The Board will consider the following factors before making any recommendation for dividend :

#### *Financial Criteria :*

- Financial performance for the year for which dividend is recommended.
- Accumulated Reserves.
- Earning stability.
- Any interim dividend paid.
- Future capital expenditure.
- Internal capital planning framework/policy.
- Cash flow position.
- Dividend pay-out trends (the dividend pay-out ratio will be calculated as a percentage of dividend (including dividend tax) recommended for the year to the net profit for that year).
- Tax implications if any, on distribution of dividends.
- Cost of raising funds from alternate sources of capital.
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiaries/ associates.
- Leverage profile and, under exceptional circumstances, the amount of contingent liabilities
- Such other factors and/or material events which the Board may consider.

#### *Non-financial Factors :*

- Shareholder expectations.
- Economic environment.
- Inorganic growth plans.
- Stage of business cycle.
- Legal and regulatory framework.
- Past dividend trends.
- Reinvestment opportunities.

When deliberating on the recommendation of dividend, the Board will seek to balance the benefit to shareholders of the Company with the comparative advantages of retaining profits in the Company which would lead to greater value creation for all stakeholders.

In the event that the Board proposes to recommend dividend other than on the basis of above parameters and factors, or to change any of the relevant parameters and factors, the changes along with the rationale for the same shall be disclosed in the Company's annual report and on the Company's website.

### **Circumstances under which Shareholders may or may not expect Dividend**

The Board may not recommend any dividend if the eligibility criteria for recommendation of dividend has not been met, including any regulatory restriction placed on declaration of dividend or if the Board strongly believes the need to conserve capital for growth or other exigencies which will be spelt. There may also be regulatory obligations that would have undertaken in form of dividend stopper clauses in bond issuances which might get triggered in certain circumstances and would prohibit from declaring dividend.

### **Utilisation of Retained Earnings**

Utilise the retained earnings in a manner which is beneficial to the interest of the organisation and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the future business growth/ expansion and strategic plans, general corporate purposes including contingencies or such other purpose the Board may deem fit from time to time in the interest of the organisation and its stakeholders.

### **Determination of Dividend Pay-out**

Dividend pay-out levels will be determined by the Board of Directors for the interim dividend and by the General Meetings of Shareholders for the year-end dividend. The Board may additionally recommend special dividend in special circumstances.

### Conflict in Policy

In the event of a conflict between this Policy and the extant regulations, the regulations shall prevail.

### Review

The Board of Directors may review this policy periodically, by taking into account, *inter alia*, the national economic conditions, change in regulation, the Company's growth and investment plans and financial position. Revisions made in the policy shall be published on the Company's web site and intimated to the Stock Exchanges where the

Company's shares are listed.

### Disclosure of the Policy

The Policy will be available on the Company's website [www.prismcement.com/aboutus/policies](http://www.prismcement.com/aboutus/policies). The Policy will also be disclosed in the Company's annual report.

For and on behalf of the Board

Place : Mumbai

Date : May 25, 2017

**SHOBHAN M. THAKORE**

Chairman

## ANNEXURE 'B' 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, 2017 is as under :

- Mr. Vijay Aggarwal, Chairman
- Ms. Ameeta A. Parpia, Member & Independent Director
- Mr. Vivek K. Agnihotri, Member
- Mr. Joydeep Mukherjee, Member
- Mr. Atul R. Desai, 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 preceding 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 preceding three financial years being in the negative, the Company was not required to spend on CSR activities for the FY 2016-17.

#### 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

**VIJAY AGGARWAL**

Managing Director &  
Chairman of the CSR Committee

Place : Mumbai

Date : May 25, 2017

## ANNEXURE 'C' TO THE DIRECTORS' REPORT

### Business Responsibility Report

#### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L26942TG1992PLC014033
2.	Name of the Company	PRISM CEMENT LIMITED
3.	Registered address	305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 001
4.	Website	www.prismcement.com
5.	E-mail id	investor@prismcement.com
6.	Financial year reported	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	23941 - Clinkers 23942 - Portland Cement 23939 - Tiles 23952 - Readymixed Concrete
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	<ul style="list-style-type: none"> <li>• Portland Cement</li> <li>• Tiles</li> <li>• Readymixed Concrete</li> </ul>
9.	Total number of locations where business activity is undertaken by the Company	
(a)	Number of International Locations (Provide details of major 5)	Office at Sri Lanka
(b)	Number of National Locations	2 Cement Plants, 4 Tile Plants, 87 Readymixed Concrete Plants, 5 Aggregate Crusher Plants, 1 Packing Plant and 52 Offices including Registered Office, Corporate Office, Division Head Offices, and Regional Marketing/Sales Offices.
10.	Markets served by the Company - Local/State/National/International	Local/State/National/International

## SECTION B : FINANCIAL DETAILS OF THE COMPANY

1.	<b>Paid up Capital (INR)</b>	₹ 503.36 Crores
2.	<b>Total Turnover (INR)</b>	₹ 5,464.61 Crores
3.	<b>Total profit after taxes (INR)</b>	₹ 17.51 Crores
4.	<b>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)</b>	Nil
5.	<b>List of activities in which expenditure in 4 above has been incurred</b>	N. A.

## SECTION C : OTHER DETAILS

1.	<b>Does the Company have any Subsidiary Company / Companies?</b>	Yes, the Company has 7 subsidiaries. Details given in the Directors' Report.
2.	<b>Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)</b>	The subsidiaries of the Company have their own Board of Directors having rights and obligations to manage such companies in the best interest of the Company.  The Company encourages its subsidiaries to formulate and practise their own BR initiative based on their individual priorities. These initiatives and policies are mainly applicable to the subsidiaries which are engaged in manufacturing activities.
3.	<b>Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]</b>	We do not mandate that our suppliers, distributors, etc., participate in the Company's BR. However, they are encouraged to do so.

## SECTION D : BR INFORMATION

1.	<b>Details of Director/Directors responsible for BR :</b>	
(a)	<b>Details of the Director/Director responsible for implementation of the BR policy/policies</b>	
1.	<b>DIN Number</b>	00515412
2.	<b>Name</b>	Mr. Vijay Aggarwal
3.	<b>Designation</b>	Managing Director
(b)	<b>Details of the BR head :</b>	
1.	<b>DIN Number (if applicable)</b>	The Executive Committee comprising, <i>inter alia</i> , of the Executive Director & CEO of each Division of the Company oversee the implementation of the BR policies.
2.	<b>Name</b>	
3.	<b>Designation</b>	
4.	<b>Telephone number</b>	+ 91 22 66754142
5.	<b>e-mail id</b>	brr.info@prismcement.com

### 2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under :

- P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.



- P3 - Businesses should promote the well-being of all employees.
- P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5 - Businesses should respect and promote human rights.
- P6 - Businesses should respect, protect and make efforts to restore the environment.
- P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 - Businesses should support inclusive growth and equitable development.
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**(a) Details of compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for....	Y	Y The policy is embedded in the Company's quality and environment policies which <i>inter alia</i> , relate to safe and sustainable products	Y	Y	Y The policy is embedded in the Company's Code of Conduct, HR policies and various other HR practices	Y	N	Y The policy is embedded in the Company's CSR policy and various other social initiatives undertaken	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	—	Y	Y	Y	Y	—	Y	—
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y Bureau of Indian Standard/ Generally accepted standards	Y	Y	Y	Y Conforms to guidelines, norms and directives of different State and Central Government	—	Y Conforms to guidelines of the Companies Act, 2013	—
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO/ appropriate Board Director?	Y	—	—	N	—	Y	—	Y	—
5.	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y At Executive Committee Meetings	Y	Y	Y	Y	—	Y	—

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	Y*	Y*	—	—	—	Y*	—	Y*	—
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Communicated to key stakeholders of the Company. The communication is an on-going process to cover all internal and external stakeholders.								
8.	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	—	Y	—	Y	—
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	—	Y	—	Y	—
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	N	N	Y	N	Y	—

\* Company's website : [www.prismcement.com](http://www.prismcement.com)

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	—	—	—	—	—	—	—	—	—
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	—	—	—	—	—	—	—	—	—
3.	The company does not have financial or manpower resources available for the task	—	—	—	—	—	—	—	—	—
4.	It is planned to be done within next 6 months	—	—	—	—	—	—	—	—	—
5.	It is planned to be done within the next 1 year	—	—	—	—	—	—	—	—	—

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Any other reason (please specify)	—	—	—	—	—	—	The need for a written policy has not been felt. Suitable decision will be taken at the appropriate time.	—	The Company has a redressal mechanism for all customer complaints.

### 3. Governance related to BR :

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

There is no defined frequency. Assessment is an ongoing exercise and is an inherent part of corporate functions. The Management comprising, *inter alia*, of the Managing Director and Executive Director & CEOs of the Company, oversees the implementation of and monitor the BR performance on a regular basis.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company has not published a BR or Sustainability Report till date.

### SECTION E : PRINCIPLE-WISE PERFORMANCE

**Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?**

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 has a Code of Conduct and Whistle Blower Policy which pertain to ethics, bribery and corruption. These are applicable to all Board members and employees of the Company. The Code of Conduct governs the manner in which the Company carries out its activities and interacts with its stakeholders and an annual confirmation is obtained from all in compliance of the Code. The Whistle Blower Policy encompasses various stakeholders of the Company like employees, suppliers, contractors and their employees.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No stakeholder complaint was received during the year 2016-17.

**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Blended Cement viz. Pozzalana Portland Cement, RMC Readymix Concrete viz. Enviroprotectcrete™, Perviouscrete™, Highdensecrete™ and Tiles viz. Tac Tiles, Cool Roof Tiles, Care Tile and Anti-static Tiles. The Company uses alternate materials such as industrial by-products and biomass as Alternative Fuel and Raw Materials and ensures water conservation measures such as rain harvesting, etc.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) :**

- (a) **Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?**

Energy consumption is constantly monitored at the mines, plants and townships with a view to achieve overall reduction.

*Cement*

Consumption per unit of production	2016-17	2015-16
Specific Heat Consumption (Kcal/ Kg of Clinker)	729	740
Water Consumption (Ltr/Ton of Clinker)	192.30	183.80

Used water is reclaimed and re-used in order to conserve water. Water is treated before discharging via treatment plants. The processes are also reviewed and modified so as to reduce the requirement of water from time to time. Partial recycling of treated effluent water is carried out for horticultural purposes.

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company's products are used for variety of purposes and by diverse consumers. It is therefore not feasible to measure the usage (energy, water) by consumers.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has in place procedures for supplier sustainability and has an established process for vendor selection. All inputs are sourced sustainably. The Company is increasing the use of Alternative Fuel and Raw Materials (AFR) in its manufacturing processes which helps in conservation of natural resources.

The Company's cement plants are located near limestone reserves, which helps in minimising transportation. The Company also adopts sustainable mining practices. Normally bulk materials are received by rail transport. Flyash used in manufacture of Pozzalana Portland cement is a waste product of power plants.

Raw materials such as Pulverized Flyash (PFA) and Granulated Ground Blast Furnace Slag (GGBS), which are waste products of power plants, are used as cement replacements in the manufacture of readymix concrete.

The Company has long-term contracts with its vendors, both goods and transportation included. Apart from this, frequent meetings are arranged with the vendors, thus maintaining a cordial customer-vendor relationship and ensuring sustainability.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company procures products and services from local producers/small scale vendors and

communities surrounding its operations. The contractors who are engaged in operations, transportation, maintenance, horticulture and housekeeping mostly employ workmen from the nearby villages.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

- In FY 2016-17, around 92% of cement manufactured by the Company were blended cements, produced by using Flyash, which is waste material of other industries. Waste water generated from the cement plants and colony is recycled and used in gardening, horticulture, sprinkling for dust suppression, etc.
- Less than 5% recycle products and waste were used in the manufacture of tiles. Fired Pitcher was grinded and used in Tile Body up to 3%. Effluent Treatment Plant Waste was used in Wall Body up to 3%.
- In view of the simple manufacturing process for readymix concretes, there are no by-products. However, Flyash and GGBS are used as replacement of cement in concrete which are by products of power and cement industry. During FY 16-17, the Company used 18.7% of Flyash and 9.6% of GGBS of the total Cementitious content.

**Principle 3 - Businesses should promote the wellbeing of all employees.**

**1. Total number of employees**

5,443

**2. Total number of employees hired on temporary/contractual/casual basis**

4,920

**3. Number of permanent women employees**

179

**4. Number of permanent employees with disabilities**

Three

**5. Do you have an employee association that is recognised by management**

Yes, there are recognised trade unions affiliated to various central/state union bodies depending on their presence at respective locations.



**6. What percentage of your permanent employees is members of this recognised employee association?**

Almost all the workmen are members of the different registered Trade Unions operating in the plants/units.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
(a)	Child labour/ forced labour/ involuntary labour	Nil	Nil
(b)	Sexual harassment	Nil	Nil
(c)	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

(a)	Permanent employees	40%
(b)	Permanent women employees	74 %
(c)	Casual/Temporary/Contractual employees	92%
(d)	Employees with disabilities	100%

Based on identified needs of employees, training and development, at all levels, is given due priority by the Company for holistic growth of the individual as well as Company effectiveness. The Company selectively nominates its employees for specialised training programmes / workshops / seminars / conferences organised by reputed professional organisations and Institutes.

**Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its internal and external stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.**

The Company has identified the disadvantaged, vulnerable & marginalised stakeholders, namely the communities around its manufacturing units, its worker/contractual labour and truck drivers. The needs of the vulnerable and marginalised stakeholders of the community are considered while designing community development initiatives. This is carried out through continuous interaction and engagement with the stakeholders during the course of implementation of various social programmes.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company takes various initiatives to engage with disadvantaged or marginalised stakeholders. The Company arranges healthcare medical camps for medical treatment, eye checking, blood donation, etc., in the communities around its manufacturing units. The Company has also joined the initiatives arranged by local administration for the health of the communities around its plants.

To bring uniformity in monitoring the safety features of all the commercial vehicles used in the RMC Readymix plants, experienced drivers employed by the Company are trained for training other drivers by National Safety Council of India's Program "Train the Trainers-Defensive Driving". The programme helps the drivers to certify the fitness of vehicles and also to assess the driving skill of all the drivers (including drivers of hired vehicles). After successful completion of the programme, a certification tag is displayed on the left hand corner of the wind screen. Safety inspection are carried out on quarterly basis.

**Principle 5 - Businesses should respect and promote human rights.**

**1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company does not have a separate Human Rights Policy. However, its policies support, respect and protect the Human rights of its direct as well as indirect employees. The Company addresses human rights through its own codes and procedures and compliance with applicable laws (like Factories Act, Mines Act and other labour legislations) and through HR practices, which embody some of human rights principles such as prevention of child labour, forced labour, prohibition of sexual harassment of women at workplace, etc.



**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No stakeholder complaints, relating to human rights, have been received in the past financial year.

**Principle 6 - Business should respect, protect and make efforts to restore the environment.**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Corporate Environment Policy is applicable to the Company only.

**2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

The Company realises that climate change is a real threat faced not just by the Company but the entire global community, of which it is a part. The Company also recognises that it can play a meaningful role in trying to mitigate the problem by adopting certain strategies and initiatives in its day-to-day operations. In this direction, some of the initiatives taken by the Company are as under :

- Uses of industrial waste products in its concrete manufacturing.
- CO<sup>2</sup> reduction by producing > 90% of our product as blended cement.
- Several measures taken to reduce dust pollution.
- Utilisation of Alternative Fuel and Raw Materials.
- Rain harvesting and water conservation.
- Energy Management system in place to reduce energy consumption and hence emission.
- Retrofitted ESP to Morden pulse jet bag filter in Cement grinding area for reducing dust emission.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes. The Company follows a structured risk management approach emphasising to identify potential risks, assessment of impact of the same, mitigation plan to mitigate the identified risks, continuous monitoring and timely action.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also,**

**if Yes, whether any environmental compliance report is filed?**

Yes. Installation of Gas Turbines and use of Soya Husk for Spray Dryer production at some of its Tile manufacturing plants.

Environmental compliance reports are filed as mandated by applicable regulations.

**5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page, etc.**

- Use of Auto Capacitor Bank to assist in maintaining desired power factor which helps in controlling power consumption.
- Use of non-ancillary machines/process during non-peak demand hours.
- Company has started purchasing Biomass generating power upto 2 MW.
- The pollution control equipment in Cement grinding area & Clinker cooler are modified and modernised.
- Project for using alternative energy as heat source in Kiln are under execution.
- Commissioning of concrete lab for study, periodical benchmarking and accordingly suggestion to market for use of flyash based cement.
- Improved Energy Management System software for optimisation of monitoring.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year being reported.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :**

The Company is a member of several industry associations through which it interacts with its peers and discusses key issues in the products which it manufactures. The major associations where the

Company is a member are :

- (a) Bombay Chambers of Commerce.
- (b) Cement Manufacturers' Association.
- (c) Indian Council of Ceramic Tiles and Sanitaryware.
- (d) Ready Mixed Concrete Manufacturers' Association.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box : Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

- The Company through CMA has advocated energy conservation, sustainable mining practices and better waste management in cement manufacturing.
- Through the association, representation has been made by the Tiling industry with regards to cheaper dumping from China which had adversely affected the industry.
- The Company through RMCMA advocates use of Ready mixed concrete which has positive impact on business as well environment, as use of Ready mixed concrete gives assured quality of product with faster delivery and helps in reducing dust pollution created at sites by replacing site mix concrete.

**Principle 8 - Businesses should support inclusive growth and equitable development.**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company is committed to social, economic and environmental development of communities at all its operations. The Company has specified programmes/initiatives to support inclusive growth and equitable development. These involve series of initiatives in the creation of green ecology, people empowerment, educational development, health improvement, hygiene awareness and nurturing people centric practices for better development of rural society.

Prime focus areas of the Company are :

- a) Infrastructure development.
- b) Health and hygiene.
- c) Educational activities.

- d) Environment conservation.
- e) Water conservation and drinking water.
- f) Empowerment and skill development.
- g) Promotion of sport activities
- h) Social welfare.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

All programmes and projects are undertaken through in-house teams and external Government structures.

**3. Have you done any impact assessment of your initiative?**

Impact assessment survey was carried out for the initiatives carried out around the Company's Cement plants.

**4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

The Company has spent ₹ 2.02 Crores on various initiatives involving infrastructure development, health and hygiene, educational activities, environment conservation, water conservation and drinking water, empowerment & skill development, promotion of sport activities and social welfare.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company takes up participatory approach to plan projects for community development in concurrence with local stakeholders and community representatives. A regular field visit is made by our team to identify the needs of the community and to supervise the programs which are being implemented and whether they are benefitting the local community or not. The Company is always eager to promote new initiatives for community development.

The Company initiated the "Red Ramp Project" in April 2014, a cause related project aimed at raising the general awareness to make public spaces disabled friendly in India. A film was shot with three physically challenged people on a beach in Goa by the Company, as a medium to achieve the above stated objective. As a continuing commitment to this cause, the Company subsequently also built three ramps in the city of Mumbai to help the physically challenged people - two at post offices in Mumbai

(at Kandivali and Nerul) and another one at the Sanjivan Deep School run by the Paraplegic Foundation at Airoli in Mumbai which has around 90 mentally and physically challenged children studying there. The Company also runs a portal [www.redrampproject.org](http://www.redrampproject.org) to enable people to know more about this initiative, watch the red ramp film and enlist their support for this cause. The Red Ramp film has seen over 2.5 million views online since its launch.

**Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

103 cases of customer complaints were pending as on March 31, 2017. 42 consumer cases were pending before different Forums/Commissions/Courts at the end of FY 2016-17.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Yes. The Company has displayed all mandatory information on the product labels/packaging as per applicable laws. Wherever applicable, specific certification requirements of regulatory authorities and some marks like ISI, BIS etc., are provided on the product label/packages.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

There are no such cases during the last five years and pending as on end of Financial Year 2016-17.

**4. Did your company carry out any consumer survey/consumer satisfaction trends?**

Yes. Customer Satisfaction Surveys are carried out by the Company on half yearly/annually.

For and on behalf of the Board

Place : Mumbai  
Date : May 25, 2017

**SHOBHAN M. THAKORE**  
Chairman

## ANNEXURE 'D' 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.**

*(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

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	<ol style="list-style-type: none"> <li>1. Corporate Guarantee given to Axis Bank Limited as security for Working Capital Limits sanctioned to Silica.</li> <li>2. Corporate Guarantee given to Axis Trustee Services Limited (acting as Trustee on behalf of Debentureholders) as security for Non-convertible Debentures issued to Silica.</li> <li>3. Corporate Guarantee given to ICICI Bank Limited as security for Term Loan sanctioned to Silica.</li> <li>4. Corporate Guarantee given to ICICI Bank Limited as security for Working Capital Limits sanctioned to Silica.</li> </ol>
c	Duration of the contracts/arrangements/transactions	<ol style="list-style-type: none"> <li>1. Till the working capital limits are valid.</li> <li>2. January 2, 2020.</li> <li>3. June 30, 2021.</li> <li>4. Till the working capital limits are valid.</li> </ol>



d	Salient terms of the contracts or arrangements or transactions including the value, if any	<ol style="list-style-type: none"> <li>1. Corporate Guarantee of ₹ 36.25 Crores dated December 1, 2016 given to Axis Bank Limited as security for Working Capital Limits sanctioned to Silica.</li> <li>2. Corporate Guarantee of ₹ 91 Crores dated December 1, 2016 given to Axis Trustee Services Limited (acting as Trustee on behalf of Debentureholders) as security for Non-convertible Debentures issued to Silica.</li> <li>3. Corporate Guarantee of ₹ 75 Crores dated February 16, 2017 given to ICICI Bank Limited as security for Term Loan sanctioned to Silica.</li> <li>4. Corporate Guarantee of ₹ 25 Crores dated February 16, 2017 given to ICICI Bank Limited as security for Working Capital Limits sanctioned to Silica.</li> </ol>
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	1- February 11, 2016. 2, 3 & 4 - November 30, 2016.
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	<b>Details of material contracts or arrangements or transactions at arm's length basis</b> 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, 2017

**SHOBHAN M. THAKORE**  
Chairman

## ANNEXURE 'E' TO THE DIRECTORS' REPORT

**The 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 2016-17 :

Name	Designation	Ratio
Mr. Vijay Aggarwal	Managing Director	102
Mr. Vivek K. Agnihotri	Executive Director & CEO - Cement	61
Mr. Joydeep Mukherjee	Executive Director & CEO - HRJ	58
Mr. Atul R. Desai <sup>*1</sup>	Executive Director & CEO - RMC	37
Mr. J. A. Brooks	Non-executive Independent Director	16
Mr. V. M. Panicker <sup>*2</sup>	Executive Director & CEO - RMC	22

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2016-17 :

Name	Designation	% increase
Mr. Vijay Aggarwal	Managing Director	(17)
Mr. Vivek K. Agnihotri	Executive Director & CEO - Cement	23
Mr. Joydeep Mukherjee	Executive Director & CEO - HRJ	5
Mr. Atul R. Desai <sup>*1</sup>	Executive Director & CEO - RMC	N.A.
Mr. J. A. Brooks	Non-executive Independent Director	N.A.
Mr. V. M. Panicker <sup>*2</sup>	Executive Director & CEO - RMC	17
Mr. Pramod K. Akhramka	Chief Financial Officer	15
Ms. Aneeta S. Kulkarni	Company Secretary	10

\*1 Mr. Atul R. Desai was appointed as Executive Director & CEO - RMC on August 29, 2016.

\*2 Mr. V. M. Panicker resigned on August 24, 2016.

Notes :

- The remuneration excludes retinals paid.
  - For this purpose, sitting fees and reimbursement of out of pocket expenses incurred in attending the meetings of the Board and Committees paid to the Directors have not been considered as remuneration.
  - In respect of Mr. J. A. Brooks, only remuneration paid by way of Commission was considered.
3. The percentage increase in the median remuneration of the employees in the financial year was around 12%.
  4. The number of permanent employees on the rolls of the Company as on March 31, 2017 was 5,443.
  5. 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 0.14. This increment is in line with the factors more particularly described in the Remuneration Policy of the Company stated in the Corporate Governance Report.
  6. 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, 2017

**SHOBHAN M. THAKORE**  
Chairman

## ANNEXURE 'F' 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
  - Operation of stacker at higher speed for better homogenisation of pile.
  - Separate Laterite Crusher commissioning for improvement in utilisation and specific power consumption of main crusher.
  - Installation of additional automated man-less weigh bridges to reduce idling of dosing equipment and increase the efficiency.
- Raw mills
  - Optimisation of bag house fan speed control through mixing chamber draught PID, reducing bag house fan specific power consumption.
  - Separator discharge cone modification and grinding pressure increase to improve productivity.

- Installation of MV VFD drives for Raw Mill Fans to reduce specific power.
- Kilns
  - ABC clinker cooler fixed inlet installation in Unit-I for equipment reliability, improved MTBF and better heat-recuperation.
  - Phased manner replacement of air cooled capacitors with oil cooled capacitors in all substation for better power factor improvement.
  - Installation of MV VFD for Bag house fan to reduce specific power.
  - Installation of VFD and suitable motor for cooler ESP fan for improved process controls.
- Coal mills
  - Installation of Variable Speed Drive for effective pet coke grinding and operational control.
  - Modifications in separator and grinding pressure for improved efficiency.

- Anti-collision device in coal stacker-reclaimer for safe and faster changeover for better homogenisation.

➤ **Cement mills**

- Provision of running both Cement Mills with one Roller Press to increase volume when needed.
- False ceiling provisions in load centers to reduce air-conditioning load.
- Water pump operation automation to avoid wastage.
- Installation of MV VFD for Sepex Fans precise speed control.
- Roto-Packer upgradation in Packing Plant for increased efficiency.

**H & R Johnson (India) Division**

➤ **Savings in Electrical Energy**

*Kunigal*

- Reducing power consumption by 20 KWh/hour in ID blower motor in spray drier by optimising frequency input through variable frequency drives.

*Dewas*

- Reducing power consumption in Ball Mill by reducing frequency of VFD from 48 Hz to 42 Hz by program modification keeping the grinding time same as before.
- Replacing under loaded motor of 75 HP Glaze Ball Mill motor with 50 HP motor and connecting it with a spare VFD. This resulted in higher efficiency and power factor thus conserving energy.
- Reducing energy wastage by providing bed switches to switch on/off lights as per requirement and imparting awareness to plant workers regarding energy wastage and conservation.

*Karaikal*

- Reduction energy consumption in Ball Mill by changing ball mill grinding media from Silica pebble to Agate pebbles. There is a reduction of electrical energy consumption by 100 KWh/grinding cycle.

*Pen*

- Reducing power consumption in Ball Mill motors by optimising frequency input through variable frequency drives. The power savings ranges from 15- 33 %.

➤ **Savings in Thermal Energy**

*Dewas*

- Replacing 108 old K1 burners with fuel efficient burners, reducing average specific fuel consumption from 1.54 scm/m<sup>2</sup> to 1.50 scm/m<sup>2</sup>.
- Reducing specific fuel combustion in tunnel drier 1 by utilizing excess hot air from kiln K2 through insulated duct line.
- Supply of pre heated air (about 80°C) to combustion zone of Kiln 1 from its cooling zone through insulated ducts using indirect cooling fan. This reduces the specific fuel combustion of the kiln.
- Reducing coal combustion by spraying waste water generated in coal gasifier on coal before using them in the coal gas plant.

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

**Cement Division**

- Start of 25 MW round-the-clock power purchase through captive mode of Open Access to get economised power.
- Start of 2 MW green power (bio-mass) purchase through Open Access.
- Reduction of 25 MW power from Grid demand side by above measures.
- Arrangements made to control Maximum Demand and maximize available power utilisation.

**(iii) The capital investment on energy conservation equipment :**

Total investment on energy conservation equipments is ₹ 0.53 Crores during the year ended March 31, 2017.

**(B) Technology absorption**

**(i) The efforts made towards technology absorption:**

- Upgradation of Clinker Cooler ESP controls with latest technology, to further reduce losses and as environment friendly measure.

- Conversion of Cement Mills ESP into Bag House for improved efficiency and as environment friendly measure.
- Provision for remote calibration of AAQMS/CEMS systems by CPCB/MPPCB.
- Commissioning of Concrete Lab for study, periodical benchmarking and accordingly suggestion to market.
- Quality Control lab equipment upgradation & automation for improved efficiency and controls.
- Feasibility study of utilising waste heat from pyro section and generating approx. 14 MW power for self-consumption through Waster Heat Recovery System (WHRS).
- Trials to utilise suitable grinding aid for improved Clinker Utilisation Factor (CUF).
- Non-process power consumption study and rationalisation to improve upon specific power consumption.
- Use of manual road sweeping machines to reduce fugitive dust.
- Improved Energy Management System software for optimisation of monitoring.
- Provisions for auto temperature control of CCR building air-conditioning system to reduce load.

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

- Further strengthening of environment friendly measures.
- Improvement of clinker utilisation factor.
- Reduction of grid demand side GHG emission, improvement in specific energy consumption.

- Improvement in throughput, cement one day strength and specific power consumption.
- Natural resource (limestone, coal) saving as well as cost saving.
- Awareness in market about product quality and benchmarking.

**(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 pet coke/AFR suitability.
- The year of import : 2014
- Whether the technology been fully absorbed : Yes
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : N. A.

**(iv) The expenditure incurred on Research and Development : ₹ 3.51 Crores (Previous year : ₹ 2.80 Crores)**

**(C) Foreign Exchange Earnings and Outgo**

Particulars	₹ Crores	
	2016-2017	2015-2016
Details of earnings in foreign currency : F.O.B Value of Export	47.29	45.17
Details of expenditure in foreign currency	2.59	3.65

For and on behalf of the Board

Place : Mumbai  
Date : May 25, 2017

**SHOBHAN M. THAKORE**  
Chairman

# ANNEXURE 'G' TO THE DIRECTORS' REPORT

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

**[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, 2017 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, 2017 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') / Regulation(s)
- (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, 2015;
- (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.
4. During the year under the report the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 / Regulation(s).
- 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 August 23, 2016;
- (ii) accepted fixed deposits pursuant to the provisions of the Companies Act, 2013 and Rules thereunder;

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

- 1) Memorandum and Articles of Association;
- 2) Annual Report for the financial year 2016;
- 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 held during the year along with attendance registers;
- 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, 2013 and attachments thereof during the financial year under report;
- 9) Intimations/documents/reports/returns filed with stock exchanges pursuant to provisions of the SEBI LODR.
- 10) Various policies made under the Companies Act, 2013 and SEBI LODR.

For **Savita Jyoti Associates**  
Company Secretaries

**Savita Jyoti**

Date : 25th May, 2017  
Place : Hyderabad

FCS No. : 3738  
CP No. : 1796

# ANNEXURE 'H' TO THE DIRECTORS' REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[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 / No	:	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	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 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	42.79
ii	Tiles	23939	33.97
iii	Readymixed Concrete	23952	23.24
			<b>100.00</b>

## 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 <sup>th</sup> Floor, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India.	U66030MH2007PLC173129	Subsidiary	51%	2(87)

Sr. No.	Name and Address of the Company	CIN	Holding subsidiary / associate	% of shares held	Applicable section
ii	Silica Ceramica Private Limited, Narayanpuram, Unguturu Mandal, Narayanpuram, Andhra Pradesh - 534407, India.	U26933AP2006PTC051977	Subsidiary #	99.82%	2(87)
iii	H. & R. Johnson (India) TBK Limited, Windsor, 7 <sup>th</sup> Floor, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra, India.	U45200MH1996PLC101892	Subsidiary	100%	2(87)
iv	Milano Bathroom Fittings Private Limited, Plot No. 30 Industrial Township Phase 4, Himuda, Bhatoli Kalan, Baddi, Solan, Himachal Pradesh - 173205. India	U28994HP2000PTC006251	Subsidiary	100%	2(87)
v	RMC Readymix Porselano (India) Limited, Windsor, 7 <sup>th</sup> Floor, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, 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, Bangalore Karnataka - 560043, 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	100%	2(87)
viii	Ardex Endura (India) Private Limited, Unit No.406 & 407, "BRIGADE RUBIX", No.20, HMT Campus, Yeshwanthapur, Hubli, Bengaluru - 560013, Karnataka, India.	U24233KA1997PTC022383	Joint Venture	50%	2(6)
ix	Sentini Cermica Private Limited, Plot No. 1229, Road No. 60, Jubilee hills, Hyderabad, Telangana - 500033, India.	U26914TG2002PTC038347	Joint Venture	50%	2(6)
x	Antique Marbonite Private Limited, 746/2, Paikie Lakhadhipur Road, Taluka Morbi, District Rajkot, Gujarat 363642, 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 - 363621, India.	U26933GJ2006PTC049055	Joint Venture	50%	2(6)
xii	Small Johnson Floor Tiles Private Limited, Survey No. 778, Paikie of Guntu, B/H GSPC Gas Terminal, Lakhadhipur Road, Lakhadhipur, Taluka Morbi, Morbi - 363642, Gujarat, India.	U26933GJ2011PTC067661	Joint Venture	50%	2(6)
xiii	Coral Gold Tiles Private Limited, Survey No. 824/P-1, Tal. Morbi, Ghuntu, Gujarat - 363 642, India.	U26914GJ2007PTC052095	Joint Venture	50%	2(6)
xiv	Prism Power and Infrastructure Private Limited, 305 Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500016, Telangana, India.	U40109TG2006PTC049084	Associate	49%	2(6)

# The equity shareholding increased to 99.82% from 99.63%.

#### 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	—	—	—	—	—	—	—	—	—
<b>Sub-total A (1) :</b>	<b>37,68,80,669</b>	<b>—</b>	<b>37,68,80,669</b>	<b>74.87</b>	<b>37,68,80,669</b>	<b>—</b>	<b>37,68,80,669</b>	<b>74.87</b>	<b>—</b>
<b>(2) Foreign</b>									
a) NRIs Individuals	500	—	500	—	500	—	500	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any others	—	—	—	—	—	—	—	—	—
<b>Sub-total A (2) :</b>	<b>500</b>	<b>—</b>	<b>500</b>	<b>—</b>	<b>500</b>	<b>—</b>	<b>500</b>	<b>—</b>	<b>—</b>
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>37,68,81,169</b>	<b>—</b>	<b>37,68,81,169</b>	<b>74.87</b>	<b>37,68,81,169</b>	<b>—</b>	<b>37,68,81,169</b>	<b>74.87</b>	<b>—</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	3,20,01,528	1,92,600	3,21,94,128	6.40	4,14,29,401	1,92,600	4,16,22,001	8.27	1.87
b) Banks / FI	50,644	13,000	63,644	0.01	81,954	13,000	94,954	0.02	0.01
c) Central Government	—	—	—	—	—	—	—	—	—
d) State Government(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	4,83,51,522	35,100	4,83,86,622	9.61	3,79,14,353	35,100	3,79,49,453	7.54	-2.07
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total B (1) :</b>	<b>8,04,03,694</b>	<b>2,40,700</b>	<b>8,06,44,394</b>	<b>16.02</b>	<b>7,94,25,708</b>	<b>2,40,700</b>	<b>7,96,66,408</b>	<b>15.83</b>	<b>-0.19</b>

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	
<b>2. Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	46,20,262	1,19,700	47,39,962	0.94	47,35,213	1,17,400	48,52,613	0.96	0.02
ii) Overseas	—	4,200	4,200	—	—	4,200	4,200	—	—
<b>b) Individuals</b>									
i) Individuals shareholders holding nominal share capital upto ₹ 2 lakh	2,19,26,149	60,63,791	2,79,89,940	5.56	2,33,18,615	59,25,500	2,92,44,115	5.81	0.25
ii) Individuals shareholders holding nominal share capital in excess of ₹2 lakh	11,574,346	30,700	11,605,046	2.31	10,783,093	30,700	10,813,793	2.15	-0.16
iii) Others (specify) : NBFCs Registered with RBI, Trusts, Non Resident Indians, Clearing Members.	1,219,869	272,000	1,491,869	0.30	1,622,282	272,000	1,894,282	0.38	0.08
<b>Sub-total B (2) :</b>	<b>3,93,40,626</b>	<b>64,90,391</b>	<b>4,58,31,017</b>	<b>9.11</b>	<b>4,04,59,203</b>	<b>63,49,800</b>	<b>4,68,09,003</b>	<b>9.30</b>	<b>0.19</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2) :</b>	<b>11,97,44,320</b>	<b>67,31,091</b>	<b>12,64,75,411</b>	<b>25.13</b>	<b>11,98,84,911</b>	<b>65,90,500</b>	<b>12,64,75,411</b>	<b>25.13</b>	<b>—</b>
<b>C. Shares held by custodians for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>49,66,25,489</b>	<b>67,31,091</b>	<b>50,33,56,580</b>	<b>100.00</b>	<b>49,67,66,080</b>	<b>65,90,500</b>	<b>50,33,56,580</b>	<b>100.00</b>	<b>—</b>

**(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	
	<b>Promoters :</b>							
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 Investment & 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	—	—
	<b>Total - Promoters (A)</b>	<b>31,89,08,973</b>	<b>63.35</b>	<b>—</b>	<b>31,89,08,973</b>	<b>63.35</b>	<b>—</b>	<b>—</b>
	<b>Promoters Group :</b>							
8	Suman R. Raheja	56,90,528	1.13	—	56,90,528	1.13	—	—
9	Akshay R. Raheja	55,76,784	1.11	—	55,76,784	1.11	—	—
10	Viren R. Raheja	55,76,784	1.11	—	55,76,784	1.11	—	—
11	Brindaban Land Development Private Limited	14,000	—	—	14,000	—	—	—
12	Colonnade Housing Private Limited	14,000	—	—	14,000	—	—	—
13	Excelsior Construction Company Private Limited	16,000	—	—	16,000	—	—	—
14	Gstaad Trading Company Private Limited	12,000	—	—	12,000	—	—	—
15	R Raheja Properties Private Limited	2,31,00,400	4.59	—	2,31,00,400	4.59	—	—
16	Gstaad Investment & Finance Private Limited	14,000	—	—	14,000	—	—	—
17	Peninsula Estates Private Limited	1,79,33,200	3.56	—	1,79,33,200	3.56	—	—
18	Trophy Investment & Finance Private Limited	20,000	—	—	20,000	—	—	—
19	Shiraz Realtors Private Limited	4,000	—	—	4,000	—	—	—
20	Satish B. Raheja	500	—	—	500	—	—	—
	<b>Total - Promoters Group (B)</b>	<b>5,79,72,196</b>	<b>11.52</b>	<b>—</b>	<b>5,79,72,196</b>	<b>11.52</b>	<b>—</b>	<b>—</b>
	<b>Total - Promoters &amp; Promoters Group (A + B)</b>	<b>37,68,81,169</b>	<b>74.87</b>	<b>—</b>	<b>37,68,81,169</b>	<b>74.87</b>	<b>—</b>	<b>—</b>

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

There are no changes in the Promoters' shareholding during the Financial year 2016-17.

**(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 10 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, 2016	1,73,59,422	3.45	1,73,59,422	3.45
		Increase	June 30, 2016	18,83,000	0.37	1,92,42,422	3.82
		Increase	December 2, 2016	94,76,115	1.88	2,87,18,537	5.71
		Increase	December 9, 2016	48,78,676	0.97	3,35,97,213	6.67
		Increase	December 23, 2016	34,00,000	0.68	3,69,97,213	7.35
		Increase	December 30, 2016	9,08,000	0.18	3,79,05,213	7.53
		Increase	January 13, 2017	4,00,000	0.08	3,83,05,213	7.61
		At the end of the year	March 31, 2017			3,83,05,213	7.61
2	Morgan Stanley Asia (Singapore) Pte.	At the beginning of the year	April 1, 2016	1,04,81,675	2.08	1,04,81,675	2.08
		Decrease	April 29, 2016	22,89,548	0.45	81,92,127	1.63
		Decrease	June 24, 2016	18,67,394	0.37	63,24,733	1.26
		Decrease	July 1, 2016	10,13,000	0.20	53,11,733	1.06
		Decrease	July 8, 2016	39,941	0.01	52,71,792	1.05
		Decrease	February 10, 2017	1,937	0.00	52,69,855	1.05
		Decrease	February 24, 2017	443	0.00	52,69,412	1.05
		Decrease	March 24, 2017	19,393	0.00	52,50,019	1.04
		Decrease	March 31, 2017	4,321	0.00	52,45,698	1.04
		At the end of the year	March 31, 2017			52,45,698	1.04
3	National Westminster Bank Plc as Trustee of The Jupiter India Fund	At the beginning of the year	April 1, 2016	67,44,554	1.34	67,44,554	1.34
		Increase	October 21, 2016	6,24,589	0.12	73,69,143	1.46
		Increase	January 27, 2017	2,54,415	0.05	76,23,558	1.51
		Increase	February 3, 2017	2,00,287	0.04	78,23,845	1.55
		Increase	February 10, 2017	3,66,159	0.07	81,90,004	1.63
		At the end of the year	March 31, 2017			81,90,004	1.63
4	Goldman Sachs India Fund Limited #	At the beginning of the year	April 1, 2016	58,45,941	1.16	58,45,941	1.16
		Decrease	December 2, 2016	42,82,172	0.85	15,63,769	0.31
		Decrease	December 9, 2016	15,63,769	0.31	0	0.00
		At the end of the year	March 31, 2017			0	0.00
5	ICICI Prudential Asset Management Company Limited	At the beginning of the year	April 1, 2016	52,05,756	1.03	52,05,756	1.03
		Decrease	April 8, 2016	3,11,765	0.06	48,93,991	0.97
		Decrease	April 15, 2016	5,86,119	0.12	43,07,872	0.86
		Decrease	April 22, 2016	3,54,576	0.07	39,53,296	0.79
		Decrease	April 29, 2016	21,833	0.00	39,31,463	0.78
		Decrease	May 6, 2016	29,637	0.01	39,01,826	0.78
		Decrease	May 13, 2016	9,27,681	0.18	29,74,145	0.59
		Decrease	May 20, 2016	25,658	0.01	29,48,487	0.59

Sr. No.	Particulars For each of the top 10 Shareholders	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total shares of the Company
		Decrease	May 27, 2016	3,71,819	0.07	25,76,668	0.51
		Decrease	June 3, 2016	2,31,098	0.05	23,45,570	0.47
		Decrease	June 10, 2016	1,53,686	0.03	21,91,884	0.44
		Decrease	June 17, 2016	1,28,219	0.03	20,63,665	0.41
		Decrease	June 24, 2016	16,406	0.00	20,47,259	0.41
		Decrease	September 2, 2016	5,459	0.00	20,41,800	0.41
		Decrease	September 9, 2016	3,55,436	0.07	16,86,364	0.34
		Increase	September 16, 2016	6,46,060	0.13	23,32,424	0.46
		Decrease	September 16, 2016	16,86,364	0.34	6,46,060	0.13
		Increase	November 11, 2016	10,30,515	0.20	16,76,575	0.33
		Increase	November 18, 2016	1,42,090	0.03	18,18,665	0.36
		Increase	November 25, 2016	76,878	0.02	18,95,543	0.38
		Increase	December 16, 2016	64,716	0.01	19,60,259	0.39
		Increase	December 23, 2016	1,40,315	0.03	21,00,574	0.42
		Increase	January 13, 2017	62,114	0.01	21,62,688	0.43
		Increase	February 3, 2017	5,570	0.00	21,68,258	0.43
		Increase	February 17, 2017	2,31,766	0.05	24,00,024	0.48
		At the end of the year	March 31, 2017			24,00,024	0.48
6	TIMF Holdings #	At the beginning of the year	April 1, 2016	50,00,000	0.99	50,00,000	0.99
		Increase	April 29, 2016	22,89,548	0.45	72,89,548	1.45
		Decrease	October 14, 2016	5,95,794	0.12	66,93,754	1.33
		Decrease	December 2, 2016	60,12,893	1.19	6,80,861	0.14
		Decrease	December 9, 2016	6,80,861	0.14	0	0.00
		At the end of the year	March 31, 2017			0	0.00
7	Legato Capital Management Investments LLC *	At the beginning of the year	April 1, 2016	0	0.00	0	0.00
		Increase	May 27, 2016	4,14,880	0.08	4,14,880	0.08
		Increase	June 3, 2016	5,86,646	0.12	10,01,526	0.20
		Increase	June 10, 2016	3,77,000	0.07	13,78,526	0.27
		Increase	June 24, 2016	42,977	0.01	14,21,503	0.28
		Increase	June 30, 2016	51,327	0.01	14,72,830	0.29
		Increase	August 19, 2016	48,136	0.01	15,20,966	0.30
		Increase	August 26, 2016	5,44,349	0.11	20,65,315	0.41
		Increase	September 2, 2016	3,92,000	0.08	24,57,315	0.49
		Increase	September 9, 2016	2,73,000	0.05	27,30,315	0.54
		Decrease	December 9, 2016	72,000	0.01	26,58,315	0.53
		Decrease	December 16, 2016	91,819	0.02	25,66,496	0.51
		Increase	January 13, 2017	1,68,822	0.03	27,35,318	0.54
		Increase	January 20, 2017	1,68,821	0.03	29,04,139	0.58
		Increase	February 10, 2017	6,98,063	0.14	36,02,202	0.72
		At the end of the year	March 31, 2017			36,02,202	0.72

Sr. No.	Particulars For each of the top 10 Shareholders	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total shares of the Company
8	Sundaram Mutual Fund #	At the beginning of the year	April 1, 2016	35,42,640	0.70	35,42,640	0.70
		Decrease	June 3, 2016	91,054	0.02	34,51,586	0.69
		Decrease	June 10, 2016	1,18,946	0.02	33,32,640	0.66
		Decrease	July 1, 2016	1,03,046	0.02	32,29,594	0.64
		Decrease	September 16, 2016	9,214	0.00	32,20,380	0.64
		Decrease	October 21, 2016	93,667	0.02	31,26,713	0.62
		Decrease	October 28, 2016	53,398	0.01	30,73,315	0.61
		Decrease	November 4, 2016	10,11,315	0.20	20,62,000	0.41
		Decrease	November 11, 2016	2,87,934	0.06	17,74,066	0.35
		Decrease	November 25, 2016	11,37,950	0.23	6,36,116	0.13
		Decrease	December 2, 2016	6,36,116	0.13	0	0.00
		At the end of the year	March 31, 2017			0	0.00
9	Morgan Stanley Investment Management	At the beginning of the year	April 1, 2016	34,62,649	0.69	34,62,649	0.69
		At the end of the year	March 31, 2017			34,62,649	0.69
10	CLSA Global Markets Pte. Ltd.	At the beginning of the year	April 1, 2016	32,97,612	0.66	32,97,612	0.66
		Increase	May 6, 2016	66,366	0.01	33,63,978	0.67
		Increase	May 13, 2016	1,21,825	0.02	34,85,803	0.69
		Increase	May 20, 2016	4,13,959	0.08	38,99,762	0.77
		Increase	May 27, 2016	3,54,051	0.07	42,53,813	0.85
		Increase	June 3, 2016	3,36,829	0.07	45,90,642	0.91
		Increase	June 10, 2016	53,109	0.01	46,43,751	0.92
		Increase	June 17, 2016	2,67,745	0.05	49,11,496	0.98
		Increase	June 24, 2016	1,68,970	0.03	50,80,466	1.01
		Increase	June 30, 2016	81,058	0.02	51,61,524	1.03
		Increase	August 19, 2016	78,974	0.02	52,40,498	1.04
		Increase	September 30, 2016	19,123	0.00	52,59,621	1.04
		Increase	October 7, 2016	2,67,533	0.05	55,27,154	1.10
		Increase	October 14, 2016	40,316	0.01	55,67,470	1.11
		Increase	October 21, 2016	1,36,118	0.03	57,03,588	1.13
		Increase	October 28, 2016	1,18,825	0.02	58,22,413	1.16
		Increase	November 4, 2016	85,942	0.02	59,08,355	1.17
		Increase	November 11, 2016	1,48,802	0.03	60,57,157	1.20
		At the end of the year	March 31, 2017			60,57,157	1.20
11	SBI Funds Management Pvt. Ltd. #	At the beginning of the year	April 1, 2016	30,63,616	0.61	30,63,616	0.61
		Decrease	April 8, 2016	1,02,400	0.02	29,61,216	0.59
		Decrease	July 1, 2016	4,000	0.00	29,57,216	0.59
		Decrease	July 8, 2016	4,000	0.00	29,53,216	0.59

Sr. No.	Particulars For each of the top 10 Shareholders	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total shares of the Company
		Decrease	August 26, 2016	2,00,000	0.04	27,53,216	0.55
		Decrease	September 2, 2016	1,23,216	0.02	26,30,000	0.52
		Increase	October 7, 2016	5,200	0.00	26,35,200	0.52
		Decrease	October 28, 2016	8,200	0.00	26,27,000	0.52
		Increase	November 25, 2016	13,000	0.00	26,40,000	0.52
		Decrease	December 16, 2016	40,000	0.01	26,00,000	0.52
		Decrease	December 23, 2016	26,00,000	0.52	0	0.00
		At the end of the year	March 31, 2017			0	0.00
12	East Bridge Capital Master Fund Limited	At the beginning of the year	April 1, 2016	29,78,576	0.59	29,78,576	0.59
		At the end of the year	March 31, 2017			29,78,576	0.59
13	Jupiter South Asia Investment Company Limited	At the beginning of the year	April 1, 2016	28,62,510	0.57	28,62,510	0.57
		Decrease	January 20, 2017	1,01,027	0.02	27,61,483	0.55
		Decrease	March 31, 2017	1,22,302	0.02	26,39,181	0.52
		At the end of the year	March 31, 2017			26,39,181	0.52
14	Morgan Stanley Sicav (Mauritius) Limited	At the beginning of the year	April 1, 2016	17,20,427	0.34	17,20,427	0.34
		At the end of the year	March 31, 2017			17,20,427	0.34

Notes : (1) The above information is based on the weekly beneficiary position received from depositories.

(2) 0.00 denotes % less than 0.01

(3) # The shareholder was in Top 10 category as on April 1, 2016 but not as on March 31, 2017.

(4) \* The shareholder was not in Top 10 category as on April 1, 2016 but in the Top 10 category as on March 31, 2017.

**(v) Shareholding of Directors and Key Managerial Personnel :**

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

Note : (1) No change in shareholding of Directors during the year.

(2) Mr. Shobhan M. Thakore, Mr. Vijay Aggarwal, Mr. Vivek K. Agnihotri, Mr. Joydeep Mukherjee, Mr. Atul R. Desai, Mr. J. A. Brooks, Mr. Pramod K. Akhramka and Ms. Aneeta S. Kulkarni did not hold any shares of the Company during the financial year 2016-17.



## 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
<b>Indebtedness at the beginning of the financial year :</b>				
i) Principal Amount (Gross)	1,504.86	327.69	30.52	1,863.07
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	42.54	—	—	42.54
<b>Total (i + ii + iii)</b>	<b>1,547.40</b>	<b>327.69</b>	<b>30.52</b>	<b>1,905.61</b>
<b>Change in Indebtedness during the financial year :</b>				
Addition	370.55	80.01	4.80	455.36
Reduction (Including Net exchange loss)	537.85	126.40	13.92	678.17
<b>Net change</b>	<b>(167.30)</b>	<b>(46.39)</b>	<b>(9.12)</b>	<b>(222.81)</b>
<b>Indebtedness at the end of the financial year :</b>				
i) Principal Amount (Gross)	1,337.56	281.30	21.40	1,640.26
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	51.09	—	—	51.09
<b>Total (i + ii + iii)</b>	<b>1,388.65</b>	<b>281.30</b>	<b>21.40</b>	<b>1,691.35</b>

## 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 K. Agnihotri	Mr. Joydeep Mukherjee	Mr. Atul R. Desai <sup>#</sup>	Mr. V. M. Panicker <sup>§</sup>	
<b>1</b>	<b>Gross salary :</b>						
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3.89	1.94	1.79	1.08	0.58	9.28
	b. Value of perquisites U/s 17(2) of the Income-tax Act, 1961	—	—	—	—	0.02	0.02
	c. Profits in lieu of salary U/s 17(3) of the Income-tax Act, 1961	—	—	—	—	—	—
<b>2</b>	<b>Stock Option</b>	—	—	—	—	—	—
<b>3</b>	<b>Sweat Equity</b>	—	—	—	—	—	—
<b>4</b>	<b>Commission :</b>						
	- as % of profit	—	—	—	—	—	—
	- others, specify	—	—	—	—	—	—
<b>5</b>	<b>Others, please specify</b>	—	—	—	—	—	—
	<b>Total (A)</b>	<b>3.89</b>	<b>1.94</b>	<b>1.79</b>	<b>1.08</b>	<b>0.60</b>	<b>9.30</b>
	Ceiling as per the Act	1. The remuneration paid for the period September 12, 2016 to March 31, 2017 is in accordance with MCA Notification No. S.O.2922(E) dated September 12, 2016. 2. For the remuneration paid to Mr. Vijay Aggarwal, Mr. Vivek K. Agnihotri and Mr. Joydeep Mukherjee for the period April 1, 2016 to September 11, 2016 & for the remuneration paid to Mr. Atul R. Desai for the period August 29, 2016 to September 11, 2016 refer details given in the Corporate Governance Report.					

<sup>#</sup> Appointed as Executive Director & CEO (RMC) w.e.f. August 29, 2016.

<sup>§</sup> Resigned on August 24, 2016. Includes leave encashment on actual payment.

## B. Remuneration to other Directors :

₹ Crores

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Shobhan M. Thakore	Mr. Rajan B. Raheja	Mr. J. A. Brooks	Ms. Ameeta A. Parpia	Mr. Rajesh G. Kapadia <sup>§</sup>	
<b>1</b>	<b>Independent Directors :</b>						
i)	Fees for attending Board / Committee Meetings	0.05	—	0.04	0.07	—	<b>0.16</b>
ii)	Commission	—	—	0.60	—	—	<b>0.60</b>
iii)	Others, please specify	—	—	—	—	—	—
	<b>Total (1)</b>	<b>0.05</b>	<b>—</b>	<b>0.64</b>	<b>0.07</b>	<b>—</b>	<b>0.76</b>
<b>2</b>	<b>Other Non-executive Directors :</b>						
i)	Fees for attending Board Committee Meetings	—	0.03	—	—	—	<b>0.03</b>
ii)	Commission	—	—	—	—	—	—
iii)	Others, please specify	—	—	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>0.03</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.03</b>
	<b>Total (B) = (1 + 2)</b>	<b>0.05</b>	<b>0.03</b>	<b>0.64</b>	<b>0.07</b>	<b>—</b>	<b>0.79</b>
	<b>Total Managerial Remuneration (A + B)</b>						<b>10.09</b>

<sup>§</sup> Resigned on July 15, 2016.

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

₹ Crores

Sr. No.	Particulars of Remuneration	Key Managering Personnel		Total
		Mr. Pramod K. Akhramka (CFO)	Ms. Aneeta S. Kulkarni (Company Secretary)	
<b>1</b>	<b>Gross salary :</b>			
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.46	0.56	<b>2.02</b>
	Value of perquisites U/s 17(2) of the Income-tax Act, 1961	—	—	—
	Profits in lieu of salary U/s 17(3) of the Income-tax Act, 1961	—	—	—
<b>2</b>	<b>Stock Option</b>	—	—	—
<b>3</b>	<b>Sweat Equity</b>	—	—	—
<b>4</b>	<b>Commission :</b>			
	- as % of profit	—	—	—
	- others, specify	—	—	—
<b>5</b>	<b>Others, please specify</b>	—	—	—
	<b>Total</b>	<b>1.46</b>	<b>0.56</b>	<b>2.02</b>

## VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

There were no penalties / punishments / 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

Place : Mumbai  
Date : May 25, 2017

**SHOBHAN M. THAKORE**  
Chairman

# 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, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

### 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Act.

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 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 standalone 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone 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 including the, of the state of affairs of the Company as at March 31, 2017, and its profits including Other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), 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.
2. As required by Section 143 (3) of the Act, we report 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;
  - b) 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;

- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity 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, the Companies (Indian Accounting Standards) Amendments Rules, 2016 and relevant provisions of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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"; and
- 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 as amended by the Companies (Audit and Auditors) Rules, 2017, 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 standalone financial statements. Refer Note 4.04(a) to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.11 to the standalone financial statements.

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

**Atul Shah**  
Partner  
Membership No : 39569

Mumbai  
Dated : May 25, 2017

## 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, 2017 :

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its property, plant and equipment;
- (b) The Company has a regular programme of physical verification of property, plant and equipment by which all property, plant and equipment 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 property, plant and equipment 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; and
- (c) Based on 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 property, plant and equipment are held in the name of the Company except for following :



Particulars	No. of Cases	Gross Block	Net Block	Remarks
		As at March 31, 2017 (₹ in Crores)		
Freehold Land / Leasehold Land / Premises	116	22.29	21.73	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; and
- (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 granted unsecured loan to one body corporate covered in the register maintained under Section 189 of the Act.
- (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company;
- (b) According to the information and explanations given to us, no repayment schedules have been specified in respect of such loans granted and accordingly, the question of regularity in repayment of principal amount does not arise; and
- (c) There are no overdue amounts in respect of loan granted to a body corporate listed in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations 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, as applicable.
- (v) The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 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 has generally been 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, 2017, for a period of more than six months from the date they became payable; and
- (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 and Service Tax Appellate Tribunal	1.47
	1996-97 (Feb.97)	The High Court	0.98
	2005-06 to 2013-14	Central Excise Service Tax Appellate Tribunal	15.17
	2007-08 to 2013-14	Commissioner (Appeals)	0.44
	2008-09 to 2009-10	Assistant Commissioner (Appeals)	0.02
	2013-14	Deputy Commissioner (Appeals)	0.01
	2011-12	Joint Commissioner (Appeals)	0.39
	2012-13 to 2015-16	Tribunal	0.75
	2007-2016	Commissioner (Appeals)	1.79
Sales Tax (Central and 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
	2008-10 and 2011-13	Joint Commissioner (Appeals), Maharashtra	8.70
	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
	2010-11 to 2011-12	Assistant Deputy Commissioner (Appeals), Telangana	0.08
	2010-11 to 2011-12	Commissioner (Appeals), Telangana	0.04
	2013-14	Assessment Authority - Telangana	0.41
	2010-11 to 2011-12	Commissioner (appeals), Punjab	0.13
	2000-01 to 2001-02 and 2012-13 & 2013-14	Sales tax Appellate Tribunal, Hyderabad	0.21
	2005-06 to 2006-07	Joint Commissioner of Sales Tax, Mumbai	0.34
	2007-08 to 2009-10	Appellate Deputy Commissioner, Chennai	0.48
	2009-10	Assistant Commissioner Commercial Tax	0.35
	2009-10	Commercial Tax Officer, Bangalore	1.18
	2010-11	Joint Commissioner of Commercial Tax, Appeals Gujarat	0.06

Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved
			(₹ in Crores)
Sales Tax (Central and State)	2010-11	Deputy Commissioner of Commercial Tax, Gujarat	0.08
	2010-11	Assistant Commissioner of Commercial Tax, Bangalore	0.07
	2010-11 to 2014-15	Assistant Commissioner Central Excise, Kolkata	0.01
	2011-14	Assistant Commissioner Commercial Tax, Cochin	0.11
	2012-13	Senior Joint Commissioner of Commercial Taxes, Kolkata	0.05
	2013-14	Assistant Commissioner Commercial Tax, Madhya Pradesh	0.04
Madhya Pradesh Commercial Tax Act, 1944	2012-13 to 2016-17	The High Court, Madhya Pradesh	12.77
Madhya Pradesh Entry Tax Act, 1976	2006-07 to 2016-17	The Supreme Court	66.86
	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
Income Tax Act, 1961	2000-01, 2001-02 & 2011-14	Commissioner of Income Tax (Appeals)	4.15
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 and Geology, Hyderabad	0.09
Payment of Wages Act	2014-15	Labour Court, Ahmedabad	0.01

(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, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided

for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.

(xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone 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, paragraph 3(xvi) of the Order is 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 any non-cash transactions with directors. We have been informed that no such transactions have been entered into with person connected with directors. Accordingly, paragraph 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's Registration No : 104767W

**Atul Shah**  
Partner

Mumbai  
Dated : May 25, 2017

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, 2017 :

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, 2017 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 judgment, including the assessment of the risks of material misstatement of the standalone 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, 2017, 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 issued by the Institute of Chartered Accounts of India.

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

Mumbai  
 Dated : May 25, 2017

**Atul Shah**  
 Partner  
 Membership No : 39569

# Standalone Balance Sheet

as at March 31, 2017

₹ Crores

Particulars	Note No.	As at March 31,	As at March 31,	As at April 1,
		2017	2016	2015
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, Plant and Equipment	2.01	1,971.60	2,024.64	2,055.52
Capital work-in-progress		94.51	68.30	68.80
Intangible assets	2.02	17.61	18.69	21.25
Financial assets				
Investments	2.03	381.93	329.57	337.81
Loans	2.04	49.89	50.78	48.66
Other financial assets	2.05	60.03	0.81	0.47
Deferred tax assets (net)	2.06	63.91	36.26	—
Other non-current assets	2.07	181.10	188.59	169.93
<b>Total Non-current Assets</b>		<b>2,820.58</b>	<b>2,717.64</b>	<b>2,702.44</b>
<b>Current Assets</b>				
Inventories	2.08	399.74	471.70	549.95
Financial assets				
Trade receivables	2.09	605.47	608.65	557.39
Cash and cash equivalents	2.10	54.12	75.03	56.63
Bank balances other than Cash and cash equivalents	2.11	12.58	40.12	23.07
Loans	2.04	5.18	4.99	3.77
Other financial assets	2.05	40.17	218.09	98.89
Current tax assets (net)	2.12	26.84	48.28	51.69
Other current assets	2.07	125.67	108.34	232.96
<b>Total Current Assets</b>		<b>1,269.77</b>	<b>1,575.20</b>	<b>1,574.35</b>
<b>TOTAL ASSETS</b>		<b>4,090.35</b>	<b>4,292.84</b>	<b>4,276.79</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	2.13	503.36	503.36	503.36
Other equity	2.14	452.29	437.13	465.78
<b>Total Equity</b>		<b>955.65</b>	<b>940.49</b>	<b>969.14</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial liabilities				
Borrowings	2.15	1,009.36	1,327.39	1,473.11
Other financial liabilities	2.17	208.15	190.81	138.62
Provisions	2.18	20.93	42.81	19.94
Deferred tax liabilities (net)	2.06	—	—	13.60
Other non-current liabilities	2.19	32.07	22.89	20.30
<b>Total Non-current Liabilities</b>		<b>1,270.51</b>	<b>1,583.90</b>	<b>1,665.57</b>
<b>Current Liabilities</b>				
Financial liabilities				
Borrowings	2.15	290.25	313.95	275.11
Trade payables	2.16	745.36	763.99	789.82
Other financial liabilities	2.17	621.96	489.71	432.86
Other current liabilities	2.19	164.16	172.08	117.70
Provisions	2.18	31.18	28.72	26.59
Current tax liabilities (net)	2.20	11.28	—	—
<b>Total Current Liabilities</b>		<b>1,864.19</b>	<b>1,768.45</b>	<b>1,642.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,090.35</b>	<b>4,292.84</b>	<b>4,276.79</b>
<b>Significant Accounting Policies</b>	1			

The accompanying notes are an 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, 2017

For and on behalf of the Board of Directors of Prism Cement Limited

**Shobhan M. Thakore**

(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)

**Atul R. Desai**

(Executive Director & CEO - RMC)

**Aneeta S. Kulkarni**

(Company Secretary)



# Standalone Statement of Profit and Loss for the year ended March 31, 2017

₹ Crores

Particulars	Note No.	Year ended	Year ended
		March 31, 2017	March 31, 2016
<b>INCOME</b>			
Revenue from operations	3.01	5,464.61	5,696.80
Other income	3.02	90.63	134.33
<b>Total Income</b>		<b>5,555.24</b>	<b>5,831.13</b>
<b>EXPENSES</b>			
Cost of materials consumed		1,205.04	1,259.45
Purchase of stock-in-trade		1,146.57	1,279.95
Changes in inventories	3.03	13.59	13.13
Power and fuel expenses		633.97	706.24
Freight outward expenses		651.81	722.78
Excise duty		445.04	419.32
Other manufacturing expenses	3.04	317.39	353.29
Employee benefits expense	3.05	380.72	358.69
Finance costs	3.06	183.35	240.01
Depreciation and amortisation expense	3.07	160.21	156.02
Other expenses	3.08	389.42	340.52
<b>Total Expenses</b>		<b>5,527.11</b>	<b>5,849.40</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>28.13</b>	<b>(18.27)</b>
Exceptional items	3.09	–	(3.61)
<b>Profit / (Loss) before tax</b>		<b>28.13</b>	<b>(21.88)</b>
<b>Tax Expenses</b>	3.10		
Current tax		11.95	0.41
Deferred tax		(1.33)	(30.40)
		<b>10.62</b>	<b>(29.99)</b>
<b>Profit for the year</b>		<b>17.51</b>	<b>8.11</b>
<b>Other Comprehensive Income / (Loss)</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurements of the defined benefit plans		(3.59)	(2.26)
Income tax relating to items that will not be reclassified to profit or loss		1.24	0.78
<b>Total Other Comprehensive Income / (Loss)</b>		<b>(2.35)</b>	<b>(1.48)</b>
<b>Total Comprehensive Income for the year</b>		<b>15.16</b>	<b>6.63</b>
Earnings per share (Face value of ₹ 10/- each) (Refer Note 4.01) :			
Basic (in ₹)		0.35	0.16
Diluted (in ₹)		0.35	0.16
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an 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

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(Executive Director & CEO - RMC)

**Aneeta S. Kulkarni**

(Company Secretary)

# Standalone Statement of changes in equity for the year ended March 31, 2017

		₹ Crores
<b>A. EQUITY SHARE CAPITAL</b>	<b>Note No.</b>	<b>Amount</b>
Balance as at April 1, 2015	2.13	503.36
Changes in equity share capital during the year		–
Balance as at March 31, 2016	2.13	503.36
Changes in equity share capital during the year		–
<b>Balance as at March 31, 2017</b>	<b>2.13</b>	<b>503.36</b>

<b>B. OTHER EQUITY</b>	<b>Reserves and Surplus</b>				
	<b>Capital Redemption Reserve</b>	<b>Debenture Redemption Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at April 1, 2015</b>	<b>10.75</b>	<b>42.53</b>	<b>155.67</b>	<b>256.83</b>	<b>465.78</b>
Profit for the year	–	–	–	8.11	8.11
Other Comprehensive Income / (loss)	–	–	–	(1.48)	(1.48)
Total Comprehensive Income for the year	10.75	42.53	155.67	263.46	472.41
Transferred to Debenture Redemption Reserve	–	42.56	–	(42.56)	–
Adjustment relating to transitional provision contained in Schedule II	–	–	–	(35.28)	(35.28)
<b>Balance as at March 31, 2016</b>	<b>10.75</b>	<b>85.09</b>	<b>155.67</b>	<b>185.62</b>	<b>437.13</b>
Balance as at April 1, 2016	10.75	85.09	155.67	185.62	437.13
Profit for the year	–	–	–	17.51	17.51
Other Comprehensive Income / (loss)	–	–	–	(2.35)	(2.35)
Total Comprehensive Income for the year	10.75	85.09	155.67	200.78	452.29
Transferred to Debenture Redemption Reserve	–	36.34	–	(36.34)	–
<b>Balance as at March 31, 2017</b>	<b>10.75</b>	<b>121.43</b>	<b>155.67</b>	<b>164.44</b>	<b>452.29</b>

## Significant Accounting Policies Note - 1

The accompanying notes are an 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, 2017

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(Executive Director & CEO - RMC)

**Aneeta S. Kulkarni**

(Company Secretary)

# Standalone Cash Flow Statement for the year ended March 31, 2017

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	28.13	(21.88)
<b>Non-cash Adjustment to Profit / (Loss) before tax :</b>		
Depreciation and amortisation expense	160.21	156.02
Impairment of trade receivables	24.82	19.78
Impairment on non current assets	0.32	—
Amortisation of processing fees	6.48	11.77
Bad debts written off	3.45	1.81
Unwinding of interests and discounts	(1.17)	(1.68)
(Gain) / Loss on disposal of property, plant and equipment	(2.08)	3.57
Gain on sale of investments	—	(62.37)
Dividend and interest income	(8.88)	(8.26)
Finance costs	176.84	228.13
Exchange differences (net)	(2.75)	2.11
Other non-cash items	(3.22)	(0.83)
<b>Operating profit before change in operating assets and liabilities</b>	<b>382.15</b>	<b>328.17</b>
<b>Change in operating assets and liabilities :</b>		
Decrease / (increase) in trade receivables	(24.98)	(72.66)
Decrease / (increase) in inventories	71.96	78.25
Increase / (decrease) in trade payables	(16.40)	(29.03)
Decrease / (increase) in other financial assets	118.90	(119.52)
Decrease / (increase) in loans	(1.39)	(2.12)
Decrease / (increase) in other non-current and current assets	16.72	86.74
Increase / (decrease) in provisions	(19.46)	25.90
Increase / (decrease) in other current and non-current financial liabilities	19.98	35.69
Increase / (decrease) in other current and non current liabilities	0.66	41.89
<b>Cash generated from operations</b>	<b>548.14</b>	<b>373.31</b>
Direct taxes paid (net of refunds)	5.04	1.68
<b>Net cash flow from operating activities (A)</b>	<b>543.10</b>	<b>371.63</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for acquisition of property, plant and equipment	(128.07)	(194.87)
Payments for purchase of investments	(56.00)	(35.46)
Proceeds from sale of investments	4.96	109.98
Proceeds from disposal of property, plant and equipment	2.80	8.01
Interest received	8.72	7.87
Dividends received	0.04	0.04
<b>Net cash flow used in investing activities (B)</b>	<b>(167.55)</b>	<b>(104.43)</b>

# Standalone Cash Flow Statement for the year ended March 31, 2017 (Contd.)

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	292.21	332.58
Repayments of borrowings	(512.07)	(357.44)
Loan given to subsidiary	(0.75)	(2.35)
Repayment of loan given to subsidiary	—	3.35
Interest received on loan given to subsidiary	0.11	0.15
Interest paid	(175.96)	(225.09)
<b>Net cash flow used in financing activities (C)</b>	<b>(396.46)</b>	<b>(248.80)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(20.91)</b>	18.40
Cash and cash equivalents at the beginning of the year	75.03	56.63
<b>Cash and cash equivalents at the end of the year</b>	<b>54.12</b>	75.03
<b>Cash and cash equivalents comprises of :</b>		
Balances with bank	49.75	68.91
Cheques / drafts on hand	3.52	4.71
Cash on hand	0.85	1.41
<b>Total</b>	<b>54.12</b>	75.03

## Notes :

1. The Cash Flow Statement has been prepared using the Indirect Method set out in Ind AS 7—Statement of Cash Flows.
2. Payments for acquisition of Property, Plant and Equipment include movement in capital work-in-progress.

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, 2017

For and on behalf of the Board of Directors of Prism Cement Limited

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**Aneeta S. Kulkarni**

(Company Secretary)

# Notes to the Standalone Financial Statements

for the year ended March 31, 2017

## BACKGROUND

Prism Cement Limited, a Public Limited Company domiciled in India, 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 BSE Limited and the National Stock Exchange (India) Limited.

Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2017.

## 1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

### 1.1 Basis of Preparation

#### (i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) ("previous GAAP") and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note no. 4.21 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. The date of transition to Ind AS is April 1, 2015.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following :

- a) certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- b) defined benefit plans - plan assets measured at fair value.

### 1.2 Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest crores, except where otherwise indicated.

### 1.3 Current versus non-current classification

The Company presents its assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current if it is :

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) the cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



A liability is current when :

- a) it is expected to be settled in normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current on net basis.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

#### **1.4 Use of judgements, estimates and assumptions**

While preparing financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as below :

The Company has equity stake in various entities for strategic reasons concerning its operation. The relationship with these entities have been determined based on principles laid down in Ind AS 110 – Consolidated Financial Statements and Ind AS 111 – Joint Arrangements. Accordingly, Raheja QBE General Insurance Company Limited was considered as Joint Venture up to March 29, 2016 and subsidiary thereafter. The entities mentioned below are considered as subsidiaries.

- (i) Antique Marbonite Private Limited
- (ii) Small Johnson Floor Tiles Private Limited
- (iii) Spectrum Johnson Tiles Private Limited
- (iv) Sentini Cermica Private Limited
- (v) Coral Gold Tiles Private Limited

##### **Key assumptions**

- (i) Financial instruments; (Refer note 4.07)
- (ii) Useful lives of Property, Plant and Equipment and Intangible assets; (Refer note 1.5)
- (iii) Valuation of inventories; (Refer note 1.8)
- (iv) Assets and obligations relating to employee benefits; (Refer note 4.03)
- (v) Evaluation of recoverability of deferred tax assets; and (Refer note 2.06)
- (vi) Contingencies (Refer note 4.04)
- (vii) Mine Restoration Provision (Refer note 1.22)



## 1.5 Property, Plant and Equipment

- a) Freehold land is carried at historical cost less impairment loss, if any.
- b) Property, Plant and Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.
- c) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.
- d) An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss.
- e) Expenditure 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 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.
- f) The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.
- g) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Company. Accordingly, the Company identifies any land lease arrangement with a term in excess of 50 years as a finance lease.
- h) Stores and spares which meet the definition of Property Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.
- i) Cost of mining reserve included in freehold / leasehold land, balance cost of leasehold mining land and mines development expenses are amortised systematically based on principle of Unit of Production method.
- j) Depreciation on Property, Plant and Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II to the Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant and Equipment and has adopted the useful lives and residual value as prescribed therein except following cases which are based on internal technical assessment :

Assets	Useful life of asset
Mobile Phones	1 - 3 years
Motor car given to 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
Leasehold Improvements	Over the period of the 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 and Machinery - Concrete Pumps	6 years

Freehold land is not depreciated. Land on finance lease is amortised over the period of lease.

- k) The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of Property, Plant and Equipment is assessed based on the historical experience and internal technical inputs which varies from 2 to 40 years.
- l) All assets costing up to ₹10,000/- are fully depreciated in the year of capitalisation.

## 1.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Technical know-how / license fee and application software are classified as Intangible Assets.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortisation of intangible assets (acquired) are as follows :

Assets	Amortisation method / Useful life
Intellectual Property Rights	10 years
Technical know-how	7 years
Software	1 - 8 years
Mineral Procurement Rights	Unit of Production method
Mining Lease rights	Over the period of the lease

## 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 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;
- Ability to generate future economic benefits;
- The availability of adequate resources to complete the development and use or sell the asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

## 1.7 Impairment of Assets

Carrying amount of Tangible assets, Intangible assets, investments in subsidiaries, Joint Ventures and Associates (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## 1.8 Inventories

Raw materials, fuels, stores and spares are valued at lower of cost and net realisable 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 which do not meet the recognition criteria under Property, Plant and Equipment is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable 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 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 at lower of weighted average cost and net realisable value.

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.

## 1.9 Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

## 1.10 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it shall be recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The above criteria is also used for recognition of incentives under various scheme notified by the Government.

## 1.11 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement : Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following :

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

### **Amortised Cost**

A financial asset is classified and measured at amortised cost if both of the following conditions are met :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **FVTOCI**

A financial asset is classified and measured at FVTOCI if both of the following conditions are met :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **FVTPL**

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### **Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Classification and Subsequent measurement : Financial Liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### **Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

### **Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of Financial Assets and Financial Liabilities**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.



## Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

### 1.12 Financial Liabilities and Equity Instruments

Classification as debt or equity :

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments :

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

### 1.13 Investments in Subsidiaries, Associates and Joint Ventures

A Subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the Joint Venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investments in its Subsidiaries, Associate and Joint Ventures are accounted at cost.

### 1.14 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 1.15 Provisions, Contingent liabilities, Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

#### Contingent liabilities are disclosed in the case of :

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

## **1.16 Gratuity and other post-employment benefits**

### **a) Short-term obligations**

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

### **b) Post-employment obligations**

The Company operates the following post-employment schemes :

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund, superannuation fund and national pension scheme.

#### **Gratuity obligations**

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement Profit and Loss as past service cost.

#### **Defined contribution plans**

The Company contributes to Superannuation, Employee's State Insurance Corporation, Provident Fund and subscribes to the National Pension Scheme which are considered as defined contribution plans. 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. The said contributions are charged to the Statement of Profit and Loss.

### **c) Other long-term employee benefit obligations**

The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### **d) Bonus Plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.



## 1.17 Revenue Recognition

### (i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates but does not include value added tax (VAT) and central sales tax (CST).

The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

### (ii) Rendering of services

Revenue from services are recognised as and when the services are rendered on stage of completion method. Income from services does not include service tax (ST).

### (iii) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

### (iv) Dividend Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## 1.18 Taxes on Income

### Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred Tax

Deferred tax is provided using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

### **1.19 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **1.20 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### **As a lessee**

Leases of Property, Plant and Equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **1.21 Foreign currency translation**

#### **(i) Functional and presentation currency**

The Company's financial statements are prepared in INR, which is also the Company's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

**Non-monetary items**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**1.22 Mine Restoration Provision**

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 ongoing 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.

**1.23 First-time adoption-mandatory exceptions, optional exemptions****Overall principle**

The Company has prepared the opening standalone Balance Sheet as per Ind AS as of the transition date by :

- recognising all assets and liabilities whose recognition is required by Ind AS;
- not recognising items of assets or liabilities which are not permitted by Ind AS;
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

**Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

**Past business combinations**

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements :

- a) The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the standalone Balance Sheet of the Company and would also not qualify for recognition in accordance with Ind AS in the separate Balance Sheet of the Company;
- b) The Company has excluded from its opening Balance Sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS; and
- c) The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.



**Deemed cost for Property, Plant and Equipment and Intangible assets**

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Deemed cost on investments in Subsidiaries, Joint Ventures and Associates**

The Company has elected to selectively use fair value of its investments in certain subsidiaries as the deemed cost of investments and has elected to continue with the carrying value of its investments in remaining subsidiaries, Joint Ventures and Associates recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the investments in subsidiaries, Joint Ventures and Associates.

**Determining whether an arrangement contains a lease**

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

**Long term foreign currency monetary item**

The Company has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended March 31, 2016.

**Accounting for joint arrangement**

In respect of all the Joint Ventures which were earlier accounted for using the proportionate consolidation method under previous GAAP, the Company has measured the investments in those Joint Ventures as the aggregate of corresponding carrying amounts of the assets and liabilities as a deemed cost on the date of transition as per Ind AS 111-Joint Arrangements.

## 2.01 PROPERTY, PLANT AND EQUIPMENT :

Particulars	Gross Carrying Amount			Depreciation				Net Block		₹ Crores
	As at April 1, 2016	Addition	Disposal	As at March 31, 2017	For the Year	Elimination on disposal	Other adjustments	As at March 31, 2017	As at March 31, 2016	
Own Assets :										
Land - Freehold	485.53	30.49	0.01	516.01	3.99	4.16	—	8.15	507.86	481.54
Buildings	183.92	3.96	0.23	187.65	10.98	11.19	—	22.17	165.48	172.94
Plant and Machinery	1,369.68	40.96	0.16	1,410.48	144.05	94.96	0.01	239.00	1,171.48	1,225.63
Railway siding	3.42	—	—	3.42	0.19	0.19	—	0.38	3.04	3.23
Office Equipment	7.23	1.86	0.15	8.94	2.03	2.06	0.06	4.03	4.91	5.20
Computers	7.85	2.97	0.17	10.65	2.25	2.66	0.04	4.87	5.78	5.60
Mines Development	108.38	11.47	—	119.85	28.61	30.04	—	58.65	61.20	79.77
Furniture and Fixtures	21.13	0.89	0.19	21.83	4.66	3.48	0.04	8.10	13.73	16.47
Vehicles	13.54	3.77	0.56	16.75	2.76	3.05	0.16	5.65	11.10	10.78
Truck Mixers, Loaders and Truck Dumpers	10.04	0.78	—	10.82	4.76	2.58	—	7.34	3.48	5.28
Total (A)	2,210.72	97.15	1.47	2,306.40	204.28	154.37	0.31	358.34	1,948.06	2,006.44
Assets taken on Finance Lease :										
Land	8.96	0.01	0.06	8.91	0.61	0.17	—	0.78	8.13	8.35
Plant and Machinery	10.07	6.77	—	16.84	0.22	1.61	—	1.83	15.01	9.85
Vehicles	—	0.41	—	0.41	—	0.01	—	0.01	0.40	—
Total (B)	19.03	7.19	0.06	26.16	0.83	1.79	—	2.62	23.54	18.20
Total (A + B)	2,229.75	104.34	1.53	2,332.56	205.11	156.16	0.31	360.96	1,971.60	2,024.64

₹ Crores

## 2.01 PROPERTY, PLANT AND EQUIPMENT (Contd...)

₹ Crores

Particulars	Gross Carrying Amount			Depreciation				Net Block			
	Deemed cost as at April 1, 2015	Addition	Disposal	As at March 31, 2016	As at April 1, 2015	For the Year	Elimination on disposal	Other adjustments	As at March 31, 2016	As at April 1, 2015	
Own Assets :											
Land - Freehold	425.94	64.38	4.79	485.53	–	3.99	–	–	3.99	481.54	425.94
Buildings	178.89	9.33	4.30	183.92	–	10.98	–	–	10.98	172.94	178.89
Plant and Machinery	1,307.62	74.81	12.75	1,369.68	–	90.80	0.34	53.59	144.05	1,225.63	1,307.62
Railway siding	3.42	–	–	3.42	–	0.19	–	–	0.19	3.23	3.42
Office Equipment	5.60	1.78	0.15	7.23	–	2.07	0.04	–	2.03	5.20	5.60
Computers	4.49	3.63	0.27	7.85	–	2.33	0.08	–	2.25	5.60	4.49
Mines Development	84.48	23.90	–	108.38	–	28.61	–	–	28.61	79.77	84.48
Furniture and Fixtures	17.55	3.88	0.30	21.13	–	4.72	0.06	–	4.66	16.47	17.55
Vehicles	10.00	5.55	2.01	13.54	–	3.04	0.28	–	2.76	10.78	10.00
Truck Mixers, Loaders and Truck Dumpers	10.00	0.04	–	10.04	–	4.39	–	0.37	4.76	5.28	10.00
Total (A)	2,047.99	187.30	24.57	2,210.72	–	151.12	0.80	53.96	204.28	2,006.44	2,047.99
Assets taken on Finance Lease :											
Land	5.10	3.86	–	8.96	–	0.61	–	–	0.61	8.35	5.10
Plant and Machinery	2.43	10.35	2.71	10.07	–	0.50	0.28	–	0.22	9.85	2.43
Total (B)	7.53	14.21	2.71	19.03	–	1.11	0.28	–	0.83	18.20	7.53
Total (A + B)	2,055.52	201.51	27.28	2,229.75	–	152.23	1.08	53.96	205.11	2,024.64	2,055.52

Notes :

- Depreciation for the year includes ₹ 0.21 Crores (Previous year : ₹ 0.32 Crores) considered for capitalisation.
- Gross block of Property, Plant and Equipments includes dedicated electricity lines whose deemed cost was ₹ 20.27 Crores (Previous year : ₹ 20.27 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vitaran Company Limited.
- Loss of Nil (Previous year : ₹ 0.48 Crores) arising on account of exchange difference on long-term foreign currency borrowings, utilised for purchase of Property, Plant and Equipments has been capitalised and included in "Additions".
- Amortisation in case of Freehold Land represent amortisation of mining reserve on extraction basis.
- Additions during the year includes ₹ 0.34 Crores ( Previous year : ₹ 0.02 Crores) on account of Research assets.

## 2.02 INTANGIBLE ASSETS :

Particulars	Gross Carrying Amount			Amortisation				Net Block		₹ Crores
	As at April 1, 2016	Addition	Disposal	As at March 31, 2017	For the Year on disposal	Elimination	Other adjustments	As at March 31, 2017	As at March 31, 2016	
Software	10.36	3.18	–	13.54	1.83	2.24	–	4.07	9.47	8.53
Intellectual Property Rights	1.77	–	–	1.77	0.59	0.59	–	1.18	0.59	1.18
Mining Leasing Rights	8.25	–	–	8.25	0.40	0.40	–	0.80	7.45	7.85
Minerals Procurement Rights	2.28	–	–	2.28	1.26	1.00	–	2.26	0.02	1.02
Technical Know-how	0.14	–	–	0.14	0.03	0.03	–	0.06	0.08	0.11
<b>Total</b>	22.80	3.18	–	25.98	4.11	4.26	–	8.37	17.61	18.69

Particulars	Gross Carrying Amount			Amortisation				Net Block		
	Deemed cost as at April 1, 2015	Addition	Disposal	As at March 31, 2016	As at April 1, 2015	For the Year	Elimination on disposal	Other adjustments	As at March 31, 2016	As at April 1, 2015
Software	8.81	1.55	–	10.36	–	1.83	–	–	1.83	8.81
Intellectual Property Rights	1.77	–	–	1.77	–	0.59	–	–	0.59	1.77
Mining Leasing Rights	8.25	–	–	8.25	–	0.40	–	–	0.40	8.25
Minerals Procurement Rights	2.28	–	–	2.28	–	1.26	–	–	1.26	2.28
Technical Know-how	0.14	–	–	0.14	–	0.03	–	–	0.03	0.14
Total	21.25	1.55	–	22.80	–	4.11	–	–	4.11	21.25

Range of remaining period of amortisation as at March 31, 2017 of Intangible assets is as below :

Assets	Range of remaining period of amortisation				Net Block
	< 5 year	6 - 10 year	> 10 year		
Software	8.14	1.33	–		9.47
Intellectual Property Rights	0.59	–	–		0.59
Mining Leasing Rights	1.35	1.35	4.75		7.45
Minerals Procurement Rights	0.02	–	–		0.02
Technical Know-how	0.08	–	–		0.08
<b>Total</b>	10.18	2.68	4.75		17.61

## 2.03 INVESTMENTS

Particulars	Face Value ₹	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Investments in Equity Instruments (fully paid up) - Unquoted</b>							
<b>Investment in Subsidiaries - measured at cost</b>							
– Raheja QBE General Insurance Company Limited**	10	10,55,70,000	105.57	10,55,70,000	105.57	–	–
– Silica Ceramica Private Limited #	10	3,44,97,883	153.31	1,66,22,500	117.24	86,22,500	83.54
– H. & R. Johnson (India) TBK Limited	100	1,61,020	29.71	1,61,020	29.71	1,61,020	29.71
– Antique Marbonite Private Limited #	10	30,09,000	15.08	40,00,000	20.03	40,00,000	20.03
– Small Johnson Floor Tiles Private Limited	10	20,00,000	13.30	20,00,000	13.30	20,00,000	13.30
– Sentini Cermica Private Limited #	10	23,00,000	11.50	23,00,000	11.50	23,00,000	11.50
– Milano Bathroom Fittings Private Limited	100	72,446	9.09	72,446	9.09	72,446	9.09
– Spectrum Johnson Tiles Private Limited	10	21,65,388	8.03	21,65,388	8.03	21,65,388	8.03
– Coral Gold Tiles Private Limited	10	26,00,000	5.46	26,00,000	5.46	–	–
– RMC Readymix Porcelano (India) Limited	10	50,000	0.05	50,000	0.05	50,000	0.05
<b>Investment in Joint Ventures - measured at cost</b>							
– Ardex Endura (India) Private Limited	10	65,00,000	6.50	65,00,000	6.50	65,00,000	6.50
– Raheja QBE General Insurance Company Limited **	10	–	–	–	–	15,31,80,000	153.18
<b>Investment in Associates - measured at cost</b>							
– Prism Power and Infrastructure Private Limited	10	4,900	–	4,900	–	4,900	*
<b>Other Investments (Designated at FVTOCI)</b>							
– B L A Power Private Limited	10	1,75,00,000	21.00	–	–	–	–
(A)			378.60		326.48		334.93



## 2.03 INVESTMENTS (Contd...)

Particulars	Face Value ₹	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Investments in preference shares (fully paid up) Unquoted***</b>							
<b>Investment in Subsidiaries - measured at amortised cost</b>							
– Milano Bathroom Fittings Private Limited (1% Non-cumulative and Redeemable Preference Shares)	100	<b>3,87,500</b>	<b>2.22</b>	3,87,500	2.07	3,87,500	1.94
– Small Johnson Floor Tiles Private Limited (0.01% Non-cumulative Optionally Convertible Preference Shares)	10	<b>40,00,000</b>	<b>1.11</b>	40,00,000	1.02	40,00,000	0.94
<b>(B)</b>			<b>3.33</b>		3.09		2.88
<b>Total non-current investments (A + B)</b>			<b>381.93</b>		329.57		337.81
Aggregate book value of quoted investments			–		–		–
Aggregate market value of investments designated at FVTOCI			<b>21.00</b>		–		–
Aggregate amount of unquoted investments			<b>360.93</b>		329.57		337.81

# Company has given Non-disposal Undertaking to certain banks for its investment in above subsidiaries.

\* Amount less than ₹ 50,000/-

\*\* Based on terms of underlying shareholders' agreement, the Company was a Joint Venture up to March 29, 2016 and subsidiary thereafter.

\*\*\* The carrying value of the equity component included in investment in 1% Non-cumulative and Redeemable Preference Shares and 0.01% Non-cumulative Optionally Convertible Preference Shares issued by subsidiaries viz. Milano Bathroom Fittings Private Limited and Small Johnson Floor Tiles Private Limited is ₹ 2.36 Crores (as at March 31, 2016 : ₹ 2.36 Crores, as at April 1, 2015 : ₹ 2.36 Crores) and ₹ 3.30 Crores (as at March 31, 2016 : ₹ 3.30 Crores, as at April 1, 2015 : ₹ 3.30 Crores) respectively.

## 2.04 LOANS

Particulars	₹ Crores					
	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security Deposits - Utility						
Unsecured, considered good	31.43	32.64	28.80	2.33	2.31	0.87
(a)	31.43	32.64	28.80	2.33	2.31	0.87
Security Deposits - Rental						
Unsecured, considered good	14.21	14.43	14.61	—	—	—
(b)	14.21	14.43	14.61	—	—	—
Loans to related parties *						
Loans to subsidiary company						
Unsecured, considered good	3.10	2.35	3.35	—	—	—
(c)	3.10	2.35	3.35	—	—	—
Loans to employees						
Unsecured, considered good	1.15	1.36	1.90	2.85	2.68	2.90
(d)	1.15	1.36	1.90	2.85	2.68	2.90
<b>Total</b> (a + b + c + d)	<b>49.89</b>	<b>50.78</b>	<b>48.66</b>	<b>5.18</b>	<b>4.99</b>	<b>3.77</b>

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member except security deposit of ₹ 0.06 Crores for premises given to Director.

\* Further information about these loans is set out in note no. 4.11 and 4.12.

## 2.05 OTHER FINANCIAL ASSETS

Particulars	₹ Crores					
	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Insurance claim receivable	58.94	—	—	6.08	64.50	65.14
Bank deposits with more than twelve months maturity (restricted use)	1.04	0.76	0.42	—	—	—
Accrued Interest	—	—	—	0.56	3.65	3.93
Escrow balances with banks (restricted use)	0.05	0.05	0.05	—	—	—
Balances related to Coal Mine and Infrastructure	—	—	—	33.18	39.92	29.70
Receivable relating to sale of shares	—	—	—	—	109.98	—
Other receivables	—	—	—	0.35	0.04	0.12
<b>Total</b>	<b>60.03</b>	<b>0.81</b>	<b>0.47</b>	<b>40.17</b>	<b>218.09</b>	<b>98.89</b>

## 2.06 DEFERRED TAX ASSETS / LIABILITIES (NET)

Significant components of deferred tax assets / (liabilities) recognised in the financial statements are as follows :

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax (liabilities) / assets in relation to :			
Unabsorbed Depreciation / Business loss as per Income Tax	171.64	200.97	182.80
Provision for Employees Benefits	44.95	34.70	22.49
Other temporary differences / unutilised tax asset	18.85	(12.50)	(5.52)
Property, Plant and Equipment	(171.53)	(186.91)	(213.37)
<b>Total</b>	<b>63.91</b>	<b>36.26</b>	<b>(13.60)</b>

Particulars	As at March 31, 2017	(Charged) / Credited to Profit and Loss / OCI	As at March 31, 2016	(Charged) / Credited to Profit and Loss / OCI	As at April 1, 2015
Deferred tax (liabilities) / assets in relation to :					
Unabsorbed Depreciation / Business loss as per Income Tax	171.64	(29.33)	200.97	18.17	182.80
Provision for Employees Benefits	44.95	10.25	34.70	12.21	22.49
Other temporary differences / unutilised tax asset	18.85	31.35	(12.50)	(6.98)	(5.52)
Property, Plant and Equipment	(171.53)	15.38	(186.91)	26.46	(213.37)
<b>Total</b>	<b>63.91</b>	<b>27.65</b>	<b>36.26</b>	<b>49.86</b>	<b>(13.60)</b>

## 2.07 OTHER ASSETS

Particulars	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	2017	2016	2015	2017	2016	2015
Capital Advances	54.82	58.92	64.71	—	—	—
<b>Advances other than Capital Advances</b>						
Balances with government authorities :						
CENVAT / VAT Receivables	77.95	80.17	59.35	15.55	25.06	116.15
Balances with statutory authorities	—	—	—	11.62	11.21	12.14
Service tax Recoverable	—	—	—	10.74	8.03	9.43
Excise / VAT / Service Tax / Custom duty deposited under protest	7.79	6.19	5.09	0.15	0.36	—
Security Deposits	8.42	7.73	12.44	0.94	0.58	0.02
Advances to other parties	26.77	31.00	24.46	3.77	1.87	1.87
Prepaid expenses	3.79	2.86	2.70	9.56	12.64	9.48
Royalty receivable	—	—	—	17.12	17.12	17.12
Others	1.56	1.72	1.18	56.22	31.47	66.75
<b>Total</b>	<b>181.10</b>	<b>188.59</b>	<b>169.93</b>	<b>125.67</b>	<b>108.34</b>	<b>232.96</b>

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

## 2.08 INVENTORIES

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw materials	90.31	90.15	84.23
Goods-in-transit	0.11	0.15	4.06
Stores and spares	43.69	62.16	77.32
Goods-in-transit	0.16	—	—
Fuel Stock	41.39	44.49	130.05
Goods-in-transit	0.18	37.26	3.67
Work-in-progress	33.73	32.41	32.32
Finished goods	139.71	141.97	138.79
Goods-in-transit	10.08	9.88	11.55
Stock-in-trade	37.05	48.70	62.55
Goods-in-transit	3.33	4.53	5.41
<b>Total</b>	<b>399.74</b>	<b>471.70</b>	<b>549.95</b>

Note : Charged to Statement of Profit and Loss on account of write-down of inventories to net realisable value for the year is ₹11.73 Crores (Previous year : ₹ 9.59 Crores).

## 2.09 TRADE RECEIVABLES

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured, considered good	40.11	27.91	24.15
Unsecured, considered good	565.36	580.74	533.24
Unsecured, considered doubtful	89.64	71.14	51.95
	695.11	679.79	609.34
Less : Allowance for doubtful debts (expected credit loss)	89.64	71.14	51.95
<b>Total</b>	<b>605.47</b>	<b>608.65</b>	<b>557.39</b>

Note : No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

## 2.10 CASH AND CASH EQUIVALENTS

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks :			
In current accounts	47.20	66.06	44.21
Deposits with original maturity of less than three months	2.55	2.85	7.47
Cheques / drafts on hand	3.52	4.71	4.42
Cash on hand	0.85	1.41	0.53
<b>Total</b>	<b>54.12</b>	<b>75.03</b>	<b>56.63</b>

## 2.11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unclaimed Dividend	1.49	2.27	2.78
Margin money with banks (original maturity for more than three months but less than twelve months)	4.99	9.66	10.60
Term Deposit (original maturity for more than three months but less than twelve months) (restricted use)	6.10	28.19	9.69
<b>Total</b>	<b>12.58</b>	<b>40.12</b>	<b>23.07</b>

### Disclosure in respect of Specified Bank Notes (SBN)

The details of SBNs held and transacted during the period November 8, 2016 to December 30, 2016, pursuant to MCA notification no G.S.R. 308(E) dated March 30, 2017 are as under :

Particulars	SBN	Other Denomination notes	Total
Closing cash in hand as on 8.11.2016	2.10	0.31	2.41
(+) Withdrawals from Bank	–	1.37	1.37
(+) Permitted receipts	–	0.10	0.10
(–) Permitted payments	0.20	1.14	1.34
(–) Amount deposited in Banks	1.90	–	1.90
Closing cash in hand as on 30.12.2016	–	0.64	0.64

Explanation : The term 'Specified Bank Note' is defined in the notification no.S.O.3407 (E), dated November 8, 2016 of the Department of Economic Affairs, Government of India.

Notes : (1) Opening balance of SBNs include unspent imprest / advance balance with staff which were disbursed in SBNs before November 8, 2016.

(2) SBNs aggregating to ₹ 11,500/- deposited directly in the bank account of the Company, is not included in the above disclosure.

## 2.12 CURRENT TAX ASSETS (NET)

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Tax Assets :			
Taxes paid	26.84	60.43	70.11
	26.84	60.43	70.11
Current Tax Liabilities :			
Provision for taxation	–	12.15	18.42
	–	12.15	18.42
<b>Total</b>	<b>26.84</b>	<b>48.28</b>	<b>51.69</b>

## 2.13 EQUITY SHARE CAPITAL

Particulars	₹ Crores		
	As at March 31,	As at March 31,	As at April 1,
	2017	2016	2015
<b>Authorised Share Capital :</b>			
52,50,00,000 (March 31, 2016 : 52,50,00,000 and April 1, 2015 : 50,50,00,000) Equity shares of ₹ 10/- each	<b>525.00</b>	525.00	505.00
Nil (March 31, 2016 : Nil and April 1, 2015 : 2,00,00,000) Preference shares of ₹ 10/- each (refer 2.13(b)(ii))	—	—	20.00
<b>Total</b>	<b>525.00</b>	525.00	525.00
<b>Issued, Subscribed and Paid up :</b>			
50,33,56,580 (March 31, 2016 : 50,33,56,580 and April 1, 2015 : 50,33,56,580) Equity shares of ₹ 10/- each	<b>503.36</b>	503.36	503.36
<b>Total</b>	<b>503.36</b>	503.36	503.36

### a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period :

Equity shares	As at March 31,	As at March 31,	As at April 1,
	2017	2016	2015
	No. of Shares	No. of Shares	No. of Shares
At the beginning of the year	<b>50,33,56,580</b>	50,33,56,580	50,33,56,580
Outstanding at the end of the year	<b>50,33,56,580</b>	50,33,56,580	50,33,56,580

### b. Rights, preference and restrictions attached to Equity and Preference 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.
- Rights, privileges and conditions attached to the preference shares will be decided at the time of issue.

### c. Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Manali Investment & Finance Private Limited	<b>6,78,17,992</b>	<b>13.47%</b>	6,78,17,992	13.47%	6,78,17,992	13.47%
Hathway Investments Private Limited	<b>6,41,13,400</b>	<b>12.74%</b>	6,41,13,400	12.74%	6,41,13,400	12.74%



Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Coronet Investments Private Limited	5,79,49,394	11.51%	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%	5,14,06,327	10.21%
Bloomingdale Investment & Finance Private Limited	3,12,89,300	6.22%	3,12,89,300	6.22%	3,12,89,300	6.22%
HDFC Trustee Company Limited	3,83,05,213	7.61%	—	—	—	—

## 2.14 OTHER EQUITY

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
General reserve	155.67	155.67	155.67
Retained earnings	164.44	185.62	256.83
Capital redemption reserve	10.75	10.75	10.75
Debentures redemption reserve	121.43	85.09	42.53
<b>Total</b>	<b>452.29</b>	<b>437.13</b>	<b>465.78</b>

### Description of the nature and purpose of each reserve within equity is as follows :

#### (a) General Reserve :

The Company had transferred a portion of the net profit of the Company before declaring dividend to the general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve before declaration of dividend is not required under the Companies Act, 2013.

#### (b) Retained Earnings :

Retained earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves, debenture redemption reserve etc., amount distributed as dividend and adjustments on account of transition to Ind AS.

#### (c) Capital Redemption Reserve :

Capital Redemption Reserve was created pursuant to the scheme of amalgamation.

#### (d) Debenture Redemption Reserve (DRR) :

The Company has issued non-convertible debentures. In terms of provisions of the Companies (Share Capital and Debenture) Rules, 2014 (as amended), the Company is required to create DRR which is equal to 25% of the value of the debentures issued, over the term of the debentures, out of the profits of the Company available for payment of dividend.

## 2.15 BORROWINGS

Particulars	₹ Crores		
	Non-current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured</b>			
Bonds / Debentures			
- 9.25% Non-convertible Zero coupon with yield-to-maturity) (refer sr. no.1) {2000 Nos. (March 31, 2016 : Nil and April 1, 2015 : Nil) debentures of ₹ 0.10 Crore each}	200.00	—	—
- 10.75% Non-convertible Debentures (refer sr. no. 2) {1500 Nos. (March 31, 2016 : 1500 Nos. and April 1, 2015 : 1500 Nos.) debentures of ₹ 0.10 Crore each}	150.00	150.00	150.00
- 11.70% Non-convertible Debentures (refer sr. no.3) {1000 Nos. (March 31, 2016 : 1000 Nos. and April 1, 2015 : 1000 Nos.) debentures of ₹ 0.10 Crore each}	100.00	100.00	100.00
- 11.25% Non-convertible Zero coupon with yield-to-maturity) (refer sr. no.4) {500 Nos. (March 31, 2016 : 500 Nos. and April 1, 2015 : 500 Nos.) debentures of ₹ 0.10 Crore each}	50.00	50.00	50.00
- 11.00% Non-convertible Debentures (refer sr. no.5) {500 Nos. (March 31, 2016 : 500 Nos. and April 1, 2015 : 500 Nos.) debentures of ₹ 0.10 Crore each}	50.00	50.00	50.00
- 12.65% Non-convertible Debentures (refer sr. no.6) {500 Nos. (March 31, 2016 : 500 Nos. and April 1, 2015 : 500 Nos.) debentures of ₹ 0.10 Crore each}	50.00	50.00	50.00
- 12.65% Non-convertible Debentures (refer sr. no.7) {1000 Nos. (March 31, 2016 : 1000 Nos. and April 1, 2015 : 1000 Nos.) debentures of ₹ 0.10 Crore each}	100.00	100.00	100.00
- 11.25% Non-convertible Debentures (refer sr. no.8) {1100 Nos. (March 31, 2016 : 1500 Nos. and April 1, 2015 : 1500 Nos.) debentures of ₹ 0.10 Crore each}	110.00	150.00	150.00
- 0.75% + SBI Base rate Non-convertible Debentures {Nil (March 31, 2016 : 1000 Nos. and April 1, 2015 : 1000 Nos.) debentures of ₹ 0.10 Crore each}	—	100.00	100.00
- 9.30% Non-convertible Debentures {Nil (March 31, 2016 : Nil and April 1, 2015 : 35 Nos.) debentures of ₹ 1.00 Crore each}	—	—	35.00
- 11.80% Non-convertible Debentures {Nil (March 31, 2016 : Nil and April 1, 2015 : 300 Nos.) debentures of ₹ 0.10 Crore each}	—	—	30.00
Term loans			
from banks (refer sr. no. 9 to 12)	339.98	535.78	637.97
from bank (FCNR) (refer sr. no. 13 and 14)	51.00	104.24	98.29
Vehicle loans (refer sr. no. 15 to 17)			
from banks	4.88	4.30	2.30
from others	—	0.07	0.20
Buyer's Credit	—	2.13	—

## 2.15 BORROWINGS (Contd...)

Particulars	₹ Crores		
	Non-current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured</b>			
- 0.55% + SBI Base rate Non-convertible Debentures (refer sr. no. 21) {1000 Nos. (March 31, 2016 : 1000 Nos. and April 1, 2015 : Nil) debentures of ₹ 0.10 Crore each}	100.00	100.00	–
- 10.42% Non-convertible Debentures {Nil (March 31, 2016 : Nil and April 1, 2015 : 150 Nos.) debentures of ₹ 0.10 Crore each}	–	–	15.00
Inter-corporate deposits (refer sr. no. 22)	0.14	0.15	0.17
Buyer's Credit (refer sr. no. 23)	5.55	5.44	1.91
Fixed deposits from public (refer sr. no. 24)	21.40	30.52	37.14
Finance Lease Obligations (refer sr. no. 25)	13.71	9.35	1.09
	1,346.66	1,541.98	1,609.07
Less : Disclosed under other Financial Liabilities :			
Current maturities of Non-current Borrowings	331.16	211.02	134.54
Current maturities of Finance Lease Obligations	3.95	1.75	–
Unclaimed fixed deposits	2.19	1.82	1.42
<b>Total</b>	<b>1,009.36</b>	<b>1,327.39</b>	<b>1,473.11</b>
<b>Particulars</b>	<b>Current</b>		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured</b>			
Loans repayable to banks			
On Demand (refer sr. no. 18 and 19)	125.64	94.12	61.85
Buyer's Credit (refer sr. no. 20)	2.71	7.08	37.79
<b>Unsecured</b>			
Loans from banks	110.65	112.75	75.47
Buyer's Credit	1.25	–	–
Commercial Papers	50.00	100.00	100.00
(Maximum balance outstanding during the year ₹ 150 Crores (March 31, 2016 : ₹ 225 Crores and April 1, 2015 : ₹ 125 Crores))			
<b>Total</b>	<b>290.25</b>	<b>313.95</b>	<b>275.11</b>

## 2.15 BORROWINGS (Contd...)

### (a) Debentures (Secured) :

The Company has issued the following Secured Redeemable Non-convertible Debentures :

Sr. No.	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible Assets of the Cement Division, both present and future except leased assets	Allotted on December 13, 2016 and repayable at 9.25% p.a. XIRR basis redemption premium on April 29, 2020	200.00	–	–
2	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible Assets of the Cement Division, both present and future except leased assets	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 July 20, 2018; January 21, 2019; July 19, 2019	150.00	150.00	150.00
3	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible Assets of the Cement Division, both present and future except leased assets	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	100.00	100.00	100.00
4	Secured by first pari passu charge by way of hypothecation of all the movables Property, Plant and Equipment of HRJ Division located at Pen, Kunigal and Dewas, both present and future	Allotted on January 21, 2015 and repayable on April 26, 2018 with Put / Call option at 11.25 % pa IRR basis redemption premium on April 26, 2017	50.00	50.00	50.00
5	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible Assets of the Cement Division, both present and future except leased assets	Allotted on February 03, 2015 and repayable on April 25, 2018	50.00	50.00	50.00
6	Secured by first pari passu charge by way of hypothecation of all the movables Property, Plant and Equipment of HRJ Division located at Pen, Kunigal and Dewas, both present and future	Allotted on July 22, 2014 and repayable on July 22, 2017	50.00	50.00	50.00
7	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible Assets of the Cement Division, both present and future except leased assets	Allotted on July 22, 2014 and repayable on July 22, 2017	100.00	100.00	100.00
8	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible Assets of the Cement Division, both present and future except leased assets	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	110.00	150.00	150.00
<b>Total</b>			<b>810.00</b>	650.00	650.00
Add : Loans fully repaid prior to the Balance sheet date			–	100.00	165.00
<b>Total (a)</b>			<b>810.00</b>	750.00	815.00

## 2.15 BORROWINGS (Contd...)

### (b) Nature of Security and terms of repayment for secured borrowings (other than debentures) :

Sr. No.	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
9	Secured by first pari passu charge on all the movable and immovable Property, Plant and Equipment of the Cement Division, both present and future	Quarterly in equal installments payable over a period of seven years including moratorium period from the date of facility availed on November 23, 2013	27.50	37.50	47.50
10	Secured by first pari passu charge on all the movable and immovable Property, Plant and Equipment of the Cement Division, both present and future	Quarterly in equal installments payable over a period of seven years including moratorium period from the date of facility availed on September 28, 2013	75.00	105.00	135.00
11	Secured by first pari passu charge on all the movable and immovable Property, Plant and Equipment of the Cement Division, both present and future	Quarterly in equal installments payable over a period of six years commencing after moratorium period of two years. Availed on March 16, 2016	190.00	150.00	—
12	First exclusive charge on the office premises of HRJ division on units 1 to 4 on 7th Floor, Windsor	Quarterly installments payable over a period of 54 Months; ₹ 4.17 Crores each per quarter from November 17, 2018	50.00	—	—
13	Secured by first pari passu charge by way of hypothecation of all the movables Property, Plant and Equipment of HRJ Division located at Pen, Kunigal and Dewas, both present and future	Quarterly installments payable over a period of three years including moratorium period of one year; 8 equal quarterly installments from June 26, 2016	18.66	38.13	35.97
14	Secured by first pari passu charge on entire movable Property, Plant and Equipment of RMC Division excluding assets charged exclusively to other lenders	Quarterly installments payable over a period of three years including moratorium period of one year; 8 equal quarterly installments from June 26, 2016	33.17	67.78	63.94
15	Secured by exclusive charge on vehicles of HRJ Division	EMI over a period of 60 months from the respective date of disbursement	3.84	3.60	2.35
16	First and exclusive charge secured by hypothecation of vehicles financed to RMC Division	EMI over a period of five years	0.42	—	0.04
17	Secured by exclusive charge on vehicles of Cement Division	EMI over a period of 60 months from the respective date of disbursement	0.62	0.77	0.11
18	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division	Payable within one year	121.59	94.12	61.85
19	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of RMC Division	Payable on Demand	4.05	—	—

## 2.15 BORROWINGS (Contd...)

Sr. No.	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
20	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division	As per due dates of respective buyer's credit	2.71	7.08	7.10
<b>Total</b>			<b>527.56</b>	503.98	353.86
Add : Loans fully repaid prior to the Balance sheet date			—	250.88	496.94
Less : Unamortised upfront fees on borrowing			3.35	7.14	12.40
<b>Total (b)</b>			<b>524.21</b>	747.72	838.40

### (c) Terms of Repayment for Unsecured borrowings :

Nature of Borrowing	Terms of Repayment	₹ Crores		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
21 Non-convertible Debenture	Allotted on September 15, 2015 and repayable on September 14, 2018 with Interest reset clause on September 30, 2016 and September 30, 2017	100.00	100.00	—
22 Inter Corporate Deposits	3 years from April 1, 2016	0.14	0.15	0.17
23 Buyer's Credit	As per due dates of respective Buyers Credit	5.55	5.44	1.91
24 Fixed Deposits from public	Payable over a period of one to two years from the respective date of disbursement	21.40	30.52	37.14
25 Finance Lease obligation	Payable over period of 5 years from the respective date of disbursement	13.71	9.35	1.09
26 Current Borrowings		161.90	212.75	175.47
<b>Total</b>		<b>302.70</b>	358.21	215.78
Add : Loans fully repaid prior to the Balance sheet date		—	—	15.00
<b>Total (c)</b>		<b>302.70</b>	358.21	230.78
<b>Total Borrowings (a + b + c)</b>		<b>1,636.91</b>	1,855.93	1,884.18



## 2.15 BORROWINGS (Contd...)

### (d) Assets pledged as security :

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Receivables	605.47	608.65	557.39
Inventories	399.74	471.70	549.95
	1,005.21	1,080.35	1,107.34
<b>Non-current</b>			
Land (Freehold and Leasehold)	474.37	449.01	391.85
Freehold building	83.31	85.56	91.53
Plant and Machinery (Freehold and Leasehold)	984.44	1,019.72	1,058.81
Railway Siding	3.02	3.21	3.40
Office Equipments	3.31	3.74	4.49
Furnitures and Fixtures	8.68	10.24	11.67
Computers and Softwares	7.28	5.92	5.96
Truck Mixers, Loaders and dumpers	3.48	5.28	10.00
Mines Development	56.71	75.64	80.33
Vehicles	11.22	10.20	9.32
Movable Tangible assets at Pen, Dewas and Kunigal	186.26	227.39	232.33
Mining Lease – Surface Rights	7.44	7.84	8.24
Minerals Procurement Rights	0.02	1.02	2.28
	1,829.54	1,904.77	1,910.21
<b>Total</b>	<b>2,834.75</b>	<b>2,985.12</b>	<b>3,017.55</b>

## 2.16 TRADE PAYABLES

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total outstanding dues of Micro Enterprises & Small Enterprises	0.06	0.11	0.10
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	745.30	763.88	789.72
<b>Total</b>	<b>745.36</b>	<b>763.99</b>	<b>789.82</b>

## 2.17 OTHER FINANCIAL LIABILITIES

Particulars	₹ Crores					
	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current maturities of Non-current borrowings	–	–	–	<b>331.16</b>	211.02	134.54
Current maturities of Finance Lease obligations	–	–	–	<b>3.95</b>	1.75	–
Payables for acquisition of Property, Plant and Equipment	–	–	–	<b>28.45</b>	27.26	39.07
Interest accrued	<b>6.15</b>	–	–	<b>44.94</b>	42.54	36.80
Unclaimed dividends*	–	–	–	<b>1.49</b>	2.27	2.78
Unpaid matured deposits and interest accrued thereon	–	–	–	<b>2.62</b>	2.26	1.80
Security deposits from customers / others	<b>198.27</b>	187.08	136.21	<b>12.82</b>	0.01	–
Payable to employees	–	–	–	<b>10.26</b>	8.74	3.68
Financial Lease Obligations	<b>1.93</b>	1.93	1.93	–	–	–
Finance Guarantee obligations	<b>1.66</b>	1.57	–	<b>1.11</b>	1.01	–
Liability for expenses	<b>0.05</b>	–	–	<b>184.56</b>	192.44	213.93
Others	<b>0.09</b>	0.23	0.48	<b>0.60</b>	0.41	0.26
<b>Total</b>	<b>208.15</b>	190.81	138.62	<b>621.96</b>	489.71	432.86

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2017

### Details of Current maturities of Non-current borrowings

Particulars	₹ Crores		
	Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured Loan :</b>			
Non-convertible Debentures	<b>260.00</b>	40.00	65.00
Term Loans	<b>51.00</b>	144.58	29.75
Vehicle Loans	<b>1.32</b>	1.08	0.86
Inter Corporate Deposits	–	0.01	–
Buyer's Credit	–	2.13	–
<b>Unsecured Loans :</b>			
Non-convertible Debentures	–	–	15.00
Buyer's Credit	<b>5.55</b>	5.44	1.91
Fixed Deposits from public	<b>13.29</b>	17.78	22.02
<b>Total</b>	<b>331.16</b>	211.02	134.54

## 2.18 PROVISIONS

Particulars				₹ Crores		
	Non-current			Current		
	As at	As at	As at	As at	As at	As at
	March 31,	March 31,	April 1,	March 31,	March 31,	April 1,
	2017	2016	2015	2017	2016	2015
<b>Employee benefits :</b>						
Provision for Gratuity	–	–	–	0.81	–	4.77
Provision for Bonus	–	–	–	10.77	9.44	7.05
Provision for Leave Encashment	17.68	12.88	11.64	9.00	9.20	8.00
Others	–	0.91	0.69	10.60	10.08	6.77
	17.68	13.79	12.33	31.18	28.72	26.59
<b>Others :</b>						
Provision for litigations	0.07	0.07	0.11	–	–	–
Mark-to-Market losses on currency Swap	–	28.10	5.63	–	–	–
Others	3.18	0.85	1.87	–	–	–
	3.25	29.02	7.61	–	–	–
<b>Total</b>	<b>20.93</b>	<b>42.81</b>	<b>19.94</b>	<b>31.18</b>	<b>28.72</b>	<b>26.59</b>

## 2.19 OTHER LIABILITIES

Particulars				₹ Crores		
	Non-current			Current		
	As at	As at	As at	As at	As at	As at
	March 31,	March 31,	April 1,	March 31,	March 31,	April 1,
	2017	2016	2015	2017	2016	2015
Advance from customers	–	–	–	69.45	77.85	45.87
Statutory liabilities	19.05	19.05	16.96	35.07	31.30	36.46
Other employee benefit expenses	–	–	–	7.65	4.26	2.92
Others	13.02	3.84	3.34	51.99	58.67	32.45
<b>Total</b>	<b>32.07</b>	<b>22.89</b>	<b>20.30</b>	<b>164.16</b>	<b>172.08</b>	<b>117.70</b>

## 2.20 CURRENT TAX LIABILITIES (NET)

Particulars	₹ Crores		
	As at	As at	As at
	March 31,	March 31,	April 1,
	2017	2016	2015
Provision for Taxation (net of advance tax)	11.28	–	–
<b>Total</b>	<b>11.28</b>	<b>–</b>	<b>–</b>

### 3.01 REVENUE FROM OPERATIONS

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Revenue from operations</b>		
Sale of products (including excise duty)	5,421.13	5,652.50
Sale of services	23.79	16.97
Other operating revenue :		
Scrap sales	6.46	6.94
Claims and recoveries	7.60	7.22
Others	5.63	13.17
<b>Total</b>	<b>5,464.61</b>	<b>5,696.80</b>

### 3.02 OTHER INCOME

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest income earned on financial assets :		
Bank Deposits (at amortised cost)	1.85	4.39
Corporate guarantee / unwinding interest	1.02	1.17
Dividend on Preference shares	0.28	0.26
Others	7.39	4.35
Other non - operating income :		
Government assistance - Tax Subsidy / Exemption	66.44	60.81
Miscellaneous income	8.82	0.98
Other gains and losses :		
Net gain on sale of investments	—	62.37
Net gain on foreign exchange fluctuation	2.75	—
Net gain on disposal of Property, Plant and Equipment	2.08	—
<b>Total</b>	<b>90.63</b>	<b>134.33</b>

### 3.03 CHANGES IN INVENTORIES

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Inventories at the end of the year (including in-transit) :		
Stock-in-trade	40.38	53.23
Work-in-progress	33.73	32.41
Finished goods	149.79	151.85
(a)	<b>223.90</b>	<b>237.49</b>

### 3.03 CHANGES IN INVENTORIES (Contd...)

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Inventories at the beginning of the year (including in-transit) :		
Stock-in-trade	53.23	67.96
Work-in-progress	32.41	32.32
Finished goods	151.85	150.34
	(b)	250.62
<b>Total</b>	<b>(13.59)</b>	<b>(13.13)</b>

### 3.04 OTHER MANUFACTURING EXPENSES

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Stores and Spares consumed	54.01	76.95
Plant and equipment hire charges	49.77	57.03
Repairs to plant and equipment	32.55	35.75
Royalty for minerals	58.42	60.16
Sub-contract charges	59.00	55.68
Plant upkeep expenses	35.31	34.61
Quarry expenses	18.81	22.69
Dies and punches consumed	7.08	4.36
Other manufacturing expenses	2.44	6.06
<b>Total</b>	<b>317.39</b>	<b>353.29</b>

### 3.05 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	335.04	317.32
Contribution to provident and other fund	27.30	23.79
Staff welfare expenses	18.38	17.58
<b>Total</b>	<b>380.72</b>	<b>358.69</b>

### 3.06 FINANCE COSTS

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest and Finance charges on financial liabilities :		
Interest on overdraft / cash credit	11.22	8.70
Interest on borrowings	164.46	214.21
Interest on finance lease obligation	1.14	0.43
Exchange differences regarded as an adjustment to borrowing cost	0.02	4.79
Other borrowing costs	6.51	11.88
<b>Total</b>	<b>183.35</b>	<b>240.01</b>

### 3.07 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of Property, Plant and Equipment	155.95	151.91
Amortisation of Intangible assets	4.26	4.11
<b>Total</b>	<b>160.21</b>	<b>156.02</b>

### 3.08 OTHER EXPENSES

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Rent expenses	39.28	31.38
Rates and taxes	30.28	28.97
Travelling and communication expenses	50.74	49.39
Discounts, incentives and commission on sales	19.69	21.92
Advertisement, sales promotion and other marketing expenses	75.17	65.47
Research expenses *	3.51	2.80
Insurance	9.34	8.99
Impairment of trade receivables	24.82	19.78
Bad debts written off	3.45	1.81
Concrete pumping expenses	17.12	16.60
Repairs to buildings	4.06	3.85
Repairs others	4.13	4.34
Bank charges	3.66	4.05
Net loss on foreign exchange fluctuation	–	2.11
Loss on disposal of Property, Plant and Equipment (net)	–	3.57
Legal and professional fees	41.78	15.67
Impairment of non-current assets	0.32	–
Miscellaneous expenses	62.07	59.82
<b>Total</b>	<b>389.42</b>	<b>340.52</b>



### 3.08 OTHER EXPENSES (Contd...)

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
*Research expenses comprises of :		
Salaries and wages	1.61	1.45
Travelling and Communication	0.38	0.34
Others	1.52	1.01
<b>Total</b>	<b>3.51</b>	<b>2.80</b>

### 3.09 EXCEPTIONAL ITEMS

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Payment to GAIL (India) Limited towards settlement of claim under long-term gas supply agreement	–	3.61
<b>Total</b>	<b>–</b>	<b>3.61</b>

### 3.10 TAX EXPENSES

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
(a) Income tax expenses :		
Current tax		
In respect of the current year	11.95	0.41
Deferred tax		
In respect of the current year	(2.57)	(31.18)
<b>Total</b>	<b>9.38</b>	<b>(30.77)</b>
(b) Income tax recognised in Other Comprehensive Income		
Remeasurements of the defined benefit plans	1.24	0.78
<b>Total income tax expense recognised in the year (a + b)</b>	<b>10.62</b>	<b>(29.99)</b>
(c) A reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate is as follows :		
Net profit / (loss) before tax	28.13	(21.88)
Effective tax rate applicable to the Company	34.61%	34.61%
Tax amount at the enacted income tax rate	9.74	(7.57)
Add : Expenses not deductible in determining taxable profits	73.40	70.30
Less : Allowances / Deductible	(53.81)	(81.18)
Minimum Alternative Tax	11.28	–
Tax relating to earlier years	0.67	0.41
Incremental Deferred Tax assets on account of unused tax losses and tax credits	(36.58)	(18.93)
Incremental Deferred Tax liability on account of other temporary differences	5.92	6.98
<b>Tax expense as per the Statement of Profit and Loss</b>	<b>10.62</b>	<b>(29.99)</b>

#### 4.01 EARNINGS PER SHARE (EPS)

Particulars	As at March 31, 2017	As at March 31, 2016
Basic earnings per share :		
Attributable to equity holders of the Company (₹)	0.35	0.16
Diluted earnings per share :		
Attributable to equity holders of the Company (₹)	0.35	0.16
Reconciliation of earnings used in calculating earnings per share :		
Basic earnings per share :		
Profit attributable to equity holders of the Company used in calculating basic earnings per share (₹ Crores)	17.51	8.11
Diluted earnings per share :		
Profit attributable to equity holders of the Company used in calculating diluted earnings per shares (₹ Crores)	17.51	8.11
Weighted average number of Equity shares used as the denominator in calculating basic and diluted earnings per share	50,33,56,580	50,33,56,580

#### 4.02 LEASES

- 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.
- Details of Finance lease agreements (Land, Plant and Machinery) - Non-cancellable :  
Future minimum lease payments (MLP) under these leases are as follows :

Finance lease Liabilities	₹ Crores					
	Minimum lease payment			Present value of Minimum lease payment		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	4.16	1.96	1.22	2.75	1.63	1.18
Later than one year and not later than five years.	10.61	8.45	0.93	7.91	5.54	0.62
Later than five years	12.12	12.33	12.54	0.84	0.93	1.03
<b>Total</b>	<b>26.89</b>	<b>22.74</b>	<b>14.69</b>	<b>11.50</b>	<b>8.10</b>	<b>2.83</b>

Lease rentals of ₹ 1.14 Crores (Previous year : ₹ 0.43 Crores) in respect of obligations under finance lease have been recognised in the Statement of Profit and Loss.

Operating lease agreements (Land, Machinery and Equipments) - Non-cancellable

## 4.02 LEASES (Contd...)

₹ Crores			
Future Lease Rental Payments	Minimum lease payment		
	As at March 31,	As at March 31,	As at April 1,
	2017	2016	2015
Due not Later than one year	16.38	18.35	3.26
Due later than one year but not later than five years from the balance sheet date	25.40	32.76	10.24
Later than five years	—	—	—
<b>Total</b>	<b>41.78</b>	<b>51.11</b>	<b>13.50</b>

Lease rentals of ₹ 16.30 Crores (Previous year : ₹ 8.09 Crores) in respect of obligations under operating leases have been recognised in the Statement of Profit and Loss.

## 4.03 EMPLOYEE BENEFIT PLANS

### 1. Defined contribution plans

The Company operated defined benefits contribution retirement benefits plans for all qualifying employees.

The total expenses recognised in the Statement of Profit and Loss is ₹ 14.10 Crores ( for the year ended March 31, 2016 : ₹ 13.65 Crores) represents contributions payable to these plans by the Company at rates specified in rules of the plans.

### 2. Defined Benefits Plans

The Company sponsors funded defined benefit plans for qualifying employee. The defined benefits plan are administered by separate fund that is legally separate fund from the entity. The board of the fund is responsible for the investment policy with regard to assets of the funds.

These plans typically expose the Company to Actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk. No other post-retirement benefit are provided to the employees.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### 4.03 EMPLOYEE BENEFIT PLANS (Contd...)

##### 3. Principal assumptions used for the purpose of actuarial valuation

Particulars	Valuation as at	
	March 31, 2017	March 31, 2016
Discount Rate	7.50%	7.81% to 7.84%
Expected Rate(s) of salary increase	5%	4% to 5%
Average longevity at retirement age for current beneficiaries of plans (years)	36 to 42	36 to 42
Average longevity at retirement age for current employees (future beneficiaries of the plan)	58 & 60	58 & 60
Attrition Rate	5% - 10%	1% - 2%

##### 4. (a) Amounts recognised in Statement of Profit and Loss in respect of defined benefit plans

Particulars	₹ Crores			
	Leave Encashment		Gratuity	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Service cost :				
Current service cost	1.51	2.04	4.53	4.27
Past service cost and (gain) / loss from settlements	—	—	—	1.45
Net interest expense	1.37	1.40	1.00	1.33
Actuarial (Gain) / Loss	7.83	5.24	—	—
<b>Component of defined benefit costs recognised in Statement of profit and loss</b>	<b>10.71</b>	<b>8.68</b>	<b>5.53</b>	<b>7.05</b>

##### 4. (b) Amounts recognised in Other Comprehensive Income in respect of defined benefit plans

Particulars	₹ Crores	
	Gratuity	
	March 31, 2017	March 31, 2016
Remeasurement of net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	(1.03)	0.55
Actuarial (gains) / losses arising from changes in demographic assumptions	2.52	—
Actuarial (gains) / losses arising from changes in financial assumption	1.42	1.78
Actuarial (gains) / losses arising from experience adjustments	0.68	(0.07)
<b>Components of defined benefits cost recognised in Other Comprehensive Income</b>	<b>3.59</b>	<b>2.26</b>

#### 4.03 EMPLOYEE BENEFIT PLANS (Contd...)

##### 5 (a) Movements in present value of defined benefit obligation

Particulars	₹ Crores			
	Leave Encashment		Gratuity	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Opening defined benefit obligations	23.06	20.60	34.51	33.75
Current service cost	1.51	2.04	4.53	4.27
Interest cost	1.37	1.40	2.19	2.34
Remeasurement (Gains) / Losses				
Actuarial (gains) / losses arising from changes in demographic assumptions	2.14	—	2.52	—
Actuarial (gains) / losses arising from changes in financial assumption	0.89	0.32	1.42	1.78
Actuarial (gains) / losses arising from experience adjustments	4.80	4.92	0.68	(0.07)
Past service cost, including losses / (gains) on curtailments	—	—	—	1.45
Benefits paid	(7.09)	(6.22)	(4.89)	(9.01)
<b>Closing defined benefit obligation</b>	<b>26.68</b>	<b>23.06</b>	<b>40.96</b>	<b>34.51</b>

##### 5 (b) Movements in present value in planned assets

Particulars	₹ Crores		
	Gratuity		
	March 31, 2017	March 31, 2016	April 1, 2015
Fair value of plan assets at beginning of year	30.47	26.71	23.52
Interest Income	2.15	2.29	2.28
Employer Contributions	3.73	5.52	3.61
Return on plan Assets	1.03	(0.54)	0.68
Benefits paid	(4.89)	(3.51)	(3.38)
<b>Fair value of plan assets at end of year</b>	<b>32.49</b>	<b>30.47</b>	<b>26.71</b>

##### 6. The category of plan assets as a percentage of total plan are as follows :

Particulars	Percentage		
	March 31, 2017	March 31, 2016	April 1, 2015
Equity Shares	17.59%	15.64%	15.96%
Central and State Government Securities	56.88%	46.77%	43.72%
Other Fixed Income Securities / Deposits	25.53%	37.59%	40.32%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### 4.03 EMPLOYEE BENEFIT PLANS (Contd...)

##### Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

Particulars	₹ Crores			
	Leave Encashment		Gratuity	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount Rate +100 basis points	25.48	21.91	38.48	31.71
Discount Rate -100 basis points	28.03	24.51	43.76	37.73
Salary Increase Rate +1 %	27.92	24.49	43.58	37.60
Salary Increase Rate -1 %	25.56	21.98	38.60	31.77
Attrition Rate +1%	26.89	23.51	41.35	35.27
Attrition Rate -1%	26.44	22.76	40.54	33.65

#### 4.04 (a) CONTINGENT LIABILITIES

- (i) Guarantees given by the Company's bankers and counter guaranteed by the Company : ₹ 36.91 Crores (Previous year : ₹ 30.12 Crores).
- (ii) Prepayment charges claimed by banks on amounts prepaid Nil (Previous year : ₹ 2.92 Crores).
- (iii) 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 : ₹ 9.89 Crores).
  - (c) Tax on Rural and Road Development ₹ 10.45 Crores (Previous year : ₹ 10.38 Crores).
  - (d) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty, Service Tax and other claims ₹ 146.50 Crores. (Previous year : ₹ 139.65 Crores).

#### (b) CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 50.94 Crores (March 31, 2016 : ₹ 26.61 Crores and April 1, 2015 : ₹ 58.81 Crores) and other commitments includes Outstanding Letters of Credit ₹ 41.90 Crores (March 31, 2016 : ₹ 52.26 Crores and April 1, 2015 : ₹ 48.80 Crores).

#### (c) FINANCIAL GUARANTEE

Corporate guarantees issued to the bankers : ₹ 227.25 Crores (Previous year : ₹ 160 Crores).



**(d) Disclosure of provisions made as per the requirements of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets" are as follows :**

Particulars	₹ Crores			As at March 31, 2017
	As at April 1, 2016	Provisions made during the year	Amounts utilised or reversed during the year	
MPEB Cess on Generation of Electricity	8.33	—	—	<b>8.33</b>
MP Entry Tax / VAT	10.05	—	—	<b>10.05</b>
UP Entry Tax	3.86	—	—	<b>3.86</b>
VAT on Inter Unit Transfer	0.68	—	—	<b>0.68</b>
Appeal with AP Comm. Tax Department	0.60	0.07	—	<b>0.67</b>
Mines Restoration expenses	0.28	2.28	—	<b>2.56</b>
<b>Total</b>	<b>23.80</b>	<b>2.35</b>	<b>—</b>	<b>26.15</b>

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 : ₹ 0.23 Crores) and in the event, these are settled against the Company there would be cash outflow of ₹ 25.92 Crores (Previous year : ₹ 23.57 Crores).

- (e)** In terms of long-term gas supply agreement (GSA) with GAIL (India) Limited (GAIL) having validity till April, 2028, the Company is required to draw 1074064 MMBTU of Re-Liquidified 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 clause (TOP) of the GSA and is allowed to draw such under drawn quantities in the balance term of the GSA at then prevailing price.

There were under drawn quantities of RLNG of 653690 and 711272 MMBTU for the calendar year 2015 and 2016 respectively and 202770 MMBTU for the quarter ended March 31, 2017. 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 and has indicated that TOP obligation shall not be enforce for the calendar year 2016. The Company has exhausted its downward flexibility limit. The amount committed under TOP for the under drawn quantities for the quarter ended March 31, 2017, which would be due in December 2017 if it remains undrawn or not waived, is approximately to the tune of ₹ 12.94 Crores.

In view of decreasing trend in prices of RLNG in recent months and also expected increase in the capacity utilisation due to favourable 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.

**4.05 Capital work-in-progress includes pre-operative expenses of ₹ 63.64 Crores (March 31, 2016 : ₹ 58.29 Crores and April 1, 2015 : ₹ 53.05 Crores), the details of which are as under :**

		₹ Crores	
Particulars	2016-17	2015-16	2014-15
<b>Indirect expenditure incurred during the year and considered as pre-operative expenses</b>			
Salary, Wages and Bonus	2.94	2.85	2.77
Contribution to Provident and other funds	0.10	0.12	0.13
Rent, Rates and Taxes	0.31	0.32	0.29
Travelling and Communication	0.29	0.37	0.85
Professional fees	0.24	0.26	0.73
Depreciation	0.21	0.32	0.34
Miscellaneous expenses	1.26	1.00	2.30
	5.35	5.24	7.41
Add : Expenditure upto previous year	58.29	53.05	46.24
	63.64	58.29	53.65
Less : Adjustment relating to Coal Block / Capitalised during the year	—	—	0.60
<b>Balance Carried forward</b>	<b>63.64</b>	<b>58.29</b>	<b>53.05</b>
Cost relating to acquisition of assets and related direct expenses	30.87	10.01	15.75
<b>Total Capital Work-in-progress</b>	<b>94.51</b>	<b>68.30</b>	<b>68.80</b>

**4.06 CAPITAL MANAGEMENT**

**Risk management**

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business and at the same time, optimise returns to the shareholders. The Company takes appropriate and corrective steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

Consistent with others in the industry, the Company monitors capital on the basis of the capital gearing ratio computed as under :

Net debt (total Borrowings net of Cash and cash equivalents) divided by Total 'Equity' (as shown in the Balance Sheet).

The Company's strategy is to maintain a capital gearing ratio within 2 times. The comparative capital gearing ratios are tabulated as hereunder :

	₹ Crores		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Net Debt	1,570.21	1,740.78	1,804.48
Total Equity	955.65	940.49	969.14
Net Debt to Equity Ratio	1.64	1.85	1.86

The Company has complied with all material externally imposed conditions relating to capital requirements and there has not been any delay or default during the period covered under these financial statements. No lenders have raised any matter that may lead to breach of covenants stipulated in the underlying documents.

## 4.07 FINANCIAL INSTRUMENTS

### (i) Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values :

- The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non-current assets, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.
- The fair values for long term loans, long term security deposits given and remaining non-current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
- The fair values of long term security deposits taken, non-current borrowings and remaining non-current financial liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### (ii) Categories of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :

Level 1 : unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 : directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 : inputs which are not based on observable market data.

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>						
Measured at amortised cost :						
Trade receivables	605.47	605.47	608.65	608.65	557.39	557.39
Loans	55.07	55.07	55.76	55.76	52.42	52.42
Cash and Bank balances	67.79	67.79	115.96	115.96	80.17	80.17
Other financial assets	98.80	98.80	218.09	218.09	98.89	98.89
Measured at FVTPL :						
Derivative Instruments	0.31	0.31	—	—	—	—
Measured at FVTOCI :						
Investment in other companies	21.00	21.00	—	—	—	—
<b>Total Financial assets</b>	<b>848.44</b>	<b>848.44</b>	<b>998.46</b>	<b>998.46</b>	<b>788.87</b>	<b>788.87</b>

₹ Crores

#### 4.07 FINANCIAL INSTRUMENTS (Contd...)

Particulars			₹ Crores			
	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial liabilities</b>						
Measured at amortised cost :						
Borrowing	1,636.65	1,636.65	1,856.04	1,856.04	1,884.69	1,884.69
Trade payables	745.36	745.36	763.99	763.99	789.82	789.82
Other financial liabilities	493.07	493.07	465.82	465.82	435.01	435.01
Measured at FVTPL :						
Derivative Instruments	—	—	28.10	28.10	5.63	5.63
<b>Total Financial liabilities</b>	<b>2,875.08</b>	<b>2,875.08</b>	<b>3,113.95</b>	<b>3,113.95</b>	<b>3,115.15</b>	<b>3,115.15</b>

#### (iii) Level wise disclosure of financial instruments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Level	₹ Crores
					Valuation techniques and key inputs
Investment in equity instruments of other companies	21.00	—	—	3	Refer note below
Foreign currency forward contracts - Assets	0.31	—	—	2	Quotes from banks or dealers
Currency Swap contracts - Liability	—	28.10	5.63	2	Quotes from banks

The following table shows a reconciliation of significant unobservable inputs from the opening balance to the closing balance for Level 3 recurring fair value measurements.

	₹ Crores
<b>Investment in equity instruments of other companies</b>	<b>Amount</b>
Balance as on April 1, 2015 and March 31, 2016	—
Add : Acquisition of investments (B L A Power Private Limited)	21.00
<b>Balance as on March 31, 2017</b>	<b>21.00</b>

The above investment was acquired during the year. Post acquisition, there is considerable improvements in the functioning of the said Company. This investment is not freely marketable, however, there is an undertaking from other major shareholder of the said Company to buy the investments at least at the value invested by the Company. In view of the aforesaid, the transaction price has been considered as the fair value.

#### (iv) Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The details of different types of risk and management policy to address these risks are listed below :

The Company's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors / Management.

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

### a. Credit Risk :

Credit risk arises from the possibility that counter party will cause financial loss to the Company by failing to discharge its obligation as agreed.

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit ratings assigned by credit rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counter parties for the facilities availed by subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called upon.

Each division of the Company has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors. The Company uses the allowance matrix to measure the expected credit loss of trade receivables from customers.

Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment are more than two years past due.

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Table showing age of gross trade receivables and movement in expected credit loss allowance :

Age of receivables	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	332.28	309.57	290.76
1 - 90 days past due	207.23	239.16	210.11
91 - 180 days past due	40.02	36.39	30.81
181 - 270 days past due	20.86	16.91	18.64
More than 270 days past due	94.72	77.76	59.02
<b>Total</b>	<b>695.11</b>	<b>679.79</b>	<b>609.34</b>

Movement in the expected credit allowance	₹ Crores	
	As at March 31, 2017	As at March 31, 2016
Balance at beginning of the year	71.14	51.95
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	18.50	19.19
<b>Total</b>	<b>89.64</b>	<b>71.14</b>

### b. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation. In addition, processes and policies related to such risks are overseen by the senior management. The management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### 4.07 FINANCIAL INSTRUMENTS (Contd...)

##### Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

	₹ Crores			
As at March 31, 2017	< 1 year	1 - 5 year	> 5 year	Total
Non-current borrowings	315.68	995.87	–	1,311.55
Current borrowings	290.25	–	–	290.25
Finance lease obligation	3.95	9.76	1.93	15.64
Fixed Deposits payable	15.48	5.92	–	21.40
Financial Guarantee Obligation	61.25	166.00	–	227.25

As at March 31, 2016	< 1 year	1 - 5 year	> 5 year	Total
Non-current borrowings	194.34	1,159.27	148.50	1,502.11
Current borrowings	313.95	–	–	313.95
Finance lease obligation	1.75	7.60	1.93	11.28
Fixed Deposits payable	16.68	13.84	–	30.52
Financial Guarantee Obligation	–	160.00	–	160.00

As at April 1, 2015	< 1 year	1 - 5 year	> 5 year	Total
Non-current borrowings	112.53	1,458.31	–	1,570.84
Current borrowings	275.11	–	–	275.11
Finance lease obligation	–	1.09	1.93	3.02
Fixed Deposits payable	22.01	15.13	–	37.14
Financial Guarantee Obligation	–	80.00	–	80.00

##### Financing arrangements

The Company has sufficient sanctioned line of credit from its bankers / financiers; commensurate to its business requirements. The Company reviews its line of credit available with bankers and lenders from time to time to ensure that at all point of time there is sufficient availability of line of credit to handle peak business cycle.

The Company pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories.

##### c. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk : currency risk, and interest rate risk.

##### (i) Market Risk - Foreign Exchange

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company hedges the receivable as well as payables by forming view after discussion with Forex Consultant and as per policies set by Management.



#### 4.07 FINANCIAL INSTRUMENTS (Contd...)

The Company is also exposed to the foreign currency loans availed from various banks to reduce the overall interest cost. The Company had entered in the foreign currency swap purely to reduce the cost of borrowings and not for the speculation purposes where it was exposed to foreign exchange risk.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows :

In Crores						
Currencies	Liabilities			Assets		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
US Dollar (USD)	0.91	2.23	2.49	0.07	0.11	0.31
EURO	0.18	0.16	0.17	#	#	#
British Pound (GBP)	—	—	—	0.06	0.06	0.08
Japanese Yen (JPY)	0.04	0.03	0.23	—	—	—
AUS Dollar (AUD)	—	—	—	—	2.16	—
Srilankan Rupee (LKR)	0.80	0.21	0.32	12.97	10.58	0.19
Swiss Francs (CHF)	—	—	—	—	—	#
Danish Krone (DKK)	—	—	—	—	—	#

#### Foreign Currency Exposure

In Crores					
Foreign currency exposure as at March 31, 2017	USD	EURO	JPY	GBP	LKR
Trade receivables	0.05	—	—	0.06	12.97
Loans and other receivables	0.02	#	—	—	—
Borrowings	0.86	0.08	—	—	—
Trade payables	0.05	0.10	0.04	—	0.80
Forward contracts for receivable	—	—	—	0.06	—

In Crores						
Foreign currency exposure as at March 31, 2016	USD	EURO	JPY	GBP	LKR	AUD
Trade receivables	0.10	—	—	0.06	10.56	—
Loans and other receivables	0.01	#	—	—	0.02	2.16
Borrowings	1.77	0.08	—	—	—	—
Trade payables	0.46	0.09	0.03	—	0.21	—

In Crores					
Foreign currency exposure as at April 1, 2015	USD	EURO	JPY	GBP	LKR
Trade receivables	0.19	—	—	0.08	0.19
Loans and other receivables	0.12	#	—	—	—
Borrowings	2.25	0.10	—	—	—
Trade payables	0.24	0.07	0.23	—	0.32
Forward contracts for loan	—	0.02	—	—	—

# Amount less than 50,000/-

#### 4.07 FINANCIAL INSTRUMENTS (Contd...)

##### Particulars of un-hedged foreign currency asset / liability as at Balance Sheet date

Currency	Nature	In Crores					
		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
EURO	Asset	#	0.14	#	0.02	#	0.23
CHF	Asset	-	-	-	-	#	0.02
DKK	Asset	-	-	-	-	#	0.01
LKR	Asset	12.97	5.53	10.58	4.80	0.19	0.09
GBP	Asset	-	-	0.06	5.40	0.08	7.70
USD	Asset	0.07	4.25	0.11	7.56	0.31	19.54
AUD	Asset	-	-	2.16	109.98	-	-
EURO	Liability	0.18	12.45	0.16	12.31	0.15	9.99
LKR	Liability	0.80	0.34	0.21	0.09	0.32	0.15
USD	Liability	0.91	59.00	2.23	147.90	2.49	155.56
JPY	Liability	0.04	0.02	0.03	0.02	0.23	0.12

# Amount less than 50,000/-

##### Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity

Currencies	₹ Crores			
	Impact on Profit after Tax and Equity			
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	1 % increase	1 % increase	1 % decrease	1 % decrease
USD	(0.55)	(1.40)	0.55	1.40
EURO	(0.12)	(0.12)	0.12	0.12
GBP	0.05	0.06	(0.05)	(0.06)
AUD	-	1.10	-	(1.10)
LKR	0.05	0.05	(0.05)	(0.05)
<b>Total</b>	<b>(0.57)</b>	<b>(0.31)</b>	<b>0.57</b>	<b>0.31</b>

##### Market Risk - Interest Rate

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company borrows at variable as well as fixed interest rates and the same is managed by the Company by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Company has borrowed in a mix of short term and long term loans.

In order to mitigate the interest rate risk the company has entered in to foreign currency swaps and also borrowed funds in USD.

#### 4.07 FINANCIAL INSTRUMENTS (Contd...)

Particulars	₹ Crores		
	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	526.78	750.54	830.27
Fixed rate borrowings	1,110.13	1,105.39	1,053.91

##### Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates on the borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for whole of the year. A 100-basis point increase or decrease is used for internal review by the key management personnel.

Particulars	₹ Crores	
	Impact on Profit /	Loss and Equity
	March 31, 2017	March 31, 2016
Interest rates - increase by 100 basis points *	(5.27)	(7.51)
Interest rates - decrease by 100 basis points *	5.27	7.51

\* Assuming all other variables as constant.

#### 4.08 RELATED PARTY DISCLOSURES

##### Relationships

Particulars	Ownership Interest		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Subsidiaries</b>			
Raheja QBE General Insurance Company Limited (refer note no. 2.03)	51%	51%	—
H. & R. Johnson (India) TBK Limited	100%	100%	100%
Silica Ceramica Private Limited	99.82%	99.63%	99.28%
Milano Bathroom Fittings Private Limited	100%	100%	100%
TBK Venkataramiah Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited)	100%	100%	100%
TBK Rangoli Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited) (w.e.f. 31.07.15)	100%	100%	—
RMC Readymix Porselano (India) Limited	100%	100%	100%
Sentini Cermica Private Limited	50%	50%	50%
Antique Marbonite Private Limited	50%	50%	50%
Spectrum Johnson Tiles Private Limited	50%	50%	50%
Small Johnson Floor Tiles Private Limited	50%	50%	50%
Coral Gold Tiles Private Limited (w.e.f. 4.11.2015)	50%	50%	—
Antique Minerals Private Limited (Subsidiary of Antique Marbonite Private Limited)	25.50%	25.50%	25.50%

**4.08 RELATED PARTY DISCLOSURES (Contd...)**

Particulars	Ownership Interest		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Sanskar Ceramics Private Limited (Subsidiary of Small Johnson Floor Tiles Private Limited) (w.e.f. 29.9.2016)	25%	—	—
<b>Joint Ventures</b>			
Ardex Endura (India) Private Limited.	50%	50%	50%
Raheja QBE General Insurance Company Limited (refer note no. 2.03)	—	—	74%
<b>Joint Venture of Subsidiary</b>			
TBK Shri Ram Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Deziner's Home Private Limited	50%	50%	50%
TBK Unique Jalgaon Tile Bath Kitchen Private Limited	50%	50%	50%
TBK P B Shah Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Deepgiri Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Prathap Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Bansal Ceramics Private Limited	50%	50%	50%
TBK Rangoli Tile Bath Kitchen Private Limited (Upto 30.7.2015)	—	—	50%
TBK Rathi Sales Agencies Private Limited	50%	50%	50%
TBK Florance Ceramics Private Limited	50%	50%	50%
TBK Sanitary Sales Private Limited	50%	50%	50%
TBK Tile Home Private Limited	50%	50%	50%
TBK Samiyaz Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Krishna Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Reddy Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Kadakia's Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Rishi Ceramics Private Limited	50%	50%	50%
TBK Aishwarya Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Raj Kamal Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Shree Ganesh Traders Private Limited	50%	50%	50%
TBK Vaibhavi Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Home Trends Private Limited	50%	50%	50%
TBK Solan Ceramics Private Limited	50%	50%	50%
<b>Associate</b>			
Prism Power and Infrastructure Private Limited	49%	49%	49%

#### 4.08 RELATED PARTY DISCLOSURES (Contd...)

##### Companies in which Directors and / or their relatives have significant influence

Peninsula Estates Private Limited  
 Varahagiri Investments & Finance Private Limited  
 Windsor Realty Private Limited  
 Countrywide Exports Private Limited

##### Key Management Personnel (KMP)

###### Executive Directors

Mr. Vijay Aggarwal, Managing Director  
 Mr. Vivek K. Agnihotri, Executive Director & Chief Executive Officer - Cement  
 Mr. Joydeep Mukherjee, Executive Director & Chief Executive Officer - HRJ  
 Mr. Atul R. Desai, Executive Director & Chief Executive Officer - RMC (from August 29, 2016)  
 Mr. Venugopal M. Panicker, Executive Director & Chief Executive Officer - RMC (upto August 24, 2016)  
 Mr. Ganesh Kaskar, Executive Director & Chief Executive Officer - HRJ (upto March 2, 2016)  
 Mr. S. Ramnath, Executive Director - Cement (upto February 4, 2015)

###### Non-executive Directors

###### Non-Independent

Mr. Rajan B. Raheja, Director

###### Independent

Mr. Shobhan M. Thakore, Chairman (from August 9, 2016)  
 Mr. Rajesh G. Kapadia, Chairman (upto July 15, 2016)  
 Mr. J. A. Brooks, Director  
 Ms. Ameeta A. Parpia, Director

Name	Relationship	Nature of transaction	Amount of transaction in FY 2016-17	Amount outstanding as on 31.3.2017 (Payable) / Receivable	Amount of transaction in FY 2015-16	Amount outstanding as on 31.3.2016 (Payable) / Receivable	Amount outstanding as on 1.4.2015 (Payable) / Receivable
Peninsula Estates Private Limited	Company in which Directors and / or their relatives have significant influence	Rent paid	0.12	–	0.10	–	–
		Deposit given	–	0.03	–	0.03	0.03
Varahagiri Investments & Finance Private Limited	Company in which Directors and / or their relatives have significant influence	Rent paid	0.46	–	0.41	–	–
		Deposit given	–	0.11	–	0.11	0.11
Windsor Realty Private Limited	Company in which Directors and / or their relatives have significant influence	Sale of goods and services	–	–	–	–	0.40
Prism Power and Infrastructure Private Limited	Associate	Advances	–	–	–	–	0.01
		Provision for advances	–	–	0.01	–	–
Payable to KMPs on account of Managerial Remuneration		Remuneration	–	(0.59)	–	(0.70)	(0.62)
Receivable from a KMPs on account of excess remuneration paid		Remuneration	–	1.41	–	–	–

#### 4.08 RELATED PARTY DISCLOSURES (Contd...)

₹ Crores							
Name	Relationship	Nature of transaction	Amount of transaction in FY 2016-17	Amount outstanding as on 31.3.2017 (Payable) / Receivable	Amount of transaction in FY 2015-16	Amount outstanding as on 31.3.2016 (Payable) / Receivable	Amount outstanding as on 1.4.2015 (Payable) / Receivable
Mr. Atul R. Desai	Executive Director & Chief Executive Officer-RMC	Deposit given	0.06	0.06	–	–	–
H. & R. Johnson (India) TBK Limited	Subsidiary	Sales	21.42	2.88	35.47	6.63	3.26
		ICD given / (repaid)	0.75	3.10	(1.00)	2.35	3.35
Silica Ceramica Private Limited	Subsidiary	Purchase and services	173.31	(4.67)	258.29	(43.77)	(43.04)
		Interest received	4.11	–	0.49	–	–
		Reimbursement of services - received	0.70	–	0.25	–	–
		Reimbursement of services - paid	0.08	–	0.07	–	–
		Investment made	35.00	–	30.00	–	–
		Interest paid	0.31	–	0.65	–	–
Milano Bathroom Fittings Private Limited	Subsidiary	Dividend received	0.04	–	0.04	–	–
		Reimbursement of services - received	0.37	–	0.36	–	–
		Purchase and services	278.37	(60.47)	303.73	(61.05)	(49.16)
Antique Marbonite Private Limited	Subsidiary	Interest paid	1.01	–	1.20	–	–
		Buy back of shares	4.96	–	–	–	–
		Investment made	–	–	2.31	–	–
Sentini Cermica Private Limited	Subsidiary	Purchase and services	126.07	(18.92)	164.01	(24.15)	(22.84)
Spectrum Johnson Tiles Private Limited	Subsidiary	Interest paid	0.79	–	0.16	–	–
		Rent paid	0.03	–	0.03	–	–
TBK Florance Ceramics Private Limited	Joint Venture	Selling and distribution expenses	1.76	–	1.10	–	–
		Reimbursement of services - paid	0.06	–	0.08	–	–
TBK Rangoli Tile Bath Kitchen Private Limited	Joint Venture	Reimbursement of services - received	0.61	–	0.41	–	–
TBK Rishi Ceramics Private Limited	Joint Venture	Selling and distribution expenses	1.07	–	0.63	–	–
TBK Samiyaz Tile Bath Kitchen Private Limited	Joint Venture	Deposit received	–	(0.01)	–	(0.01)	(0.01)
TBK Sanitary Sales Private Limited	Joint Venture	Selling and distribution expenses	0.99	–	1.34	–	–
TBK Shri Ganesh Traders Private Limited	Joint Venture	Reimbursement of services - paid	0.09	–	0.03	–	–



#### 4.08 RELATED PARTY DISCLOSURES (Contd...)

Name	Relationship	Nature of transaction	₹ Crores				
			Amount of transaction in FY 2016-17	Amount outstanding as on 31.3.2017 (Payable) / Receivable	Amount of transaction in FY 2015-16	Amount outstanding as on 31.3.2016 (Payable) / Receivable	Amount outstanding as on 1.4.2015 (Payable) / Receivable
Raheja QBE General Insurance Company Limited	Subsidiary / Joint Venture	Insurance premium	0.29	—	0.14	—	0.01
		Rent received	0.03	—	0.03	—	—
		Advance premium paid	—	—	—	—	0.01
		Security deposit received	—	(0.04)	—	(0.03)	(0.03)
Ardex Endura (India) Private Limited	Joint Venture	Conducting testing and lab trials	—	—	0.01	—	—
Others		Interest received / (waived-off)	1.13	—	(0.16)	—	—
		Interest paid	0.25	—	—	—	—
		Purchase and services	271.71	(67.95)	240.10	(60.55)	(46.27)
		Sales	118.34	16.30	142.47	18.07	18.56
		Purchase of asset	—	—	0.21	—	—
		Sale of asset	—	—	1.72	—	—
		Selling and distribution expenses	5.57	—	5.39	—	—
		Reimbursement of services - received	1.05	—	1.35	—	—
		Reimbursement of services - paid	0.31	—	0.51	—	—
		Rent paid	0.05	—	#	—	—
		Electricity expenses	0.01	—	—	—	—
		Deposit given	0.01	0.01	—	—	—
		Dividend received	#	—	#	—	—

# Amount less than ₹ 50,000/-

Note : In addition to the above, the Company has extended aggregate loan of ₹ 45.25 Crores to H. & R. Johnson (India) TBK Limited, out of which loan of ₹ 42.15 Crores is interest free. The Company had invested in 0.01% Non-cumulative Optionally Convertible Preference Shares issued by Small Johnson Floor Tiles Private Limited aggregating to ₹ 4.00 Crores (March 31, 2016 : ₹ 4.00 Crores and April 1, 2015 : ₹ 4.00 Crores) and 1% Non-cumulative Redeemable Preference Shares issued by Milano Bathroom Fittings Private Limited aggregating to ₹ 3.88 Crores (March 31, 2016 : ₹ 3.88 Crores and April 1, 2015 : ₹ 3.88 Crores). The Company has also given financial guarantee to commercial banks for ₹ 227.25 Crores who have extended loans to Silica Ceramica Private Limited.

#### 4.08 RELATED PARTY DISCLOSURES (Contd...)

##### Compensation to key management personnel

Particulars	₹ Crores	
	Amount of transaction in FY 2016-17	Amount of transaction in FY 2015-16
Short-term employee benefits	10.69	16.49
Post-employment benefits	—	—
Other long-term benefits	—	—
Sitting fees	0.19	0.24
<b>Total Compensation to key management personnel</b>	<b>10.88</b>	<b>16.73</b>

Note : As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above. The figures for the financial year 2015-16 are net of remuneration recovered during the year.

#### 4.09 Segment Information

In accordance with Ind AS 108 on Operating Segments information has been given in the Consolidated Financial Statement of the Company and therefore no separate disclosure on Segment information is given in the Standalone financial Statements.

#### 4.10 Government Grants by way of Tax subsidy / exemption schemes :

- 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 ₹ 63.53 Crores (Previous year : ₹ 57.73 Crores).
- As per Industrial promotion policy 2010 of Madhya Pradesh, HRJ Dewas unit is entitled for subsidy of VAT / CST paid on sales above the normal production capacity achieved. Subsidy receivable for the year is ₹ 0.15 Crores (Previous year : ₹ 0.22 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 ₹ 0.98 Crores (Previous year : ₹ 0.80 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 ₹ 0.10 Crores, (Previous year : ₹ 0.21 Crores).

#### 4.11 Details of Loans given, security provided and investment made during the year 2016-17 as per section 186 (4) of the Companies Act, 2013

Nature of transaction	Name of the recipient	Amount of loan / security / acquisition / guarantee			Interest Rate	Purpose of loan / security / acquisition / guarantee	Period
		2016 - 2017	2015 - 2016	2014 - 2015			
Security acquisition	Silica Ceramica Private Limited (unlisted) - Narayanpuram	35.00	30.00	20.00	–	Investment in Equity shares	–
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Narayanpuram	–	80.00	–	–	Given to Aditya Birla Limited	For the period of loan
Loans	H. & R. Johnson (India) TBK Limited (unlisted) - Mumbai	0.75	2.35	3.25	9%	For working capital and business expansion	Repayment based on mutual consent
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Narayanpuram	–	–	80.00	–	Given to Axis Bank Limited	For the period of loan
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Narayanpuram	91.00	–	–	–	Given to Axis Trustees Services Limited	For the period of loan
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Narayanpuram	100.00	–	–	–	Given to ICICI Bank	For the period of loan
Corporate Guarantee	Silica Ceramica Private Limited (unlisted) - Narayanpuram	36.25	–	–	–	Given to Axis Bank Limited	For the period of loan
Security acquisition	Coral Gold Tiles Private Limited (unlisted) - Morbi	–	5.46	–	–	Investment in Equity shares	–
Security acquisition	B L A Power Private Limited (unlisted) - Mumbai	21.00	–	–	–	Investment in Equity shares	–

#### 4.12 Disclosure under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

Name of Subsidiary	Amount outstanding		Maximum Balance outstanding during the year	
	As at March 31,	As at April 1,	As at March 31,	As at April 1,
	2017	2015	2017	2015
H. & R. Johnson (India) TBK Limited	45.25	44.50	45.25	47.85
				52.50

#### 4.13 Corporate Social Responsibility (CSR)

In view of the average net profits of the preceding three financial years being in the negative, the Company was not required to spend on CSR activities for the FY 2016-17.

#### 4.14 Payment to Statutory Auditors

Particulars	₹ Crores	
	2016-2017	2015-2016
For Statutory Audit	0.72	0.71
For Tax Audit	0.08	0.08
For Company law matters and Taxation Services	0.49	0.13
For Certification	0.40	–
For Reimbursement of Expenses	0.02	0.01
<b>Total</b>	<b>1.71</b>	<b>0.93</b>

**4.15** Other Financial Assets (note no. 2.05) includes ₹ 33.18 Crores (Previous year : ₹ 39.92 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. This receivable is net of ₹ 6.74 Crores (Previous year : Nil) received from the Nominated Authority under the Coal Mines (Special Provisions) Ordinance, 2014 and Coal Mines (Special Provision) Rules, 2014 towards various approval cost incurred by the Company. The Nominated Authority has also reimbursed ₹ 6.35 Crores (Previous year : Nil) towards geological survey expenses incurred by the Company in earlier years. The same has been disclosed as income (note no. 3.02) under the head Miscellaneous Income. Such disbursement by the Nominated Authority is out of total sum of ₹ 32.49 Crores determined by them as payable to the Company. The Company has *inter alia* disputed the quantum of compensation and has lodged claim of ₹ 72.86 Crores. While disposing the writ petition of the Company and others, the Hon'ble High Court of Judicature, Delhi has *inter alia* directed that the Company may approach Coal Tribunal u/s. 27 of Coal Mines (Special Provisions) Act, 2015 for determination of claim amount. The Company is in the process of lodging its claim before the said Tribunal and believes that the Company will be appropriately reimbursed for cancelled coal mine accordingly; no provision is required to be made against the above receivables.

**4.16** During the FY 2015-16, after obtaining requisite approvals, the Company had 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.

**4.17** In view of inadequacy of profits for the financial year 2015-16, remuneration paid to Managing Director and two Executive Director & CEOs was in excess of the limit prescribed under Schedule V to the Companies Act, 2013 by ₹ 0.67 Crores. The Nomination and Remuneration Committee of the Board (NRC), at its meeting held on May 25, 2017 decided to withdraw the application filed with the Central Government for waiver from recovery of excess amount paid and accordingly, recovered the excess remuneration paid. Such amount has been recognised as Other Income. Similarly, in view of inadequate profits in the financial year 2016-17, the remuneration paid to the Managing Director and three Executive Director & CEOs till September 12, 2016, being the date from which the norms were relaxed by the Central Government for professional managerial personnel, was in excess of the aforesaid limits by ₹ 2.11 Crores. NRC also decided to restrict the remuneration to aforesaid limits. Excess remuneration paid, for the relevant periods in the Financial Years 2015-16 and 2016-17, has since been recovered. Outstanding liabilities for expenses is net of debit balance of a Director amounting to ₹ 1.41 Crores which is due on account of excess Managerial Remuneration paid.

**4.18** 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.

**4.19** During the FY 2015-16, 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 had issued interim orders staying the retrospective implementation of the above amendments. In view of the same, the Company had [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.

**4.20** According to the information available with the management, on the basis of intimation received from its 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, 2017 as follows :

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Principal amount due	0.06	0.11	0.10
b) Interest due on above	—	—	—
c) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	—	—	—
d) Amount of interest due and payable for the period of delay	—	—	—
e) Amount of interest accrued and remaining unpaid as at year end	—	—	—
f) Amount of further remaining due and payable in the succeeding year	—	—	—

#### 4.21 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS

##### Reconciliation between previous GAAP and Ind AS as at March 31, 2015

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	₹ Crores Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	(a) & (i)	2,027.10	28.42	2,055.52
Capital work-in-progress		68.80	–	68.80
Intangible assets		21.25	–	21.25
Financial assets				
Investments	(b) & (h)	343.21	(5.40)	337.81
Loans	(d), (f) & (n)	94.59	(45.93)	48.66
Other financial assets		0.47	–	0.47
Other non-current assets	(d) & (m)	175.62	(5.69)	169.93
<b>Total non-current assets</b>		<b>2,731.04</b>	<b>(28.60)</b>	<b>2,702.44</b>
<b>Current Assets</b>				
Inventories	(a)	578.48	(28.53)	549.95
Financial Assets				
Trade Receivables	(c)	561.58	(4.19)	557.39
Cash and cash equivalents		56.63	–	56.63
Bank balances other than cash and cash equivalents		23.07	–	23.07
Loans	(d)	3.93	(0.16)	3.77
Other financial assets		98.89	–	98.89

#### 4.21 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)

				₹ Crores
Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	Ind AS
Current Tax Assets (Net)		51.69	–	51.69
Other current assets	(d) & (m)	236.85	(3.89)	232.96
<b>Total current assets</b>		1,611.12	(36.77)	1,574.35
<b>TOTAL ASSETS</b>		4,342.16	(65.37)	4,276.79
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital		503.36	–	503.36
Other Equity		512.01	(46.23)	465.78
<b>Total equity</b>		1,015.37	(46.23)	969.14
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities		–		
Borrowings	(m)	1,485.26	(12.15)	1,473.11
Other financial liabilities	(g) & (i)	136.69	1.93	138.62
Provisions	(p)	20.20	(0.26)	19.94
Deferred tax liabilities (Net)	(e)	15.77	(2.17)	13.60
Other non-current liabilities		20.30	–	20.30
<b>Total non-current liabilities</b>		1,678.22	(12.65)	1,665.57
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings		275.11	–	275.11
Trade payables		789.82	–	789.82
Other financial liabilities	(g) & (m)	439.36	(6.50)	432.86
Other current liabilities		117.53	0.17	117.70
Provisions		26.75	(0.16)	26.59
<b>Total current liabilities</b>		1,648.57	(6.49)	1,642.08
<b>TOTAL EQUITY AND LIABILITIES</b>		4,342.16	(65.37)	4,276.79

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



#### 4.21 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)

##### Reconciliation between previous GAAP and Ind AS as at March 31, 2016

				₹ Crores
Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	(a) & (i)	1,991.88	32.76	2,024.64
Capital work-in-progress		68.30	–	68.30
Intangible assets		18.69	–	18.69
Financial assets				
Investments	(b) & (h)	331.06	(1.49)	329.57
Loans	(d), (f) & (n)	97.75	(46.97)	50.78
Other financial assets		0.81	–	0.81
Deferred Tax Assets (Net)	(e)	32.75	3.51	36.26
Other Non-current assets	(d) & (m)	188.03	0.56	188.59
<b>Total Non-current assets</b>		<b>2,729.27</b>	<b>(11.63)</b>	<b>2,717.64</b>
<b>Current Assets</b>				
Inventories	(a)	507.40	(35.70)	471.70
Financial Assets				
Trade Receivables	(c)	616.75	(8.10)	608.65
Cash and cash equivalents		75.03	–	75.03
Bank balances other than Cash and cash equivalents		40.12	–	40.12
Loans	(d)	5.73	(0.74)	4.99
Other financial assets		218.09	–	218.09
Current tax assets (Net)		48.28	–	48.28
Other current assets	(d) & (m)	110.28	(1.94)	108.34
<b>Total current assets</b>		<b>1,621.68</b>	<b>(46.48)</b>	<b>1,575.20</b>
<b>TOTAL ASSETS</b>		<b>4,350.95</b>	<b>(58.11)</b>	<b>4,292.84</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital		503.36	–	503.36
Other Equity		485.09	(47.96)	437.13
<b>Total equity</b>		<b>988.45</b>	<b>(47.96)</b>	<b>940.49</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	(m)	1,333.97	(6.58)	1,327.39
Other financial liabilities	(g) & (i)	187.31	3.50	190.81
Provisions	(p)	42.97	(0.16)	42.81
Other non-current liabilities		22.89	–	22.89
<b>Total non-current liabilities</b>		<b>1,587.14</b>	<b>(3.24)</b>	<b>1,583.90</b>
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings		313.95	–	313.95

#### 4.21 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	₹ Crores
				Ind AS
Trade payables		763.99	–	763.99
Other financial liabilities	(g) & (m)	496.62	(6.91)	489.71
Other current liabilities		171.85	0.23	172.08
Provisions		28.95	(0.23)	28.72
<b>Total current liabilities</b>		<b>1,775.36</b>	<b>(6.91)</b>	<b>1,768.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,350.95</b>	<b>(58.11)</b>	<b>4,292.84</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

#### Reconciliation of total Comprehensive Income for the year ended March 31, 2016

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	₹ Crores
				Ind AS
<b>Income</b>				
Revenue from operations	(k), (l), (n) & (o)	5,550.36	146.44	5,696.80
Other income	(d), (f), (g), (h) & (i)	71.57	62.76	134.33
<b>Total Income</b>		<b>5,621.93</b>	<b>209.20</b>	<b>5,831.13</b>
<b>Expenses</b>				
Cost of materials consumed		1,259.45	–	1,259.45
Purchase of stock-in-trade		1,279.95	–	1,279.95
Changes in inventories		13.13	–	13.13
Power and Fuel expenses		706.24	–	706.24
Freight Outward expenses		722.78	–	722.78
Excise duty	(o)	–	419.32	419.32
Other Manufacturing expenses	(a)	355.16	(1.87)	353.29
Employee benefits expense	(j)	362.38	(3.69)	358.69
Finance costs	(i)	239.69	0.32	240.01
Depreciation and amortisation expense	(a) & (i)	152.41	3.61	156.02
Other expenses	(c), (d), (i) & (k)	548.20	(207.68)	340.52
<b>Total Expenses</b>		<b>5,639.39</b>	<b>210.01</b>	<b>5,849.40</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>(17.46)</b>	<b>(0.81)</b>	<b>(18.27)</b>
Exceptional items		3.61	–	3.61
<b>Profit / (loss) before tax</b>		<b>(21.07)</b>	<b>(0.81)</b>	<b>(21.88)</b>
Tax expenses				
Current tax		0.41	–	0.41
Deferred tax	(e)	(29.84)	(0.56)	(30.40)
		(29.43)	(0.56)	(29.99)

#### 4.21 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	₹ Crores
				Ind AS
<b>Profit / (loss) for the period</b>		8.36	(0.25)	8.11
Other Comprehensive Income / (loss) (net of tax)	(j)	—	(1.48)	(1.48)
<b>Total Comprehensive Income for the year</b>		8.36	(1.73)	6.63

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

#### Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	Notes to first time adoption	₹ Crores	
		March 31, 2016	April 1, 2015
Total equity as per previous GAAP		485.09	512.01
Adjustments :			
Impact on account of re-classification of Stores and Spares as Property, Plant and Equipment	(a)	(3.06)	(1.34)
Expected Credit Loss on Trade Receivables	(c)	(8.10)	(4.19)
Discounting / unwinding of liabilities	(p)	7.36	7.69
Fair Value of Investments	(b)	(48.21)	(48.21)
Fair Value of Financial Guarantee	(g)	1.12	—
Others	(d), (f), (h) & (i)	(0.58)	(2.35)
Tax Adjustments	(e)	3.51	2.17
Total adjustments		(47.96)	(46.23)
Total equity as per Ind AS		437.13	465.78

#### Impact of Ind AS adoption on the Standalone statements of cash flows for the year ended March 31, 2016

Particulars	Previous GAAP	Adjustments	₹ Crores
			Ind AS
Net cash flow from operating activities	367.27	4.36	371.63
Net cash flow from investing activities	(95.22)	(9.21)	(104.43)
Net cash flows from financing activities	(253.65)	4.85	(248.80)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>18.40</b>	<b>—</b>	<b>18.40</b>
Cash and cash equivalents as at April 1, 2015	56.63	—	56.63
<b>Cash and cash equivalents as at March 31, 2016</b>	<b>75.03</b>	<b>—</b>	<b>75.03</b>

## NOTES TO FIRST TIME ADOPTION :

### a Property, Plant and Equipment

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Stores and spares which meet the definition criteria of Property Plant and Equipment under Ind AS 16 - Property, Plant and Equipment have been capitalised. Consequently, there is also an increase in the amount of depreciation charged to the Statement of Profit and Loss.

### b Investment in Subsidiaries

Under Ind AS, a first time adopter can measure investments at cost determined in accordance with Ind AS 27 or at deemed cost. The deemed cost of the investment can be the fair value of the investment at the transition date or the previous GAAP carrying amount. The Company has opted to value its investments in Silica Ceramica Private Limited and H. & R. Johnson (India) TBK Limited at deemed cost using the fair value option.

### c Trade Receivables

Under the previous GAAP, the Company has created provision for impairment of receivables consisting specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss Model which has led to an increase in the amount of provision as on the date of transition.

### d Security Deposit

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these security deposits under Ind AS and the difference between the fair value and the transaction value of the security deposit has been recognised as prepaid rent.

### e Deferred Tax

The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

### f Loan to Employees

The Company has given loans to its employees at a lower interest rate. Under the previous GAAP this loan was accounted for as "Non-current Assets" under Loans and Advances.

As per Ind AS employee loans should be measured at fair value on initial recognition with a subsequent decrease in the amount of employee loan. The fair value is determined using the present value method using discount rate which is the market borrowing rate. The Company will accrue interest income at the effective interest rate (discount rate) over the term of the loan. The difference between the loan amount and its fair value is charged to the Statement of Profit and Loss as "Employee Cost".

### g Corporate Guarantee

The Company has issued corporate guarantee on behalf of its subsidiaries for the borrowings taken by them. Under the previous GAAP, financial guarantee contracts were not accounted for. The Company has recognised finance guarantee obligation at fair value with corresponding recognition in investments. Interest income is recognised with a corresponding reduction from Finance Guarantee Obligation.

### h Investment in Preference shares

The preference shares do not meet the definition of equity instrument as per Ind AS 32 and are held to collect contractual cash flows, hence they are fair valued at amortised cost. The fair value is determined using the present value method using the discount rate which is the borrowing market rate. The difference between the amount paid for acquiring the preference shares and its fair value is considered as investment in equity. The Company has accrued interest using the effective interest rate (discount rate) over the term of the preference shares.

### i Finance Lease

Under the previous GAAP, leasehold land was accounted for at the premium paid at the time of commencement of the lease. The lease rentals paid were recognised in the Statement of Profit and Loss. Land was not covered under the scope of AS -19 Leases. Ind AS 17 Leases now includes land under the scope of the standard. As

on the transition date to Ind AS, the Company recognises the lease as an asset as well as liability at fair value (present value of minimum lease payments). Any direct expense incurred by the Company is added to the cost of leased asset. The lease payments are apportioned between finance charge and finance lease obligation. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**j Defined Benefit Plans**

Both under the previous GAAP and Ind AS, the Company recognised costs related to its post employment defined benefit plans on an actuarial basis. Under previous GAAP the entire cost, including actuarial gains and losses are charged to the Statement of Profit and Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income and the corresponding tax effect is also given in Other Comprehensive Income .

**k Cash discount and commission**

Under the previous GAAP, Cash discount and commission was recognised as a part of other expenses. Under Ind AS revenue and expense that relate to the same transaction or other event are recognised simultaneously and hence the cash discount and commission is adjusted against revenue.

**l Government Grants**

Under the previous GAAP, grant related income were presented as a part of Statement of Profit and Loss under "Other Operating Income". However as per Ind AS, the same is presented under the head "Other Income" in the Statement of Profit and Loss as the grant is in the nature of sales tax exemption, it cannot form part of Operating Revenue.

**m Borrowings**

As per Ind AS 109, the transaction costs incurred towards origination of borrowings are deducted from the carrying amount of borrowings on initial recognition. Accordingly the unamortised balance of transaction cost has been deducted from the carrying amount of the borrowings as on the date of transition.

**n Loan to Subsidiary**

The Company had given interest free loan to one of the subsidiary in earlier years which was outstanding on the date of transition to Ind AS. The loan had no fixed contractual cash flows or stated repayment terms. Under the previous GAAP this loan was accounted for as "Non-current Assets" under Loans and Advances. Under Ind AS the unsecured loan has been treated as investment in equity and measured at fair value on initial recognition with a subsequent increase in the amount of investment.

**o Sale of goods**

Under the previous GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss.

**p Provisions**

Under the previous GAAP, the Company has accounted for provisions, including long-term provision, at the undiscounted amount. Under Ind AS 37, the provisions are accounted at the present value of the expenditures expected to be incurred to settle obligation considering the time value of money. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost.

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, 2017

For and on behalf of the Board of Directors of Prism Cement Limited

**Shobhan M. Thakore**

(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)

**Atul R. Desai**

(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"), its Joint Venture and its Associate comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity 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 Joint Venture and Associate 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 Companies (Indian Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Act. The respective Board of Directors of the companies included in the Group and of its Joint Venture and its Associate are responsible for 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### 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 Holding 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters paragraph below, 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 and based on the consideration of reports of other auditors of the subsidiaries, Joint Venture and Associate, 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 consolidated state of affairs of the Group, its Joint Venture and Associate as at March 31, 2017, and their consolidated profit including Other Comprehensive Income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Other Matters

We did not audit financial statements of six subsidiaries and consolidated financial statement of four subsidiaries and one Joint Venture, whose financial statements / consolidated financial statement reflect total assets of ₹ 1,280.57 Crores as at March 31, 2017, total revenues of ₹ 974.57 Crores and net cash flows amounting to ₹ (0.64) Crores for the year ended on that date, as considered in the preparation of the



consolidated financial statements. The consolidated financial statements also include Group's share of net profit of ₹ 4.54 Crores for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of one of the Joint Venture and an Associate, whose financial statements have not been audited by us. 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, Joint Venture and Associate, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and Joint Venture and an Associate, 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, based on our audit and on consideration of report of the other auditors of subsidiaries, Joint Venture and Associate, as noted in the other matter paragraph, 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 relating to preparation of the aforesaid consolidated financial statements so far as it appears from our examination of those books and the reports of the other auditors;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - 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, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Act;
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries Joint

Venture and Associate incorporated in India, none of the directors of the Group companies, its Joint Venture and Associate incorporated in India is disqualified as on March 31, 2017 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 Holding Company, its subsidiary companies, Joint Venture and Associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; and
- 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 as amended by the Companies (Audit and Auditors) Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors of subsidiaries, Joint Venture and Associate, as noted in the other matter paragraph :
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its Joint Venture and Associate. Refer Note Nos. 4.04 and 4.12 to the consolidated financial statements.
  - ii. The Group, its Joint Venture and Associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2017;
  - 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 Joint Venture incorporated in India.
  - iv. The Group, its Joint Venture and Associate have provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the relevant books of accounts maintained by the Group, its Joint Venture and Associate. Refer Note 2.13 to the consolidated financial statements.

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm's Registration No : 104767W

**Atul Shah**

Partner

Membership No : 39569

Mumbai

Dated : May 25, 2017

## **Annexure A to the Independent Auditors' 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, 2017 :

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 Holding Company as of and for the year ended March 31, 2017, 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, its Joint Venture and Associate, 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, its Joint Venture and Associate, 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 Holding 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 ('the 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding 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 Holding 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, its Joint Venture and Associate, 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,

2017, based on the internal control over financial reporting criteria established by the Holding 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 six subsidiaries and consolidated financial statement of four subsidiaries and its Joint Venture and Associate, 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's Registration No : 104767W

**Atul Shah**

Partner

Membership No : 39569

Mumbai

Dated : May 25, 2017

# Consolidated Balance Sheet as at March 31, 2017

₹ Crores

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, Plant and Equipment	2.01	2,372.40	2,427.80	2,466.74
Capital work-in-progress		136.19	69.12	71.36
Goodwill	2.02	25.42	25.42	30.63
Other intangible assets	2.03	17.65	18.88	21.68
Investments in Joint Ventures and Associate	2.04	40.74	35.98	194.39
Financial assets				
Investments	2.05	245.04	127.12	0.01
Loans	2.06	74.54	77.32	72.90
Other financial assets	2.07	84.11	15.09	2.36
Deferred tax assets (net)	2.08	76.51	48.97	12.98
Other non-current assets	2.09	224.70	222.94	197.08
<b>Total Non-current Assets</b>		<b>3,297.30</b>	<b>3,068.64</b>	<b>3,070.13</b>
<b>Current Assets</b>				
Inventories	2.10	562.20	644.57	702.77
Financial assets				
Investments	2.05	52.91	116.94	—
Trade receivables	2.11	626.38	610.94	563.21
Cash and cash equivalents	2.12	62.75	83.84	59.87
Bank balances other than Cash and cash equivalents	2.13	18.21	47.28	40.91
Loans	2.06	5.49	5.69	8.43
Other financial assets	2.07	60.71	237.82	100.94
Current tax assets (net)	2.14	29.17	49.03	53.56
Other current assets	2.09	160.17	148.36	270.25
<b>Total Current Assets</b>		<b>1,577.99</b>	<b>1,944.47</b>	<b>1,799.94</b>
<b>TOTAL ASSETS</b>		<b>4,875.29</b>	<b>5,013.11</b>	<b>4,870.07</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	2.15	503.36	503.36	503.36
Other equity	2.16	491.57	494.82	535.93
Non-controlling interests		269.42	248.88	118.49
<b>Total Equity</b>		<b>1,264.35</b>	<b>1,247.06</b>	<b>1,157.78</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial liabilities				
Borrowings	2.17	1,190.03	1,476.93	1,633.99
Other financial liabilities	2.19	259.49	205.12	138.79
Provisions	2.20	24.72	46.16	22.29
Deferred tax liabilities (net)	2.21	25.90	25.42	41.36
Other non-current liabilities	2.22	32.53	23.42	20.95
<b>Total Non-current Liabilities</b>		<b>1,532.67</b>	<b>1,777.05</b>	<b>1,857.38</b>
<b>Current Liabilities</b>				
Financial liabilities				
Borrowings	2.17	451.67	506.81	482.14
Trade payables	2.18	715.54	701.66	734.01
Other financial liabilities	2.19	666.00	549.72	467.91
Other current liabilities	2.22	195.26	191.68	138.17
Provisions	2.20	36.22	37.76	31.96
Current tax liabilities (net)	2.23	13.58	1.37	0.72
<b>Total Current Liabilities</b>		<b>2,078.27</b>	<b>1,989.00</b>	<b>1,854.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,875.29</b>	<b>5,013.11</b>	<b>4,870.07</b>

## Significant Accounting Policies

The accompanying notes are an 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, 2017

For and on behalf of the Board of Directors of Prism Cement Limited

**Shobhan M. Thakore**

(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)

**Atul R. Desai**

(Executive Director & CEO - RMC)

**Aneeta S. Kulkarni**

(Company Secretary)

# Consolidated Statement of Profit and Loss for the year ended March 31, 2017

₹ Crores

Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
<b>INCOME</b>			
Revenue from operations	3.01	5,562.04	5,758.92
Other income	3.02	93.11	152.31
<b>Total Income</b>		<b>5,655.15</b>	<b>5,911.23</b>
<b>EXPENSES</b>			
Cost of materials consumed		1,507.91	1,592.37
Purchase of stock-in-trade		332.02	381.02
Changes in inventories	3.03	16.98	4.28
Power and fuel expenses		841.00	948.02
Freight outward expenses		652.95	723.20
Excise duty		550.72	535.82
Other manufacturing expenses	3.04	361.48	403.15
Employee benefits expense	3.05	472.19	442.08
Finance costs	3.06	216.57	281.39
Depreciation and amortisation expense	3.07	191.84	184.13
Other expenses	3.08	471.26	388.11
<b>Total Expenses</b>		<b>5,614.92</b>	<b>5,883.57</b>
<b>Profit before share of profit of Joint Ventures / Associate and exceptional items</b>		<b>40.23</b>	<b>27.66</b>
Share of profit / (loss) of Joint Ventures / Associate		1.49	(0.16)
<b>Profit before exceptional items and tax</b>		<b>41.72</b>	<b>27.50</b>
Exceptional items	3.09	—	(3.78)
<b>Profit before tax</b>		<b>41.72</b>	<b>23.72</b>
<b>Tax Expenses</b>	3.10		
Current tax		29.88	23.51
Deferred tax		(2.41)	(25.05)
		27.47	(1.54)
<b>Profit for the year</b>		<b>14.25</b>	<b>25.26</b>
<b>Other Comprehensive Income / (Loss)</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurements of the defined benefit plans		(3.19)	(1.61)
Share of Other Comprehensive Income in Joint Ventures and Associate, to the extent not to be reclassified to profit or loss		0.03	(0.05)
Income tax relating to items that will not be reclassified to profit or loss		1.26	0.78
<b>Total (A)</b>		<b>(1.90)</b>	<b>(0.88)</b>
<b>Items that will be reclassified to Profit or Loss</b>			
Net Gain arising on financial assets measured at FVTOCI		4.10	0.16
Income tax relating to items that will be reclassified to profit or loss		(1.36)	(0.05)
<b>Total (B)</b>		<b>2.74</b>	<b>0.11</b>
<b>Total Other Comprehensive Income / (Loss)</b>		<b>0.84</b>	<b>(0.77)</b>
<b>Total Comprehensive Income for the year</b>		<b>15.09</b>	<b>24.49</b>
<b>Profit / (Loss) for the year attributable to :</b>			
Owners of the Parent		(1.80)	2.89
Non-controlling interests		16.05	22.37
		14.25	25.26
<b>Other Comprehensive Income / (loss) for the year attributable to :</b>			
Owners of the parent		(0.78)	(1.05)
Non-controlling interests		1.62	0.28
		0.84	(0.77)
<b>Total Comprehensive Income. (loss) for the year attributable to :</b>			
Owners of the parent		(2.58)	1.84
Non-controlling interests		17.67	22.65
		15.09	24.49
Earnings per share (Face value of ₹10/- each) (Refer Note 4.01) :			
Basic (in ₹)		-0.04	0.06
Diluted (in ₹)		-0.04	0.06

## Significant Accounting Policies

The accompanying notes are an 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, 2017

For and on behalf of the Board of Directors of Prism Cement Limited  
**Shobhan M. Thakore**  
(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)  
**Atul R. Desai**  
(Executive Director & CEO - RMC)  
**Aneeta S. Kulkarni**  
(Company Secretary)

# Consolidated Statement of changes in equity

for the year ended March 31, 2017

A. EQUITY SHARE CAPITAL							₹ Crores	
						Note No.	Amount	
Balance at April 1, 2015						2.15	503.36	
Changes in equity share capital during the year							—	
Balance at March 31, 2016						2.15	503.36	
Changes in equity share capital during the year							—	
Balance at March 31, 2017							2.15	503.36
B. OTHER EQUITY								Total
	Capital Redemption Reserve	Debtenture Redemption Reserve	Reserves and Surplus		Net Gain arising on financial assets measured at FVTOCI	Non-controlling interests		
			General Reserve	Capital Reserve	Retained Earnings	Amount attributable to Owners of the parent		
Balance at April 1, 2015	11.43	42.53	193.24	0.71	288.02	535.93	118.49	
Profit for the year	—	—	—	—	2.89	2.89	22.37	
Item of Other Comprehensive Income :								
Remeasurements of the defined benefit plans	—	—	—	—	(1.07)	(1.07)	0.23	
Share in Joint Ventures and Associates	—	—	—	—	(0.04)	(0.04)	—	
Net Gain arising on financial assets measured at FVTOCI	—	—	—	—	—	0.06	0.05	
Total Comprehensive Income for the year	11.43	42.53	193.24	0.71	289.80	537.77	141.14	
Adjustment relating to transitional provision contained in Schedule II	—	—	—	—	(40.23)	(40.23)	(4.32)	
Non-controlling interests arising on the acquisition of Subsidiary	—	—	—	—	—	—	4.76	
Non-controlling interests due to change in relationship under Ind AS	—	—	—	—	—	—	108.86	
Capital reserve due to business combination within the Group	—	—	—	(1.53)	—	(1.53)	(1.46)	
Transferred from Debtenture Redemption Reserve to Retained Earnings	—	42.56	—	—	(42.56)	—	—	
Others	—	—	—	(0.08)	(1.11)	(1.19)	(0.10)	
Balance at March 31, 2016	11.43	85.09	193.24	(0.90)	205.90	0.06	248.88	
Balance at April 1, 2016	11.43	85.09	193.24	(0.90)	205.90	0.06	248.88	
							743.70	



# Consolidated Statement of changes in equity

for the year ended March 31, 2017

B. OTHER EQUITY	Reserves and Surplus				Net Gain arising on financial assets measured at FVTOCI	Amount attributable to Owners of the parent	Non-controlling interests	Total
	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings			
Profit for the year	-	-	-	-	(1.80)	(1.80)	16.05	14.25
Item of Other Comprehensive Income :								
Remeasurements of the defined benefit plans	-	-	-	-	(2.23)	(2.23)	0.28	(1.95)
Share in Joint Ventures and Associates	-	-	-	-	0.05	0.05	-	0.05
Net Gain arising on financial assets measured at FVTOCI	-	-	-	-	-	1.40	1.34	2.74
Total Comprehensive Income for the year	11.43	85.09	193.24	(0.90)	201.92	492.24	266.55	758.79
Non-controlling interests arising on the acquisition of Subsidiary	-	-	-	-	-	-	7.75	7.75
Reduction of non-controlling interests due to buy back of shares of subsidiary	-	-	-	-	-	-	(3.96)	(3.96)
Capital reserve due to business combination within the Group	-	-	-	(0.04)	-	(0.04)	-	(0.04)
Transferred from Debt Redemption Reserve to Retained Earnings	-	36.34	-	-	(36.34)	-	-	-
Others	-	-	-	0.29	(0.92)	(0.63)	(0.92)	(1.55)
<b>Balance at March 31, 2017</b>	<b>11.43</b>	<b>121.43</b>	<b>193.24</b>	<b>(0.65)</b>	<b>164.66</b>	<b>1.46</b>	<b>269.42</b>	<b>760.99</b>

## Significant Accounting Policies Note - 1

The accompanying notes are an 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, 2017

For and on behalf of the Board of Directors of Prism Cement Limited

**Shobhan M. Thakore**

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(Executive Director & CEO - RMC)

**Aneeta S. Kulkarni**

(Company Secretary)

# Consolidated Cash Flow Statement for the year ended March 31, 2017

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	41.72	23.72
<b>Non-cash Adjustment to Profit Before Tax :</b>		
Depreciation and amortisation expense	191.84	184.13
Share of (Profit) / Loss of Joint Ventures and Associate	(1.49)	0.16
Impairment on financial assets	25.62	21.70
Impairment on non-current assets	0.32	—
Amortisation of processing fees	7.24	13.16
Bad debts written off	3.45	1.81
Unwinding of interest and discounts	0.04	(0.34)
(Gain) / Loss on disposal of property, plant and equipment	(2.11)	4.78
Gain on disposal of investments	(0.79)	(58.53)
Dividend and interest income	(7.75)	(11.53)
Finance costs	209.29	268.12
Exchange differences (net)	(3.20)	2.43
Other non-cash items	(3.18)	(1.18)
<b>Operating profit before change in operating assets and liabilities</b>	<b>461.00</b>	<b>448.43</b>
<b>Change in operating assets and liabilities :</b>		
Decrease / (increase) in trade receivables	(44.68)	(69.59)
Decrease / (increase) in inventories	82.37	58.20
Increase / (decrease) in trade payables	15.51	(53.92)
Decrease / (increase) in other financial assets	107.52	(122.84)
Decrease / (increase) in loans	(3.94)	0.89
Decrease / (increase) in other non-current and current assets	12.09	84.04
Increase / (decrease) in provisions	(22.97)	27.57
Increase / (decrease) in other current and non-current financial liabilities	38.32	8.61
Increase / (decrease) in other current / non-current liabilities	49.16	93.09
<b>Cash generated from operations</b>	<b>694.38</b>	<b>474.48</b>
Direct taxes paid (net of refunds)	18.77	12.35
<b>Net cash flow from operating activities (A)</b>	<b>675.61</b>	<b>462.13</b>

# Consolidated Cash Flow Statement for the year ended March 31, 2017

(Contd.)

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for acquisition of property, plant and equipment	(195.90)	(224.04)
Payments for purchase of investments	(201.90)	(145.13)
Proceeds from sale of investments	145.43	220.27
Proceeds from disposal of property, plant and equipment	8.56	10.44
Interest received	7.67	11.53
<b>Net cash flow used in investing activities (B)</b>	<b>(236.14)</b>	<b>(126.93)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	309.01	330.35
Repayments of borrowings	(545.78)	(392.32)
Interest paid	(223.79)	(266.07)
<b>Net cash flow used in financing activities (C)</b>	<b>(460.56)</b>	<b>(328.04)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(21.09)</b>	<b>7.16</b>
Cash and cash equivalents at the beginning of the year	83.84	59.87
Cash on hand of entity which was consolidated first time during the year	—	16.81
<b>Cash and cash equivalents at the end of the year</b>	<b>62.75</b>	<b>83.84</b>
<b>Cash and cash equivalents comprises of :</b>		
Balances with bank	57.06	76.55
Cheques/drafts on hand	3.96	5.15
Cash on hand	1.73	2.14
<b>Total</b>	<b>62.75</b>	<b>83.84</b>

Notes :

1. The Cash Flow Statement has been prepared using the Indirect Method set out in Ind AS 7- Statement of Cash Flows.
2. Payments for acquisition of Property, Plant and Equipment include movement in capital work-in-progress.

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, 2017

For and on behalf of the Board of Directors of Prism Cement Limited

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**Aneeta S. Kulkarni**  
(Company Secretary)

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2017

## 1. Significant Accounting Policies

The consolidated financial statements comprise financial statements of Prism Cement Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended March 31, 2017. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India.

The Group is principally operates in four business segments : Cement; Tile, Bath and Kitchen (TBK), Readymixed Concrete (RMC) and Insurance. Information on other related party relationships of the Group is provided in Note 4.08.

Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2017.

### 1.1 Basis of Preparation

#### (i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Group under Ind AS. Refer Note 4.18 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows. The date of transition to Ind AS is April 1, 2015.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following :

- certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- defined benefit plans-plan assets measured at fair value.

### 1.2 Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest Crores, except where otherwise indicated.

### 1.3 Current versus non-current classification

The Group presents its assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is classified as current if :

- a) it is expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is expected to be realised within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if :

- a) it is expected to be settled in normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its normal operating cycle.

#### 1.4 Use of judgements, estimates and assumptions

While preparing financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as below :

The Company has equity stake in various entities for strategic reasons concerning its operation. The relationship with these entities have been determined based on principles laid down in Ind AS 110 – Consolidated Financial Statements and Ind AS 111 – Joint Arrangements. Accordingly, Raheja QBE General insurance Company Limited was considered as Joint Venture up to March 29, 2016 and subsidiary thereafter. The entities mentioned below are considered as subsidiaries.

- (i) Antique Marbonite Private Limited
- (ii) Small Johnson Floor Tiles Private Limited
- (iii) Spectrum Johnson Tiles Private Limited
- (iv) Sentini Cermica Private Limited
- (v) Coral Gold Tiles Private Limited

##### Key assumptions

- (i) Financial instruments; (Refer note 4.07)
- (ii) Useful lives of Property, Plant and Equipment and Intangible assets; (Refer note 1.7)
- (iii) Valuation of inventories; (Refer note 1.10)
- (iv) Assets and obligations relating to employee benefits; (Refer note 4.03)
- (v) Evaluation of recoverability of deferred tax assets; and (Refer note 2.08)
- (vi) Contingencies (Refer note 4.04)
- (vii) Mines Restoration Provision (Refer note 1.24)

## 1.5 Principles of consolidation and equity accounting

### (i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and Balance Sheet respectively.

### (ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in Associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

### (iii) Joint Ventures

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or Joint Ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only Joint Ventures.

Interests in Joint Ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated Balance Sheet.

### (iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from Associates and Joint Ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its Associates and Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.9 below.

### (v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes



of subsequently accounting for the retained interest as an Associate, Joint Venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

The amounts previously recognised in Other Comprehensive Income are reclassified to profit or loss.

If the ownership interest in a Joint Venture or an Associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to profit or loss where appropriate.

## 1.6 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs which are administrative in nature are expensed out.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash-generating unit retained.

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a Group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the consolidated financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

## 1.7 Property, Plant and Equipment

- a) Freehold land is carried at historical cost less impairment loss, if any.
- b) Property, Plant and Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.
- c) When significant parts of Plant and Equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.
- d) An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon

disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss.

- e) Expenditure 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 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.
- f) The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.
- g) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Group. Accordingly, the Group identifies any land lease arrangement with a term in excess of 50 years as a finance lease.
- h) Stores and spares which meet the definition of Property Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.
- i) Cost of mining reserve included in freehold / leasehold land, balance cost of leasehold mining land and mines development expenses are amortised systematically based on principle of Unit of Production method.
- j) Depreciation on Property, Plant and Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II to the Companies Act, 2013, the Group has assessed the estimated useful lives of its Property, Plant and Equipment and has adopted the useful lives and residual value as prescribed therein except for the following cases which are based on internal technical assessment :

Assets	Useful life of asset
Mobile Phones	1 - 3 years
Motor car given to 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
Leasehold Improvements	Over the period of the 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 and Machinery - Concrete Pumps	6 years

*Freehold land is not depreciated. Land on finance lease is amortised over the period of lease.*

- k) The Group depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of Property, Plant and Equipment is assessed based on the historical experience and internal technical inputs which varies from 2 to 40 years.
- l) All assets costing up to ₹ 10,000/- are fully depreciated in the year of capitalisation.

## 1.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the period in which the expenditure is incurred.

Technical know-how / license fee and application software are classified as Intangible Assets.



Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the Intangible asset may be impaired. The amortisation period and the amortisation method for an Intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortisation of Intangible assets (acquired) are as follows :

Assets	Amortisation method / Useful life
Intellectual Property Rights	10 years
Technical know-how	7 years
Software	1 - 8 years
Mineral Procurement Rights	Unit of production method
Mining Lease rights	Over the period of the lease

### 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 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;
- Ability to generate future economic benefits;
- The availability of adequate resources to complete the development and use or sell the asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

## 1.9 Impairment of Assets

Carrying amount of Tangible assets, Intangible assets, investments in Joint Ventures and Associates (accounted under equity method) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Group's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## 1.10 Inventories

Raw materials, fuels, stores and spares are valued at lower of cost and net realisable 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 which do not meet the recognition criteria under Property, Plant and Equipment is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable 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 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 at lower of weighted average cost and net realisable value.

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.

### **1.11 Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

### **1.12 Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it shall be recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The above criteria is also used for recognition of incentives under various scheme notified by the Government.

### **1.13 Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

#### **Classification and Subsequent Measurement : Financial Assets**

The Group classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following :

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

#### **Amortised Cost**

A financial asset is classified and measured at amortised cost if both of the following conditions are met :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **FVTOCI**

A financial asset is classified and measured at FVTOCI if both of the following conditions are met :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **FVTPL**

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### **Impairment of Financial Assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Classification and Subsequent measurement : Financial Liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### **Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

### **Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of Financial Assets and Financial Liabilities**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## **1.14 Financial liabilities and equity instruments**

### **Classification as debt or equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received.

### 1.15 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 1.16 Provisions, Contingent liabilities, Contingent Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

#### Contingent liabilities are disclosed in the case of :

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

### 1.17 Gratuity and other post-employment benefits

#### a) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

#### b) Post-employment obligations

The Group operates the following post-employment schemes :

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund, superannuation fund and national pension scheme.

#### Gratuity obligations

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in Other Comprehensive Income . They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.



Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement Profit and Loss as past service cost.

### **Defined contribution plans**

The Group contributes to Superannuation, Employee's State Insurance Corporation, Provident Fund and subscribes to the National Pension Scheme which are considered as defined contribution plans. 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. The said contributions are charged to the Statement of Profit and Loss.

#### **c) Other long-term employee benefit obligations**

The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **d) Bonus Plans**

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## **1.18 Revenue Recognition**

### **(i) Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates but does not include value added tax (VAT) and central sales tax (CST).

The Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

### **(ii) Rendering of services**

Revenue from services are recognised as and when the services are rendered on stage of completion method. Income from services does not include service tax (ST).

### **(iii) Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method.

### **(iv) Dividend Income**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## 1.19 Taxes on Income

### Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred Tax

Deferred tax is provided using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the Group have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, Associates and interests in Joint Ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset.

## 1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity share.

## 1.21 Segment reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of nature of products/services.

- a) Segment revenue includes sales and other income directly attributable with allocable to segments including inter-segment revenue.
- b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and not allocable to segments are included under unallowable expenditure.
- c) Income which relates to the Group as a whole and not allocable to segments is included in unallowable income.
- d) Segment results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.
- e) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liability represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

## 1.22 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

### As a lessee

#### Finance Lease

Leases of Property, Plant and Equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## 1.23 Foreign currency translation

### (i) Functional and presentation currency

The Group's financial statements are prepared in INR, which is also the Group's financial and presentation currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Foreign currency transactions are translated into the functional currency using the exchange rates. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

**Non-monetary items :**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## **1.24 Mine Restoration Provision**

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 ongoing 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.

## **1.25 Other Policies relating to Insurance Business**

### **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.

### **Reinsurance accepted**

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

### **Claims incurred**

Claims are recognised as and when reported based on information from Surveyors / insured / Brokers. Claims paid are charged to the respective revenue account. Provision is made for estimated value of claims outstanding as at the Balance Sheet date. 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.

### **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.

### **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.

## 1.26 First-time adoption-mandatory exceptions, optional exemptions

### Overall principle

The Group has prepared the opening consolidated Balance Sheet as per Ind AS as of the transition date by

- recognising all assets and liabilities whose recognition is required by Ind AS;
- not recognising items of assets or liabilities which are not permitted by Ind AS;
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

### Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

### Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently, the Group has kept the same classification for the past business combinations as in its previous GAAP financial statements;

- a) The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the standalone Balance Sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate Balance Sheet of the acquire
- b) The Group has excluded from its opening Balance Sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- c) The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.

### Deemed cost for Property, Plant and Equipment and Intangible assets

The Group has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

### Long term foreign currency monetary item

The Group has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended 31st March, 2016.

### Accounting for joint arrangement

In respect of all the Joint Ventures which were earlier accounted for using the proportionate consolidation method under previous GAAP, the Group has measured the investments in those Joint Ventures as the aggregate of corresponding carrying amounts of the assets and liabilities as a deemed cost on the date of transition as per Ind AS 111- Joint Arrangements.

## 2.01 PROPERTY, PLANT AND EQUIPMENT :

₹ Crores

Particulars	Gross Carrying Amount					Depreciation					Net Block		
	As at April 1, 2016	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2017	As at April 1, 2016	Acquisition through business combinations	For the Year on disposal	Other adjustments	As at March 31, 2017	As at March 31, 2016	
Own Assets :													
Land - Freehold	508.00	35.13	4.12	2.46	-	541.47	3.99	-	4.16	-	8.15	533.32	504.01
Buildings	254.12	5.83	0.53	2.11	-	261.53	13.87	0.32	14.27	0.01	28.45	233.08	240.25
Plant and Machinery	1,712.54	53.08	1.61	12.50	-	1,776.51	181.30	3.36	121.65	0.17	306.14	1,470.37	1,531.24
Railway siding	3.42	-	-	-	-	3.42	0.19	-	0.19	-	0.38	3.04	3.23
Office Equipment	8.37	2.20	0.15	-	-	10.42	2.33	-	2.32	0.06	4.59	5.83	6.04
Computers	8.37	3.68	0.17	0.12	-	12.00	2.45	0.06	2.93	0.04	5.40	6.60	5.92
Mines Development	109.78	11.47	-	-	-	121.25	28.61	-	30.04	-	58.65	62.60	81.17
Furniture and Fixtures	23.86	0.95	0.19	0.07	-	24.69	5.66	0.06	3.88	0.04	9.56	15.13	18.20
Vehicles	16.68	4.92	0.72	0.58	-	21.46	3.26	0.05	3.64	0.25	6.70	14.76	13.42
Truck Mixers, Loaders and Truck Dumpers	10.04	0.78	-	-	-	10.82	4.76	-	2.58	-	7.34	3.48	5.28
Leasehold improvement	0.85	-	-	-	-	0.85	0.47	-	0.17	-	0.64	0.21	0.38
Total (A)	2,656.03	118.04	7.49	17.84	-	2,784.42	246.89	3.85	185.83	0.57	436.00	2,348.42	2,409.14
Assets taken on Finance Lease :													
Land	9.43	0.01	0.06	-	-	9.38	0.62	-	0.19	-	0.81	8.57	8.81
Plant and Machinery	10.07	6.77	-	-	-	16.84	0.22	-	1.61	-	1.83	15.01	9.85
Vehicle	-	0.41	-	-	-	0.41	-	-	0.01	-	0.01	0.40	-
Total (B)	19.50	7.19	0.06	-	-	26.63	0.84	-	1.81	-	2.65	23.98	18.66
Total (A + B)	2,675.53	125.23	7.55	17.84	-	2,811.05	247.73	3.85	187.64	0.57	438.65	2,372.40	2,427.80



## 2.01 PROPERTY, PLANT AND EQUIPMENT (Contd...)

Gross Carrying Amount							Depreciation				Net Block		₹ Crores	
Particulars	Deemed cost as at April 1, 2015	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2016	As at April 1, 2015	Acquisition through business combinations	For the Year	Elimination on disposal	Other adjustments	As at March 31, 2016		As at April 1, 2015
Own Assets :														
Land - Freehold	448.37	64.39	4.80	0.04	-	508.00	-	-	3.99	-	-	3.99	504.01	448.37
Buildings	245.06	12.22	4.30	1.14	-	254.12	-	0.02	13.85	-	-	13.87	240.25	245.06
Plant and Machinery	1,623.29	97.52	14.25	5.98	-	1,712.54	-	0.27	113.88	0.39	67.54	181.30	1,531.24	1,623.29
Railway siding	3.42	-	-	-	-	3.42	-	-	0.19	-	-	0.19	3.23	3.42
Office Equipment	6.50	1.99	0.17	0.05	-	8.37	-	0.01	2.32	0.04	0.04	2.33	6.04	6.50
Computers	4.76	3.74	0.27	0.14	-	8.37	-	0.02	2.51	0.08	-	2.45	5.92	4.76
Mines Development	85.88	23.90	-	-	-	109.78	-	-	28.61	-	-	28.61	81.17	85.88
Furniture and Fixtures	18.96	4.31	0.35	0.94	-	23.86	-	0.34	5.39	0.08	0.01	5.66	18.20	18.96
Vehicles	12.11	6.87	2.49	0.19	-	16.68	-	0.02	3.59	0.35	-	3.26	13.42	12.11
Truck Mixers, Loaders and Truck Dumpers	10.00	0.04	-	-	-	10.04	-	-	4.39	-	0.37	4.76	5.28	10.00
Leasehold improvement	0.39	-	-	0.46	-	0.85	-	0.26	0.21	-	-	0.47	0.38	0.39
Total (A)	2,458.74	214.98	26.63	8.94	-	2,656.03	-	0.94	178.93	0.94	67.96	246.89	2,409.14	2,458.74
Assets taken on Finance Lease :														
Land	5.57	3.86	-	-	-	9.43	-	-	0.62	-	-	0.62	8.81	5.57
Plant and Machinery	2.43	10.35	2.71	-	-	10.07	-	-	0.50	0.28	-	0.22	9.85	2.43
Total (B)	8.00	14.21	2.71	-	-	19.50	-	-	1.12	0.28	-	0.84	18.66	8.00
Total (A + B)	2,466.74	229.19	29.34	8.94	-	2,675.53	-	0.94	180.05	1.22	67.96	247.73	2,427.80	2,466.74

Notes :

- Depreciation for the year includes ₹ 0.21 Crores (Previous year : ₹ 0.32 Crores) considered for capitalisation.
- Gross block of Property, Plant and Equipments includes dedicated electricity lines whose deemed cost was ₹ 20.27 Crores (Previous year : ₹ 20.27 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vitaran Company Limited.
- Loss of Nil (Previous year : ₹ 0.48 Crores) arising on account of exchange difference on long-term foreign currency borrowings, utilised for purchase of Property, Plant and Equipments has been capitalised and included in "Additions".
- Amortisation in case of Freehold Land represent amortisation of mining reserve on extraction basis.
- Additions during the year includes ₹ 0.34 Crores (Previous year : ₹ 0.02 Crores) on account of Research assets.

Particular	Gross Carrying Amount				Impairment		Net Block	
	As at April 1, 2016	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2017	As at April 1, 2016	As at March 31, 2016
Goodwill	25.42	-	-	-	-	25.42	-	25.42
<b>Total</b>	25.42	-	-	-	-	25.42	-	25.42

Particular	Gross Carrying Amount				Impairment		Net Block	
	Deemed cost as at April 1, 2015*	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2016	As at April 1, 2015	As at March 31, 2015
Goodwill	30.63	0.07	-	(0.36)	(4.92)	25.42	-	30.63
<b>Total</b>	30.63	0.07	-	(0.36)	(4.92)	25.42	-	30.63

# Includes reversal of goodwill on account of transition adjustment.

Particular	Gross Carrying Amount				Amortisation		Net Block	
	As at April 1, 2016	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2017	As at April 1, 2016	As at March 31, 2016
Software	10.84	3.18	-	-	-	14.02	2.12	8.72
Intellectual Property Rights	1.77	-	-	-	-	1.77	0.59	1.18
Mining Leasing Rights	8.25	-	-	-	-	8.25	0.40	7.85
Minerals Procurement Rights	2.28	-	-	-	-	2.28	1.26	1.02
Technical Know-how	0.14	-	-	-	-	0.14	0.03	0.11
<b>Total</b>	23.28	3.18	-	-	-	26.46	4.40	18.88

## 2.03 OTHER INTANGIBLE ASSETS : (Contd...)

Particular	Gross Carrying Amount				Amortisation		Net Block	
	Deemed cost as at April 1, 2015	Addition	Disposal	Acquisition through business combinations	Other Adjustments	As at March 31, 2016	As at April 1, 2015	As at March 31, 2016
Software	9.24	1.55	–	0.05	–	10.84	–	2.12
Intellectual Property Rights	1.77	–	–	–	–	1.77	–	0.59
Mining Leasing Rights	8.25	–	–	–	–	8.25	–	0.40
Minerals	2.28	–	–	–	–	2.28	–	1.26
Procurement Rights	0.14	–	–	–	–	0.14	–	0.03
Technical Know-how	21.68	1.55	–	0.05	–	23.28	–	4.40
<b>Total</b>								

Range of remaining period of amortisation as at March 31, 2017 of other Intangible assets is as below :

Assets	Range of remaining period of amortisation				Net Block
	< 5 year	6 - 10 year	> 10 year		
Software	8.17	1.34	–		9.51
Intellectual Property Rights	0.59	–	–		0.59
Mining Leasing Rights	1.35	1.35	4.75		7.45
Minerals Procurement Rights	0.02	–	–		0.02
Technical Know-how	0.08	–	–		0.08
<b>Total</b>	<b>10.21</b>	<b>2.69</b>	<b>4.75</b>		<b>17.65</b>

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Investments in Equity Instruments accounted for using equity method :</b>						
<b>Investment in Joint Ventures - Unquoted</b>						
– TBK Bansal Ceramics Private Limited	5,000	–	5,000	–	5,000	*
– TBK Deepgiri Tile Bath Kitchen Private Limited	50,000	1.61	50,000	1.51	50,000	1.35
– TBK Florance Ceramics Private Limited	1,55,000	2.80	1,55,000	2.62	1,55,000	2.84
– TBK Krishna Tile Bath Kitchen Private Limited	5,000	–	5,000	0.06	5,000	0.07
– TBK PB Shah Tile Bath Kitchen Private Limited	50,000	0.13	50,000	0.10	50,000	0.02
– TBK Rishi Ceramics Private Limited	5,000	0.22	5,000	0.20	5,000	0.18
– TBK Samiyaz Tile Bath Kitchen Private Limited	25,000	0.41	25,000	0.59	25,000	0.91
– TBK Unique Jalgaon Tile Bath Kitchen Private Limited	5,000	0.31	5,000	0.30	5,000	0.34
– TBK Home Trends Private Limited	5,000	0.13	5,000	–	5,000	–
– Ardex Endura (India) Private Limited	65,00,000	34.90	65,00,000	30.38	65,00,000	27.38
– Raheja QBE General Insurance Company Limited**		–		–	15,31,80,000	161.10
<b>Investment in Associate - Unquoted</b>						
Prism Power and Infrastructure Private Limited	4,900	–	4,900	–	4,900	*
<b>Investments in Preference shares - measured at amortised cost</b>						
<b>Investment in Joint Ventures- Unquoted</b>						
– TBK PB Shah Tile Bath Kitchen Private Limited (0% Redeemable Preference Shares)	25,000	0.07	25,000	0.06	25,000	0.06
– TBK Reddy Tile Bath Kitchen Private Limited (0% Redeemable Preference Shares)	5,750	0.01	5,750	0.01	5,750	0.01
– TBK Rishi Ceramics Private Limited (0% Redeemable Preference Shares)	12,500	0.03	12,500	0.03	12,500	0.02
– TBK Deziners Home Private Limited (0% Redeemable Preference Shares)	60,000	0.12	60,000	0.12	60,000	0.11
<b>Total investments</b>		40.74		35.98		194.39

\* Amount less than ₹ 50,000/-

\*\* Based on terms of underlying shareholders' agreement, the Company was a Joint Venture up to March 29, 2016 and subsidiary thereafter.



## 2.05 INVESTMENTS

Particulars	As at March 31, 2017	As at March 31, 2016	₹ Crores As at April 1, 2015
<b>Non-current</b>			
<b>Investments- unquoted (fully paid-up)</b>			
(a) Investments in Equity Instruments - measured at FVTPL	0.02	0.02	0.01
(b) Investments in Equity Instruments - designated at FVTOCI			
B L A Power Private Limited (No. of Shares : 1,75,00,000)	21.00	—	—
(c) Investment in debenture or bonds - measured at FVTOCI			
Government Securities and Government Bonds	102.53	40.84	—
Debentures / Bonds	95.66	45.52	—
Investment in Infrastructure and Social sectors	25.83	40.74	—
<b>Total aggregate unquoted investments</b>	<b>245.04</b>	<b>127.12</b>	<b>0.01</b>
Aggregate fair value of quoted investments	—	—	—
Aggregate fair value of unquoted investments	245.04	127.12	0.01
Aggregate fair value of investments measured at FVTPL	0.02	0.02	0.01
Aggregate fair value of investments designated at FVTOCI	21.00	—	—
Aggregate fair value of investments measured at FVTOCI	224.02	127.10	—

Particulars	As at March 31, 2017	As at March 31, 2016	₹ Crores As at April 1, 2015
<b>Current</b>			
<b>Investments - unquoted</b>			
(a) Investments in debentures or bonds - measured at FVTOCI			
Government Securities and Government Bonds	–	44.27	–
Other Debentures / Bonds	<b>15.08</b>	40.24	–
Investment in Infrastructure and Social sectors	<b>25.21</b>	20.07	–
(b) Investments in Mutual Funds - measured at FVTPL	<b>12.62</b>	12.36	–
<b>Total aggregate unquoted investments</b>	<b>52.91</b>	116.94	–
Aggregate fair value of quoted investments	–	–	–
Aggregate fair value of unquoted investments	<b>52.91</b>	116.94	–
Aggregate fair value of investment measured at FVTOCI	<b>40.29</b>	104.58	–
Aggregate fair value of investment measured at FVTPL	<b>12.62</b>	12.36	–



## 2.06 LOANS

₹ Crores

Particulars	Non-current			Current		
	As at	As at	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Security Deposits - Utility						
Unsecured, considered good	41.76	41.83	35.60	2.38	2.68	0.93
(a)	41.76	41.83	35.60	2.38	2.68	0.93
Security Deposits - Rental						
Unsecured, considered good	14.55	14.78	15.02	—	—	—
(b)	14.55	14.78	15.02	—	—	—
Loans to related parties (*)						
Unsecured, considered good	8.91	11.12	13.53	—	—	—
Unsecured, considered doubtful	0.69	—	—	—	—	—
	9.60	11.12	13.53	—	—	—
Less : Allowance for bad and doubtful loans	0.69	—	—	—	—	—
(c)	8.91	11.12	13.53	—	—	—
Loans to employees						
Unsecured, considered good	1.15	1.35	1.89	3.11	3.01	3.15
(d)	1.15	1.35	1.89	3.11	3.01	3.15
Loans to others						
Unsecured, considered good	8.17	8.24	6.86	—	—	4.35
Unsecured, considered doubtful	1.66	1.66	—	—	—	—
	9.83	9.90	6.86	—	—	4.35
Less : Allowance for bad and doubtful loans	1.66	1.66	—	—	—	—
(e)	8.17	8.24	6.86	—	—	4.35
<b>Total</b> (a + b + c + d + e)	<b>74.54</b>	<b>77.32</b>	<b>72.90</b>	<b>5.49</b>	<b>5.69</b>	<b>8.43</b>

These financial assets are carried at amortised cost.

\* Refer note no. 4.08

## 2.07 OTHER FINANCIAL ASSETS

Particulars	₹ Crores					
	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Insurance claim receivable	58.94	–	–	6.08	64.50	65.14
Bank deposits with more than twelve months maturity (restricted use)	19.12	10.32	0.48	–	–	–
Escrow Balances with Banks (restricted use)	0.05	0.05	0.05	–	–	–
Accrued interest	1.79	1.67	1.78	15.87	14.95	4.76
Balances related to Coal Mine and Infrastructure	–	–	–	33.18	39.92	29.70
Receivable related to sale of shares	–	–	–	–	109.98	–
Other receivables	4.21	3.05	0.05	5.58	8.47	1.34
<b>Total</b>	<b>84.11</b>	<b>15.09</b>	<b>2.36</b>	<b>60.71</b>	<b>237.82</b>	<b>100.94</b>

## 2.08 DEFERRED TAX ASSETS

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets / (liabilities) in relation to :			
Unabsorbed Depreciation / Business losses as per Income Tax	202.60	231.64	30.77
Provision for employee benefits	44.95	35.76	0.18
Other temporary differences / unutilised tax asset	21.53	(10.86)	3.16
Property, Plant and Equipment	(192.57)	(207.57)	(21.13)
<b>Total</b>	<b>76.51</b>	<b>48.97</b>	<b>12.98</b>

### The movement in deferred tax assets during the year ended March 31, 2016 and March 31, 2017 :

Particulars	As at March 31, 2017	(Charged) / Credited to Profit and Loss / OCI	As at March 31, 2016	(Charged) / Credited to Profit and Loss / OCI	As at April 1, 2015
Deferred tax assets / (liabilities) in relation to :					
Unabsorbed Depreciation / Business losses as per Income Tax	202.60	(29.04)	231.64	200.87	30.77
Provision for employee benefits	44.95	9.19	35.76	35.58	0.18
Other temporary differences / unutilised tax asset	21.53	32.39	(10.86)	(14.02)	3.16
Property, Plant and Equipment	(192.57)	15.00	(207.57)	(186.44)	(21.13)
<b>Total</b>	<b>76.51</b>	<b>27.54</b>	<b>48.97</b>	<b>35.99</b>	<b>12.98</b>

## 2.08 DEFERRED TAX ASSETS (Contd...)

### Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :			
Unabsorbed depreciation	25.79	13.46	2.97
Business losses	108.14	77.43	51.45
<b>Total</b>	<b>133.93</b>	<b>90.89</b>	<b>54.42</b>

### Expiry schedule of Unrecognised deductible temporary differences, unused tax losses and unused tax credits :

Expiry of losses	Business Losses	Unabsorbed Depreciation
2017-18	1.27	—
2018-19	0.96	—
2019-20	1.73	—
2020-21	17.46	—
2021-22	16.59	—
Five years and above	70.13	—
Indefinite	—	25.79
<b>Total</b>	<b>108.14</b>	<b>25.79</b>

## 2.09 OTHER ASSETS

Particulars	₹ Crores					
	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances	60.37	59.14	65.08	—	—	—
<b>Advances other than Capital Advances</b>						
Balances with government authorities :						
CENVAT / VAT Receivable	89.40	88.00	63.54	19.91	30.60	121.60
Balances with Statutory Authorities	—	—	—	14.02	15.59	15.15
Service Tax Recoverable	—	—	—	10.74	8.03	9.43
Excise / VAT / Service Tax / Custom duty deposited under protest	11.68	10.05	5.35	0.15	0.36	—
Advance Income Tax (Net of provision for taxation)	1.02	0.77	2.99	—	—	—
Security Deposits	8.42	7.73	12.44	0.94	0.58	0.02
Advances to other parties	26.77	31.00	24.46	5.90	4.32	1.87
Prepaid expenses	3.80	2.95	2.74	11.54	14.49	11.13
Royalty receivable	—	—	—	17.12	17.12	17.12
Others	23.24	23.30	20.48	79.85	57.27	93.93
<b>Total</b>	<b>224.70</b>	<b>222.94</b>	<b>197.08</b>	<b>160.17</b>	<b>148.36</b>	<b>270.25</b>

## 2.10 INVENTORIES

Particulars	₹ Crores		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Raw materials	130.97	142.30	132.45
Goods-in-transit	0.37	2.69	7.13
Stores and spares	75.19	86.33	102.05
Goods-in-transit	0.16	—	—
Fuel Stock	47.10	55.50	137.13
Goods-in-transit	0.18	37.26	3.67
Work-in-progress	43.21	40.92	41.94
Finished goods	216.43	219.80	200.31
Goods-in-transit	10.08	9.88	11.55
Stock-in-trade	35.18	45.36	61.13
Goods-in-transit	3.33	4.53	5.41
<b>Total</b>	<b>562.20</b>	<b>644.57</b>	<b>702.77</b>

Note : Charged to Statement of Profit and loss on account of write-down of inventories to net realisable for the year ₹ 24.63 Crores (Previous year : ₹ 28.27 Crores).

## 2.11 TRADE RECEIVABLES

Particulars	₹ Crores		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Secured, considered good	40.11	27.90	24.15
Unsecured, considered good	586.27	583.04	539.06
Unsecured, considered doubtful	90.05	71.35	51.99
	716.43	682.29	615.20
Less : Allowance for doubtful debts (expected credit loss)	90.05	71.35	51.99
<b>Total</b>	<b>626.38</b>	<b>610.94</b>	<b>563.21</b>

## 2.12 CASH AND CASH EQUIVALENT

Particulars	₹ Crores		
	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks :			
In current accounts	51.62	71.76	46.03
Deposits with original maturity of less than three months	5.44	4.79	8.23
Cheques / drafts on hand	3.96	5.15	4.61
Cash on hand	1.73	2.14	1.00
<b>Total</b>	<b>62.75</b>	<b>83.84</b>	<b>59.87</b>

## 2.13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unclaimed Dividend	1.49	2.27	2.78
Margin money with banks (original maturity for more than three months but less than twelve months)	7.03	12.27	12.29
Term deposits (original maturity for more than three months but less than twelve months)	2.38	1.98	–
Term deposits (original maturity for more than three months but less than twelve months) (restricted use)	7.31	30.76	25.84
<b>Total</b>	<b>18.21</b>	<b>47.28</b>	<b>40.91</b>

### Disclosure in respect of Specified Bank Notes (SBN)

The details of SBNs held and transacted during the period November 8, 2016 to December 30, 2016, pursuant to MCA notification no G.S.R. 308(E) dated March 30, 2017 are as under :

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 8.11.2016	3.27	0.50	3.77
(+) Withdrawals from Bank	–	1.90	1.90
(+) Permitted receipts	–	0.36	0.36
(-) Permitted payments	0.37	1.53	1.90
(-) Amount deposited in Banks	2.90	0.23	3.13
Closing cash in hand as on 30.12.2016	–	1.00	1.00

Explanation : The term 'Specified Bank Note' is defined in the notification no. S.O.3407 (E) dated November 8, 2016 of the Department of Economic Affairs, Government of India

- Notes : (1) Opening balance of SBNs include unspent imprest / advance balance with staff which were disbursed in SBNs before November 8, 2016.
- (2) SBNs aggregating to ₹ 11500/- is directly deposited in the bank account of the Holding Company, is not included in the above disclosure.

## 2.14 CURRENT TAX ASSETS (NET)

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Tax Assets :			
Taxes paid	71.15	91.15	98.21
Benefit of tax losses to be carried back to recover taxes paid in prior periods	0.12	0.10	0.09
Tax refund receivable	0.20	–	–
	<b>71.47</b>	<b>91.25</b>	<b>98.30</b>
Current Tax Liabilities :			
Provision for taxation	42.30	42.22	44.74
	<b>42.30</b>	<b>42.22</b>	<b>44.74</b>
<b>Total</b>	<b>29.17</b>	<b>49.03</b>	<b>53.56</b>

## 2.15 EQUITY SHARE CAPITAL

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Paid up Share Capital :</b>			
50,33,56,580 (March 31, 2016 : 50,33,56,580 and April 1, 2015 : 50,33,56,580) Equity shares of ₹ 10/- each	<b>503.36</b>	503.36	503.36
<b>Total</b>	<b>503.36</b>	503.36	503.36

### a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period :

Equity shares	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
At the beginning of the year	<b>50,33,56,580</b>	50,33,56,580	50,33,56,580
Outstanding at the end of the year	<b>50,33,56,580</b>	50,33,56,580	50,33,56,580

### b. Rights, preference 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% shares in the Company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Manali Investment & Finance Private Limited	<b>6,78,17,992</b>	<b>13.47%</b>	6,78,17,992	13.47%	6,78,17,992	13.47%
Hathway Investments Private Limited	<b>6,41,13,400</b>	<b>12.74%</b>	6,41,13,400	12.74%	6,41,13,400	12.74%
Coronet Investments Private Limited	<b>5,79,49,394</b>	<b>11.51%</b>	5,79,49,394	11.51%	5,79,49,394	11.51%
Rajan B. Raheja	<b>5,14,06,327</b>	<b>10.21%</b>	5,14,06,327	10.21%	5,14,06,327	10.21%
Bloomingdale Investment & Finance Private Limited	<b>3,12,89,300</b>	<b>6.22%</b>	3,12,89,300	6.22%	3,12,89,300	6.22%
HDFC Trustee Company Limited	<b>3,83,05,213</b>	<b>7.61%</b>	—	—	—	—



## 2.16 OTHER EQUITY

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
General reserve	193.24	193.24	193.24
Retained earnings	164.66	205.90	288.02
Other Comprehensive Income (Financial assets measured as at FVTOCI)	1.46	0.06	–
Capital reserve	(0.65)	(0.90)	0.71
Capital redemption reserve	11.43	11.43	11.43
Debentures redemption reserve	121.43	85.09	42.53
<b>Total</b>	<b>491.57</b>	<b>494.82</b>	<b>535.93</b>

Description of the nature and purpose of each reserve within equity is as follows :

### (a) General Reserve

The Group had transferred a portion of the net profits before declaring dividend to the general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve before declaration of dividend is not required under the Companies Act, 2013

### (b) Retained Earnings

Retained earnings are the profits that the Group has earned till date and is net of amount transferred to other reserves such as general reserves, debenture redemption reserve etc., amount distributed as dividend and adjustments on account of transition to Ind AS.

### (c) Capital Reserve

Capital reserve represents recognition of equity component included in investments made in subsidiaries by way of preference shares and on applying Ind AS 103 Business Combination in accounting acquisitions made during the year.

### (d) Capital Redemption Reserve

Capital Redemption Reserve was created pursuant to the scheme of amalgamation.

### (e) Debenture Redemption Reserve (DRR)

The Group has issued non-convertible debentures. In terms of provisions of the Companies (Share Capital and Debenture) Rules, 2014 (as amended), the Group is required to create DRR which is equal to 25% of the value of the debentures issued, over the term of the debentures, out of the profits of the Group available for payment of dividend.

## 2.17 BORROWINGS

Particulars	₹ Crores		
	Non-current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured</b>			
Bonds / debentures			
- 9.25% Non-convertible Zero coupon Debentures with yield-to-maturity) (refer Sr. No.1)	200.00	—	—
{2000 Nos. (March 31, 2016 : Nil and April 1, 2015 : Nil) Debentures of ₹.0.10 Crore each}			
- 10.25% Non-convertible Debentures (refer Sr. No.2)	74.76	—	—
{750 Nos. (March 31, 2016 : Nil and April 1, 2015 : Nil) Debentures of ₹.0.10 Crore each}			
- 10.75% Non-convertible Debentures (refer Sr. No. 3)	150.00	150.00	150.00
{1500 Nos. (March 31, 2016 : 1500 Nos. and April 1, 2015 : 1500 Nos.) Debentures of ₹.0.10 Crore each}			
- 11.70% Non-convertible Debentures (refer Sr. No.4)	100.00	100.00	100.00
{1000 Nos. (March 31, 2016 : 1000 Nos. and April 1, 2015 : 1000 Nos.) Debentures of ₹.0.10 Crore each}			
- 11.25% Non-convertible Zero coupon Debentures with yield-to-maturity) (refer Sr. No.5)	50.00	50.00	50.00
{500 Nos. (March 31, 2016 : 500 Nos. and April 1, 2015 : 500 Nos.) Debentures of ₹.0.10 Crore each}			
- 11.00% Non-convertible Debentures (refer Sr. No.6)	50.00	50.00	50.00
{500 Nos. (March 31, 2016 : 500 Nos. and April 1, 2015 : 500 Nos.) Debentures of ₹.0.10 Crore each}			
- 12.65% Non-convertible Debentures (refer Sr. No.7)	50.00	50.00	50.00
{500 Nos. (March 31, 2016 : 500 Nos. and April 1, 2015 : 500 Nos.) Debentures of ₹.0.10 Crore each}			
- 12.65% Non-convertible Debentures (refer Sr. No.8)	100.00	100.00	100.00
{1000 Nos. (March 31, 2016 : 1000 Nos. and April 1, 2015 : 1000 Nos.) Debentures of ₹.0.10 Crore each}			
- 11.25% Non-convertible Debentures (refer Sr. No.9)	110.00	150.00	150.00
{1100 Nos. (March 31, 2016 : 1500 Nos. and April 1, 2015 : 1500 Nos.) Debentures of ₹.0.10 Crore each}			
- 11.25% Non-convertible Debentures	—	100.00	100.00
{Nil (March 31, 2016 : 1000 Nos. and April 1, 2015 : 1000 Nos.) Debentures of ₹.0.10 Crore each}			
- 9.30% Non-convertible Debentures	—	—	35.00
{Nil (March 31, 2016 : Nil and April 1, 2015 : 35 Nos.) Debentures of ₹ 1.00 Crore each}			
- 11.80% Non-convertible Debentures	—	—	30.00
{Nil (March 31, 2016 : Nil and April 1, 2015 : 300 Nos.) Debentures of ₹ 0.10 Crore each}			

## 2.17 BORROWINGS (Contd...)

Particulars	₹ Crores		
	Non-current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Term loans			
from banks (refer sr. no. 10 to 20)	442.56	547.26	662.52
from bank (FCNR) (refer sr. no. 21 to 22)	51.00	104.24	98.29
from NBFC	–	150.00	150.10
Vehicle loans			
from banks (refer sr. no. 23 to 29)	5.86	4.71	2.46
from others	–	0.09	0.20
Buyer's Credit (refer sr. no. 46)	4.29	4.40	8.78
<b>Unsecured</b>			
- 0.55% + SBI Base rate Non-convertible Debentures (refer Sr. No. 47) {1000 Nos. (March 31, 2016 : 1000 Nos. and April 1, 2015 : Nil) Debentures of ₹.0.10 Crore each}	100.00	100.00	–
- 10.42% Non-convertible Debentures {Nil (March 31, 2016 : Nil and April 1, 2015 : 150 Nos.) Debentures of ₹.0.10 Crore each}	–	–	15.00
- 0.01% Non-cumulative Redeemable Preference Shares (refer Sr. No. 48)	1.55	1.03	0.94
Inter-corporate deposits (refer sr. no. 49)	0.14	0.15	0.17
Buyer's Credit (refer sr. no. 50)	5.55	5.44	1.91
Fixed Deposits from Public (refer sr. no. 51)	21.40	30.52	37.14
Finance lease obligations (refer sr. no. 52)	13.71	9.35	1.09
	1,530.82	1,707.19	1,793.60
Less : Disclosed under other financial liabilities			
Current maturities of Non-current borrowings	334.65	226.69	158.19
Current maturities of Finance lease obligations	3.95	1.75	–
Unclaimed Fixed Deposit	2.19	1.82	1.42
<b>Total</b>	<b>1,190.03</b>	<b>1,476.93</b>	<b>1,633.99</b>

## 2.17 BORROWINGS (Contd...)

Particulars	₹ Crores		
	Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured</b>			
Loans repayable to banks			
On Demand (refer sr. no. 30 to 44)	248.23	227.52	201.08
Buyer's Credit (refer sr. no. 45)	2.71	11.76	43.45
<b>Unsecured</b>			
Loan from banks	148.08	167.38	137.61
Loan from related party	1.40	–	–
Inter-corporate deposits	–	0.15	–
Buyer's Credit	1.25	–	–
Commercial Paper (Maximum balance outstanding ₹ 150 Crores, March 31, 2016 : ₹ 225 Crores and April 1, 2015 : ₹ 125 Crores)	50.00	100.00	100.00
<b>Total</b>	<b>451.67</b>	<b>506.81</b>	<b>482.14</b>

### (a) Debentures (Secured) :

The Group has issued the following secured redeemable non-convertible Debentures :

Sr. No.	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future except leased assets	Allotted on December 13, 2016 and repayable at 9.25 % pa XIRR basis redemption premium on April 29, 2020	200.00	–	–
2	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Subsidiary Company. Further corporate guarantee has been extended by the Holding Company.	Allotted on December 02, 2016 and repayable at the end of 37 months from the date of allotment.	74.76	–	–
3	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future except leased assets	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	150.00	150.00	150.00

## 2.17 BORROWINGS (Contd...)

Sr. No.	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
4	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future except leased assets	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	100.00	100.00	100.00
5	Secured by first pari passu charge by way of hypothecation of all the movable Property, Plant and Equipment of HRJ division located at Pen, Kunigal and Dewas, both present and future	Allotted on January 21, 2015 and repayable on April 26, 2018 with Put / Call option at 11.25 % pa IRR basis redemption premium on April 26, 2017	50.00	50.00	50.00
6	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future except leased assets	Allotted on February 03, 2015 and repayable on April 25, 2018	50.00	50.00	50.00
7	Secured by first pari passu charge by way of hypothecation of all the movable Tangible and Intangible assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future	Allotted on July 22, 2014 and repayable on July 22, 2017	50.00	50.00	50.00
8	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future except leased assets	Allotted on July 22, 2014 and repayable on July 22, 2017	100.00	100.00	100.00
9	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future except leased assets	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	110.00	150.00	150.00
<b>Total</b>			<b>884.76</b>	<b>650.00</b>	<b>650.00</b>
Loans fully repaid prior to the Balance Sheet date			—	100.00	165.00
<b>Total (a)</b>			<b>884.76</b>	<b>750.00</b>	<b>815.00</b>

## 2.17 BORROWINGS (Contd...)

### (b) Nature of Security and terms of repayment for secured borrowings (other than debentures) :

Sr. No	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
10	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future	Quarterly in equal installments payable over a period of seven years including moratorium period from the date of facility availed on November 23, 2013	27.50	37.50	47.50
11	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future	Quarterly in equal installments payable over a period of seven years including moratorium period from the date of facility availed on September 28, 2013	75.00	105.00	135.00
12	Secured by first pari passu charge on all the movable and immovable Tangible and Intangible assets of the Cement Division, both present and future	Quarterly in equal installments payable over a period of six years commencing after moratorium period of two years. Availed on March 16, 2016	190.00	150.00	–
13	First exclusive charge on the office premises of HRJ division on units 1 to 4 on 7th Floor, Windsor.	Quarterly installments payable over a period of Five years. ₹ 4.17 Crores each per quarter from November 17, 2018.	50.00	–	–
14	Secured by first pari passu charge over all movable and immovable Tangible and Intangible assets both present and future of the Subsidiary Company. Further, corporate guarantee has been extended by the Holding Company.	Quarterly installments payable over a period of 3 years.	74.17	–	–
15	Secured by second pari passu charge over land and all Tangible and Intangible assets of the Subsidiary Company.	EMI over a period of 94 months starting from June 2012.	1.83	2.69	3.64
16	Secured by second pari passu charge over land and all Tangible and Intangible assets of the Subsidiary Company.	EMI over a period of 66 months starting from January 2013.	0.12	0.27	0.43
17	Secured by second pari passu charge over land and all Tangible and Intangible assets of the Subsidiary Company.	EMI over a period of 66 months starting from January 2013.	1.01	1.44	1.76
18	Secured by second pari passu charge over land and all Tangible and Intangible assets of the Subsidiary Company.	EMI over a period of 61 equal months starting from July 2016	1.90	–	–
19	Secured by hypothecation of all Tangible and Intangible assets (present and future) and second pari passu charge over the immovable assets (land) of the Subsidiary Company.	EMI over a period of 72 months starting from April 30, 2018.	19.20	–	–



## 2.17 BORROWINGS (Contd...)

Sr. No	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
20	Secured by hypothecation of all Tangible and Intangible assets (present and future) and second pari passu charge over the immovable assets (land) of the Subsidiary Company.	EMI over a period of 72 months starting from October 2014	4.35	—	—
21	Secured by first pari passu charge by way of hypothecation of all the movable Property, Plant and Equipment of HRJ division located at Pen, Kunigal and Dewas, both present and future	Quarterly installments payable over a period of three years including moratorium period of one year; Eight equal Quarterly installments from June 26, 2016.	18.66	38.13	35.97
22	Secured by first pari passu charge on entire movable Tangible and Intangible assets of RMC Division excluding assets charged exclusively to other lenders	Quarterly installments payable over a period of three years including moratorium period of one year; Eight equal Quarterly installments from June 26, 2016.	33.17	67.78	63.94
23	Secured by exclusive charge on vehicles of HRJ Division	Equal monthly installments over a period of 60 months from the respective date of disbursement	3.84	3.60	2.35
24	First and exclusive charge secured by hypothecation of vehicles financed to RMC Division	Equal monthly installments over a period of five years	0.42	—	0.04
25	Secured by exclusive charge on vehicles of Cement Division	Equal monthly installments over a period of 60 months from the respective date of disbursement	0.62	0.77	0.11
26	Secured by hypothecation of vehicle of the Subsidiary Company.	Repayable in 60 equal monthly installments from December 2012	0.01	0.02	0.03
27	Secured by hypothecation of vehicle of the Subsidiary Company.	Repayable in 60 equal quarterly installments.	0.18	—	—
28	Secured by hypothecation of the respective assets covered under the loan agreement of the Subsidiary Company	Repayable in 35 equal monthly installments.	0.03	0.08	0.13
29	Secured by first pari pasu charge on vehicles of the Subsidiary Company.	Repayable in 36 equal monthly installments	0.76	0.31	—
30	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division	Repayable within one year	121.59	92.33	46.42
31	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of RMC Division	Repayable on Demand	4.05	—	—
32	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 and building of the Subsidiary Company.	Repayable on Demand	9.68	9.30	9.81

## 2.17 BORROWINGS (Contd...)

Sr. No	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
33	Secured by first pari passu charge on all current assets both present and future, second pari passu charge on all the Tangible and Intangible assets both present and Future and personal guarantee of Director of the Subsidiary Company.	Repayable on demand	2.25	6.02	2.45
34	Secured by first pari passu charge on all current assets both present and future, second pari passu charge on all Tangible and Intangible assets both present and future and personal guarantee of Director of the Subsidiary Company.	Repayable on demand	0.96	5.07	4.01
35	"Secured by first pari passu charge on all current assets of the Subsidiary Company both present and future, second pari passu hypothecation charge on all existing and future movable Property, Plant and Equipment (except vehicles). Second pari passu mortgage charge on all Immovable properties being land and building of the Subsidiary Company."	Repayable on demand	3.52	6.18	1.02
36	Secured by first pari passu charge by hypothecation of total current assets and second pari passu charge over entire Tangible and Intangible assets (other than Land and building) and personal guarantees of three directors of the Subsidiary Company.	Repayable on demand	43.58	43.97	54.72
37	Secured by hypothecation of stock, book debts, and all other current assets (present and future). Equitable mortgage over the immovable property (factory land) of the Subsidiary Company.	Repayable on demand	18.56	10.79	10.95
38	Secured by hypothecation of land and building and all Tangible and Intangible assets and all current assets and personal guarantee of two directors of the Subsidiary Company	Repayable on demand	1.49	4.50	11.76
39	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and second pari passu charge by way of mortgage and hypothecation on all Tangible and Intangible assets both present and future. Further corporate guarantee has been extended by the Holding Company	Repayable on demand	3.81	8.65	5.03

## 2.17 BORROWINGS (Contd...)

Sr. No	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
40	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and second pari passu charge by way of mortgage and hypothecation on all Tangible and Intangible assets of the subsidiary Company, both present and future. Further, corporate guarantee has been extended by the Holding Company.	Repayable on demand	14.97	10.07	10.00
41	Secured by first pari passu charge on all Tangible and Intangible assets of the Subsidiary Company, second pari passu charge on current assets of the Subsidiary Company both present and future. The facility will be secured by fixed deposit margin of 150% of facility amount of the Subsidiary Company. Further, corporate guarantee has been extended by the Holding Company.	Repayable on demand	1.49	2.58	2.38
42	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and second pari passu charge by way of mortgage and hypothecation on all Tangible and Intangible assets of the Subsidiary Company, both present and future. Further, corporate guarantee has been extended by the Holding Company.	Repayable on demand	3.75	5.00	5.00
43	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future and second pari passu charge by way of mortgage and hypothecation on all Tangible and Intangible assets of the Subsidiary Company, both present and future. Further, corporate guarantee has been extended by the Holding Company.	Repayable on demand	8.82	—	—
44	Secured by hypothecation of all current asset, both present and future and all movable Property, Plant and Equipment of the Subsidiary Company. Further equitable mortgage of the Immovable property of the Subsidiary Company.	Repayable on Demand	9.71	9.16	—

## 2.17 BORROWINGS (Contd...)

Sr. No	Nature of Security	Terms of Repayment	₹ Crores		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
45	Secured by first pari passu charge by way of hypothecation of stocks and book debts both present and future of HRJ Division	As per due dates of respective Buyer's credit	2.71	9.21	7.10
46	Secured by first pari passu charge by hypothecation of total current assets and second pari passu charge over entire Tangible and Intangible assets (other than Land and building) and personal guarantees of three directors of the Subsidiary Company.	Repayable on demand	4.29	—	—
<b>Total</b>			<b>758.00</b>	630.42	461.55
Loans fully repaid prior to the Balance Sheet date			—	426.70	717.73
Less : Unamortised upfront fees on borrowing			<b>3.35</b>	7.14	12.40
<b>Total (b)</b>			<b>754.65</b>	1,049.98	1,166.88

### (c) Terms of Repayment for Unsecured borrowings :

Nature of Borrowing	Terms of Repayment	₹ Crores		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
47 Non-convertible Debentures	Alloted on September 15, 2015 and repayable on September 14, 2018 with Interest reset clause on September 30, 2016 and September 30, 2017	100.00	100.00	—
48 Non-cumulative Redeemable Preference Shares	Twenty years from the date of issue	1.55	1.03	0.94
49 Inter corporate deposits	Three years from April 01, 2016	0.14	0.15	0.17
50 Buyer's Credit	As per due dates of respective Buyer's Credit	5.55	5.44	1.91
51 Fixed Deposits from Public	Payable over a period of one to two years from the respective date of disbursement	21.40	30.52	37.14
52 Finance Lease obligation	Payable over period of five years from the respective date of disbursement	13.71	9.35	1.09
53 Current Borrowings (unsecured)		200.73	267.53	237.61
<b>Total</b>		<b>343.08</b>	414.02	278.86
Loans fully repaid prior to the balance sheet date		—	—	15.00
<b>Total (c)</b>		<b>343.08</b>	414.02	293.86
<b>Total Borrowings (a + b + c)</b>		<b>1,982.49</b>	2,214.00	2,275.74

## 2.17 BORROWINGS (Contd...)

### (d) Aggregate value of non-current borrowings guaranteed by others :

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Bonds / debentures</b>			
Principal	75.00	—	—
Interest	2.53	—	—
<b>Term loans from banks</b>			
Principal	75.76	155.41	173.23

### (e) Assets pledged as security :

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Cash and cash equivalents	1.12	4.88	2.49
Other bank balance	1.28	3.43	15.59
Receivables	722.58	797.88	729.61
Inventories	538.89	648.35	709.35
	1,263.87	1,454.54	1,457.04
<b>Non-current</b>			
Land (Freehold and Leasehold)	497.34	487.11	429.95
Freehold building	119.89	151.59	157.69
Plant and Machinery (Freehold and Leasehold)	984.44	1,019.72	1,058.81
Railway Siding	3.02	3.21	3.40
Office Equipment	3.31	3.74	4.49
Furniture and Fixtures	183.68	316.72	334.96
Movable Tangible assets at Pen, Dewas and Kunigal	186.26	227.39	232.33
Computers and Softwares	7.28	5.92	5.96
Truck Mixers, Loaders and dumpers	3.48	5.28	10.00
Mines Development	56.71	75.64	80.33
Vehicles	11.56	10.32	9.46
Mining Lease - Surface Rights	7.44	7.84	8.24
Minerals Procurement Rights			
	2,064.41	2,314.48	2,335.62
<b>Total</b>	<b>3,328.28</b>	<b>3,769.02</b>	<b>3,792.66</b>

## 2.18 TRADE PAYABLES

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total outstanding dues of Micro Enterprises & Small Enterprises	2.38	1.54	0.10
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	713.16	700.12	733.91
<b>Total</b>	<b>715.54</b>	<b>701.66</b>	<b>734.01</b>

## 2.19 OTHER FINANCIAL LIABILITIES

Particulars	₹ Crores					
	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current maturities of non-current borrowings	–	–	–	334.65	226.69	158.19
Current maturities of Finance Lease obligations	–	–	–	3.95	1.75	–
Payables for acquisition of Property, Plant and Equipment	–	–	–	34.17	27.90	39.29
Interest accrued	6.15	–	–	47.84	43.10	37.28
Unclaimed Dividends*	–	–	–	1.49	2.27	2.78
Unpaid matured deposits and interest accrued thereon	–	–	–	2.62	2.26	1.80
Security deposits from customers / others	198.31	187.14	136.27	12.82	0.01	–
Payable to Employees	–	–	–	13.58	12.57	6.94
Financial Lease Obligations	1.96	1.96	1.96	–	–	–
Liability for expenses	0.05	–	–	194.70	203.96	220.39
Proportionate share in Joint Venture losses	–	–	–	0.89	0.37	0.28
Others	53.02	16.02	0.56	19.29	28.84	0.96
<b>Total</b>	<b>259.49</b>	<b>205.12</b>	<b>138.79</b>	<b>666.00</b>	<b>549.72</b>	<b>467.91</b>

\* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2017



## 2.19 OTHER FINANCIAL LIABILITIES (Contd...)

### Detail of Current Maturities of Non-current borrowings

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured Loan :</b>			
Non-convertible debentures	260.00	40.00	65.00
Term Loans	54.12	157.79	53.34
Vehicle Loans	1.69	1.27	0.92
Inter Corporate Deposits	—	0.01	—
Buyer's Credit	—	4.40	—
<b>Unsecured Loans :</b>			
Non-convertible debentures	—	—	15.00
Buyer's Credit	5.55	5.44	1.91
Fixed Deposits from public	13.29	17.78	22.02
<b>Total</b>	<b>334.65</b>	<b>226.69</b>	<b>158.19</b>

## 2.20 PROVISIONS

Particulars	₹ Crores					
	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee benefits :						
Provision for Gratuity	2.59	2.37	1.75	1.10	0.12	4.88
Provision for Bonus	—	—	—	14.90	15.94	9.53
Provision for Leave Encashment	18.78	13.77	12.17	9.17	9.33	8.12
Others	0.10	1.00	0.76	10.61	10.08	6.76
	21.47	17.14	14.68	35.78	35.47	29.29
Others :						
Provision for litigations	0.07	0.07	0.11	—	—	—
Mark-to-Market losses on Currency Swap	—	28.10	5.63	—	—	—
Provision for expenses	—	—	—	0.43	2.28	2.66
Others	3.18	0.85	1.87	0.01	0.01	0.01
	3.25	29.02	7.61	0.44	2.29	2.67
<b>Total</b>	<b>24.72</b>	<b>46.16</b>	<b>22.29</b>	<b>36.22</b>	<b>37.76</b>	<b>31.96</b>

## 2.21 DEFERRED TAX LIABILITIES

Particulars	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax liabilities / (assets) in relation to :			
Unabsorbed Depreciation / Business Loss as per Income Tax	(0.45)	–	(182.80)
Provision for employee benefits	(1.59)	(0.69)	(22.87)
Other temporary differences	1.38	(0.31)	5.28
Property, Plant and Equipment	26.56	26.42	241.75
<b>Total</b>	<b>25.90</b>	<b>25.42</b>	<b>41.36</b>

### The movement in deferred tax liabilities during the year ended March 31, 2016 and March 31, 2017 :

Particulars	As at March 31, 2017	₹ Crores				
		Charged / (credited) to Profit and Loss / OCI	Acquisition through business combination	As at March 31, 2016	Charged / (credited) to Profit and Loss / OCI	As at April 1, 2015
Deferred tax liabilities / (assets) in relation to :						
Unabsorbed Depreciation / Business Loss as per Income Tax	(0.45)	(0.45)	–	–	182.80	(182.80)
Provision for employee benefits	(1.59)	(0.89)	(0.01)	(0.69)	22.18	(22.87)
Other temporary differences	1.38	1.69	–	(0.31)	(5.59)	5.28
Property, Plant and Equipment	26.56	0.67	(0.53)	26.42	(215.33)	241.75
<b>Total</b>	<b>25.90</b>	<b>1.02</b>	<b>(0.54)</b>	<b>25.42</b>	<b>(15.94)</b>	<b>41.36</b>

## 2.22 OTHER LIABILITIES

₹ Crores						
Particulars	Non-current			Current		
	As at March 31,	As at March 31,	As at April 1,	As at March 31,	As at March 31,	As at April 1,
	2017	2016	2015	2017	2016	2015
Advance from customers	–	–	–	85.64	79.27	46.18
Statutory liabilities	19.05	19.05	16.96	49.63	49.05	51.96
Other employee benefit expenses	–	–	–	7.96	4.69	3.45
Others	13.48	4.37	3.99	52.03	58.67	36.58
<b>Total</b>	<b>32.53</b>	<b>23.42</b>	<b>20.95</b>	<b>195.26</b>	<b>191.68</b>	<b>138.17</b>

## 2.23 CURRENT TAX LIABILITIES (NET)

₹ Crores			
Particulars	As at March 31,	As at March 31,	As at April 1,
	2017	2016	2015
Current Tax Assets :			
Taxes paid	5.88	9.45	5.65
Tax refund receivable	–	0.03	–
Others	0.01	–	–
	5.89	9.48	5.65
Current Tax Liabilities :			
Provision for taxation (net of advance tax)	19.47	10.85	6.37
	19.47	10.85	6.37
<b>Total</b>	<b>13.58</b>	<b>1.37</b>	<b>0.72</b>

### 3.01 REVENUE FROM OPERATIONS

Particulars	₹ Crores	
	Year ended March 31,	Year ended March 31,
	2017	2016
<b>Revenue from operations</b>		
Sale of products (including excise duty)	<b>5,485.46</b>	5,685.04
Sale of services	<b>25.95</b>	19.21
Other operating revenue :		
Net Gain arising of financial assets designated as at FVTPL	<b>0.77</b>	0.79
Scrap sales	<b>9.51</b>	10.50
Claims and recoveries	<b>11.20</b>	8.38
Investment Income of Insurance Business	<b>21.72</b>	20.59
Commission	<b>1.19</b>	0.73
Others	<b>6.24</b>	13.68
<b>Total</b>	<b>5,562.04</b>	5,758.92

### 3.02 OTHER INCOME

Particulars	₹ Crores	
	Year ended March 31,	Year ended March 31,
	2017	2016
Interest income earned on financial assets :		
Bank Deposits (at amortised cost)	<b>2.16</b>	4.99
Unwinding interest on financial assets	<b>0.13</b>	0.05
Dividend on Preference Shares	<b>0.02</b>	0.02
Others	<b>5.68</b>	5.74
Other non- operating income :		
Government assistance - Tax subsidy / Exemption	<b>69.19</b>	80.63
Miscellaneous income	<b>9.83</b>	2.35
Other gains and losses :		
Net gain on sale of investments	<b>0.79</b>	58.53
Net gain on foreign exchange fluctuation	<b>3.20</b>	–
Net gain on disposal of Property, Plant and Equipment	<b>2.11</b>	–
<b>Total</b>	<b>93.11</b>	152.31

### 3.03 CHANGES IN INVENTORIES

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Inventories at the end of the year (including in-transit) :		
Stock-in-trade	38.51	49.89
Work-in-progress	43.21	40.92
Finished goods	226.51	229.68
(a)	308.23	320.49
Add : On Acquisition		
Stock-in-trade	—	0.52
Work-in-progress	0.21	0.17
Finished goods	4.51	3.74
(b)	4.72	4.43
Inventories at the beginning of the year (including in-transit) :		
Stock-in-trade	49.89	66.54
Work-in-progress	40.92	41.94
Finished goods	229.68	211.86
(c)	320.49	320.34
<b>Total</b> {a - (b + c)}	<b>(16.98)</b>	<b>(4.28)</b>

### 3.04 OTHER MANUFACTURING EXPENSES

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Stores and Spares consumed	84.70	110.02
Plant and equipment hire charges	49.77	57.03
Repairs to plant and equipment	39.76	44.52
Royalty for minerals	58.42	60.16
Sub-contract charges	62.25	58.86
Plant upkeep expenses	35.31	34.61
Quarry expenses	18.81	22.69
Dies and punches consumed	0.57	0.66
Other manufacturing expenses	11.89	14.60
<b>Total</b>	<b>361.48</b>	<b>403.15</b>

### 3.05 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ Crores	
	Year ended March 31,	Year ended March 31,
	2017	2016
Salaries, wages and bonus	419.70	394.87
Contribution to provident and other fund	32.00	27.80
Staff welfare expenses	20.49	19.41
<b>Total</b>	<b>472.19</b>	<b>442.08</b>

### 3.06 FINANCE COSTS

Particulars	₹ Crores	
	Year ended March 31,	Year ended March 31,
	2017	2016
Interest and Finance charges on financial liabilities :		
Interest on Overdraft / cash credit	24.38	23.08
Interest on borrowings	183.10	239.47
Preference Share Dividend including Corporate Tax	0.12	0.09
Interest on finance lease obligation	1.14	0.43
Exchange differences regarded as an adjustment to borrowing cost	0.02	4.79
Other borrowing costs	7.81	13.53
<b>Total</b>	<b>216.57</b>	<b>281.39</b>

### 3.07 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	₹ Crores	
	Year ended March 31,	Year ended March 31,
	2017	2016
Depreciation of Property, Plant and Equipment	187.43	179.73
Amortisation of Intangible assets	4.41	4.40
<b>Total</b>	<b>191.84</b>	<b>184.13</b>

### 3.08 OTHER EXPENSES

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Rent expenses	42.59	34.85
Rates and taxes	31.33	30.38
Travelling and communication expenses	53.85	52.43
Discounts, incentives and commission on sales	19.80	21.72
Advertisement, sales promotion and other marketing expenses	73.20	63.58
Re-insurance expenses	14.27	9.47
Research expenses *	3.51	2.80
Insurance	10.11	9.79
Impairment loss allowance on other financial assets carried at amortised cost	0.70	1.74
Legal and professional fees	45.11	19.26
Impairment of trade receivables	24.92	19.96
Bad debts written off	3.45	1.81
Concrete pumping expenses	17.12	16.60
Repairs to buildings	5.16	4.39
Repairs others	5.32	5.43
Bank charges	4.47	4.58
Impairment on non-current assets	0.32	—
Net loss on foreign exchange fluctuation	—	2.43
Loss on disposal of Property, Plant and Equipment (net)	—	4.78
Miscellaneous expenses	116.03	82.11
<b>Total</b>	<b>471.26</b>	<b>388.11</b>
* Research expenses comprise of :		
Salaries and wages	1.61	1.45
Travelling and Communication	0.38	0.34
Others	1.52	1.01
<b>Total</b>	<b>3.51</b>	<b>2.80</b>

### 3.09 EXCEPTIONAL ITEMS

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Payment to GAIL (India) Limited towards settlement of claim under long-term gas supply agreement	—	3.61
Amalgamation expenses incurred by a Subsidiary of the Company	—	0.17
<b>Total</b>	<b>—</b>	<b>3.78</b>



### 3.10 TAX EXPENSES

Particulars	₹ Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
(a) Income tax expenses :		
Current tax		
In respect of the current year	29.88	23.51
	29.88	23.51
Deferred tax		
In respect of the current year	(2.31)	(25.78)
	(2.31)	(25.78)
<b>Total</b>	<b>27.57</b>	<b>(2.27)</b>
(b) Income tax recognised in Other Comprehensive Income		
Remeasurements of the defined benefit plans	1.24	0.78
Share in Associates and Joint Ventures, to the extent not to be reclassified to profit or loss	0.02	—
Net Gain arising of financial assets designated as at FVTOCI	(1.36)	(0.05)
	(0.10)	0.73
<b>Total income tax expense recognised in the current year (a + b)</b>	<b>27.47</b>	<b>(1.54)</b>
(c) A reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate is as follows :		
Net profit before tax	41.72	23.72
Effective tax rate applicable to the Company	34.61%	34.61%
Tax amount at the enacted income tax rate	14.44	8.21
Share of profit / (loss) in Joint Venture not taxable	0.52	(0.06)
Entities with losses not liable to tax	14.28	10.57
Difference in tax rates of certain entities of the Group	(2.96)	0.69
Tax holiday concession	(1.29)	(1.05)
Add : Expenses not deductible in determining taxable profits	78.93	72.97
Less : Allowances / deductible	(59.31)	(83.32)
Minimum Alternative Tax	11.26	0.34
Others	2.14	(0.58)
Incremental Deferred Tax assets on account of unused tax losses and tax credits	(36.58)	(19.72)
Incremental Deferred Tax liability on account of other temporary differences	6.04	10.41
<b>Tax expense as per the Statement of Profit and Loss</b>	<b>27.47</b>	<b>(1.54)</b>

#### 4.01 EARNINGS PER SHARE (EPS)

Particulars	As at March 31, 2017	As at March 31, 2016
Basic earnings per share :		
Attributable to equity holders of the Group (₹)	-0.04	0.06
Diluted earnings per share :		
Attributable to equity holders of the Group (₹)	-0.04	0.06
Reconciliation of earnings used in calculating earnings per share :		
Basic earnings per share		
Profit / (loss) attributable to equity holders of the Group used in calculating basic earnings per share (₹ Crores)	(1.80)	2.89
Diluted earnings per share		
Profit / (loss) attributable to equity holders of the Group used in calculating diluted earnings per share (₹ Crores)	(1.80)	2.89
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	50,33,56,580	50,33,56,580

#### 4.02 LEASES

- 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 (Land, 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 :

Finance lease Liabilities	₹ Crores					
	Minimum lease payment			Present value of Minimum lease payment		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	4.16	1.96	1.22	2.75	1.63	1.18
Later than one year and not later than five years.	10.61	8.45	0.93	7.91	5.54	0.62
Later than five years	12.12	12.33	12.54	0.84	0.93	1.03
<b>Total</b>	<b>26.89</b>	<b>22.74</b>	<b>14.69</b>	<b>11.50</b>	<b>8.10</b>	<b>2.83</b>

Lease rentals of ₹ 1.14 Crores (previous year ₹ 0.43 Crores) in respect of obligations under finance lease have been recognised in the Statement of Profit and Loss.

## 4.02 LEASES (Contd...)

Operating lease agreements ( Land, Machinery and Equipments) - Non-cancellable

Future Lease Rental Payments	₹ Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due not Later than one year	16.41	18.35	3.26
Due later than one year but not later than five years from the Balance Sheet date	25.51	32.76	10.24
Later than five years	0.23	—	—
<b>Total</b>	<b>42.15</b>	<b>51.11</b>	<b>13.50</b>

Lease rentals of ₹ 16.33 Crores (Previous year : ₹ 8.14 Crores) in respect of obligations under operating leases have been recognised in the Statement of Profit and Loss.

## 4.03 EMPLOYEE BENEFITS

### 1. Defined contribution plans

The Group operated defined benefits contribution retirement benefits plans for all qualifying employees.

The total expense recognised in the Statement of Profit and Loss of ₹ 16.54 Crores (Previous year : ₹ 15.97 Crores) represents contributions payable to these plans by the Group at rates specified in rules of the plan.

### 2. Defined benefit plans

The Group sponsors funded defined benefit plans for qualifying employee. The defined benefits plan are administered by separate fund that is legally separate fund from the entity. The board of the fund is responsible for the investment policy with regard to assets of the funds.

These plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### 4.03 EMPLOYEE BENEFITS (Contd...)

##### 3. Principal assumptions used for the purpose of actuarial valuation

Particulars	₹ Crores	
	Valuation as at	
	March 31, 2017	March 31, 2016
Discount Rate	7.34% to 8.08%	7.81% to 8.08%
Expected Rate(s) of salary increase	4% to 5%	4% to 7%
Average longevity at retirement age for current beneficiaries of plans (years)*	36 to 42	36 to 42
Average longevity at retirement age for current employees (future beneficiaries of the plan)*	58 and 60	58 and 60
Attrition rate	2% to 10%	1% to 2%

##### 4. (a) Amounts recognised in consolidated statement of Profit and Loss in respect of defined benefit plans

Particulars	₹ Crores			
	Leave Encashment		Gratuity	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Service cost :				
Current service cost	1.70	2.21	5.65	5.67
Past service cost and (gain)/loss from settlements	—	—	—	1.45
Net interest expense	1.44	1.48	1.24	1.56
Actuarial (gain)/loss	8.01	5.19	(0.12)	(0.05)
<b>Component of defined benefit costs recognised in statement of profit and loss</b>	<b>11.15</b>	<b>8.88</b>	<b>6.77</b>	<b>8.63</b>

##### (b) Amounts recognised in consolidated Other Comprehensive Income in respect of defined benefit plans

Particulars	₹ Crores	
	Gratuity	
	March 31, 2017	March 31, 2016
Remeasurement of net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	(1.05)	0.56
Actuarial (gains) / losses arising from changes in demographic assumptions	2.55	—
Actuarial (gains) / losses arising from changes in financial assumption	1.50	1.85
Actuarial (gains) / losses arising from experience adjustments	0.19	(0.80)
<b>Components of defined benefits cost recognised in Other Comprehensive Income</b>	<b>3.19</b>	<b>1.61</b>

#### 4.03 EMPLOYEE BENEFITS (Contd...)

##### 5 (a) Movements in present value of defined benefit obligation and planned assets

Particulars	₹ Crores			
	Leave Encashment		Gratuity	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Opening defined benefit obligations	23.98	21.45	38.52	36.99
Acquisition through business combination	–	–	0.04	–
Current service cost	1.70	2.21	5.65	5.67
Interest cost	1.44	1.48	2.49	2.60
Remeasurement (gains) / loss				
Actuarial (gains) / losses arising from changes in demographic assumptions	2.20	–	2.55	–
Actuarial (gains) / losses arising from changes in financial assumption	0.92	0.32	1.50	1.85
Actuarial (gains) / losses arising from experience adjustments	4.89	4.97	0.19	(0.80)
Actuarial (gain) / loss on obligations	–	(0.10)	(0.12)	0.06
Past service cost, including losses / (gains) on curtailments	–	–	–	1.45
Benefits paid	(7.21)	(6.35)	(5.07)	(9.30)
<b>Closing Defined Benefit Obligation</b>	<b>27.92</b>	<b>23.98</b>	<b>45.75</b>	<b>38.52</b>

##### 5 (b) Movements in fair value of the plan assets

Particulars	₹ Crores	
	Gratuity	
	March 31, 2017	March 31, 2016
Opening fair value of plan assets	31.56	27.69
Interest income	2.20	2.33
Return on plan assets	1.08	(0.50)
Contributions	3.95	5.75
Benefits paid	(4.96)	(3.71)
<b>Closing fair value of plan assets</b>	<b>33.83</b>	<b>31.56</b>

##### 6. The categories of plan assets as a percentage of total plan are as follows :

Particulars	Percentage		
	March 31, 2017	March 31, 2016	April 1, 2015
Equity Shares	18.21%	16.59%	16.97%
Central and State Government Securities	56.20%	46.25%	43.26%
Other Fixed Income Securities/Deposits	25.59%	37.16%	39.77%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### 4.03 EMPLOYEE BENEFITS (Contd...)

##### Sensitivity Analysis

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

Particulars	₹ Crores			
	Leave Encashment		Gratuity	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount Rate +100 basis points	26.41	22.62	42.37	35.02
Discount Rate -100 basis points	29.08	25.30	48.58	41.84
Salary Increase Rate +1 %	28.97	25.33	48.37	41.80
Salary Increase Rate -1 %	26.49	22.66	42.51	35.01
Attrition Rate +1%	27.88	24.26	45.77	39.04
Attrition Rate -1%	27.43	23.50	44.74	37.21

#### 4.04 (a) CONTINGENT LIABILITIES

- (i) Guarantees given by the Company's bankers and counter guaranteed by the Company : ₹ 53.75 Crores (Previous year : ₹ 46.88 Crores).
- (ii) Prepayment charges claimed by banks on amounts prepaid Nil (Previous year : ₹ 2.92 Crores).
- (iii) 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 : ₹ 9.89 Crores).
  - (c) Tax on Rural and Road Development ₹ 10.45 Crores (Previous year : ₹ 10.38 Crores).
  - (d) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty, Service Tax and other claims ₹ 163.02 Crores. (Previous year : ₹ 154.07 Crores).

#### (b) CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 93.04 Crores (March 31, 2016 : ₹ 27.23 Crores and April 1, 2015 : ₹ 59.52 Crores) and other commitments include outstanding letter of credit ₹ 51.27 Crores (March 31, 2016 : ₹ 62.84 Crores and April 1, 2015 : ₹ 58.23 Crores).

#### (c) FINANCIAL GUARANTEE

Corporate guarantees issued to the bankers : ₹ 227.25 Crores (Previous year : ₹ 160 Crores).

**(d) Disclosure of provisions made as per the requirements of Ind AS - 37 on "Provisions, Contingent Liabilities and Contingent Assets" are as follows :**

Particulars	₹ Crores			As at March 31, 2017
	As at April 1, 2016	Provisions made during the year	Amounts utilised or reversed during the year	
MPEB Cess on Generation of Electricity	8.33	—	—	<b>8.33</b>
MP Entry Tax / VAT	10.05	—	—	<b>10.05</b>
UP Entry Tax	3.86	—	—	<b>3.86</b>
VAT on Inter Unit Transfer	0.68	—	—	<b>0.68</b>
Appeal with AP Commercial Tax Department	0.60	0.07	—	<b>0.67</b>
Mines Restoration expenses	0.28	2.28	—	<b>2.56</b>
<b>Total</b>	<b>23.80</b>	<b>2.35</b>	<b>—</b>	<b>26.15</b>

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 : ₹ 0.23 Crores) and in the event, these are settled against the Company there would be cash outflow of ₹ 25.92 Crores (Previous year : ₹ 23.57 Crores).

- (e)** In terms of long-term gas supply agreement (GSA) with GAIL (India) Limited (GAIL) 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 underdrawn quantities, determined on calendar year basis, the Company is liable to deposit purchase price under Take or Pay Obligation clause (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 underdrawn quantities of RLNG of 653690 and 711272 MMBTU for the calendar year 2015 and 2016 respectively and 202770 MMBTU for the quarter ended March 31, 2017. GAIL has allowed underdrawn quantities for the calendar year 2015 to be carried forward under downward flexibility clause of GSA till April 2028 without any payment and has indicated that TOP obligation shall not be enforce for the calendar year 2016. The Company has exhausted its downward flexibility limit. The amount committed under TOP for the underdrawn quantities for the quarter ended March 31, 2017, which would be due in December 2017 if it remains undrawn or not waived, is approximately to the tune of ₹12.94 Crores.

In view of decreasing trend in prices of RLNG in recent months and also expected increase in the capacity utilisation due to favourable market conditions, the management is confident about utilisation of underdrawn 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.



**4.05 Capital work-in-progress includes pre-operative expenses of ₹ 63.66 Crores (March 31, 2016 : ₹ 58.31 Crores and April 1, 2015 : ₹ 53.07 Crores), the details of which are as under :**

	₹ Crores		
Particulars	2016-17	2015-16	2014-15
<b>Indirect expenditure incurred during the year and considered as pre-operative expenses</b>			
Salary, Wages and Bonus	2.94	2.85	2.77
Contribution to Provident and other funds	0.10	0.12	0.13
Rent, Rates and Taxes	0.31	0.32	0.29
Travelling and Communication	0.29	0.37	0.85
Professional fees	0.24	0.26	0.73
Depreciation	0.21	0.32	0.34
Miscellaneous expenses	1.26	1.00	2.30
	5.35	5.24	7.41
Add : Expenditure up to previous year	58.31	53.07	46.26
	63.66	58.31	53.67
Less : Adjustment relating to Coal Block/Capitalised during the year	–	–	0.60
<b>Balance Carried forward</b>	<b>63.66</b>	<b>58.31</b>	<b>53.07</b>
Cost relating to acquisition of assets and related direct expenses	72.53	10.81	18.29
<b>Total Capital Work-in-progress</b>	<b>136.19</b>	<b>69.12</b>	<b>71.36</b>

**4.06 CAPITAL MANAGEMENT**

**Risk management**

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business and at the same time, optimise returns to the shareholders. The Group takes appropriate and corrective steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

Consistent with others in the industry, the Group monitors capital on the basis of the capital gearing ratio computed as under :

Net debt (Total Borrowings net of Cash and Cash equivalents) divided by Total 'Equity' (as shown in the Balance Sheet including Non-controlling interest).

The Group's strategy is to maintain a capital gearing ratio within 2.25 times. The comparative capital gearing ratios are tabulated as hereunder :

	₹ Crores		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Net Debt	1,901.53	2,082.88	2,174.96
Total Equity	1,264.35	1,247.06	1,157.78
<b>Net Debt to Equity ratio</b>	<b>1.50</b>	<b>1.67</b>	<b>1.88</b>

The Group has complied with all material externally imposed conditions relating to capital requirements and there has not been any delay or default during the period covered under these financial statements. No lenders have raised any matter that may lead to breach of covenants stipulated in the underlying documents.

## 4.07 FINANCIAL INSTRUMENTS

### (i) Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value :

- The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non-current assets, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.
- The fair values for long term loans, long term security deposits given and remaining non-current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
- The fair values of long term security deposits taken, non-current borrowings and remaining non-current financial liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### (ii) Categories of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :

Level 1 : unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 : directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 : inputs which are not based on observable market data

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>						
Measured at amortised cost :						
Trade receivables	626.38	626.38	610.94	610.94	563.21	563.21
Loans	80.03	80.03	83.01	83.01	81.32	81.32
Cash and Bank balances	100.35	100.35	141.48	141.48	101.31	101.31
Other financial assets	125.12	125.12	242.55	242.55	102.79	102.79
Measured at FVTPL :						
Investments	12.64	12.64	12.38	12.38	—	—
Derivative Instruments	0.31	0.31	—	—	—	—
Measured at FVTOCI :						
Investment in other companies	285.31	285.31	231.68	231.68	—	—
<b>Total Financial assets</b>	<b>1,230.14</b>	<b>1,230.14</b>	<b>1,322.04</b>	<b>1,322.04</b>	<b>848.63</b>	<b>848.63</b>

₹ Crores

#### 4.07 FINANCIAL INSTRUMENTS (Contd...)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial liabilities</b>						
Measured at amortised cost :						
Borrowing	1,984.46	1,984.46	2,215.96	2,215.96	2,277.71	2,277.71
Trade payables	715.54	715.54	701.66	701.66	734.01	734.01
Other financial liabilities	582.73	582.73	522.62	522.62	445.12	445.12
Measured at FVTPL :						
Derivative Instruments	—	—	28.10	28.10	5.63	5.63
<b>Total Financial liabilities</b>	<b>3,282.73</b>	<b>3,282.73</b>	<b>3,468.34</b>	<b>3,468.34</b>	<b>3,462.47</b>	<b>3,462.47</b>

#### (iii) Level wise disclosure of financial instruments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Level	Valuation techniques and key inputs
Investment in equity instruments of other companies	21.00	—	—	3	Refer note below
Investments in mutual funds	12.62	12.36	—	1	Quotes from market
Investment in debenture/bonds	264.30	231.68	—	2	Quotes from market for similar instruments
Foreign currency forward contracts - Assets	0.31	—	—	2	Quotes from banks or dealers
Currency Swap contracts - Liability	—	28.10	5.63	2	Quotes from banks

The following table shows a reconciliation of significant unobservable inputs from the opening balance to the closing balance for Level 3 recurring fair value measurements

Investment in equity instruments of other companies	₹ Crores
	Amount
Balance as on April 1, 2015 and March 31, 2016	—
Add: Acquisition of investments (B L A Power Private Limited)	21.00
Balance as on March 31, 2017	21.00

The above investment was acquired during the year. Post acquisition, there is considerable improvements in the functioning of the said Company. However, the investment is not freely marketable and there is an undertaking from other major shareholders of the said Company to buy the investments at least at the value invested by the Company. Accordingly, transaction price is considered as the fair price.

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

### (iv) Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Groups financial risk management policy is set by the Managing Board of the companies in the Group. The details of different types of risk and management policy to address these risks are listed below :

The Group's activities are exposed to various risks viz. Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Group, it uses various instruments and follows polices set up by the Board of Directors / Management.

#### (a) Credit Risk :

Credit risk arises from the possibility that counter party will cause financial loss to the Group by failing to discharge its obligation as agreed.

Credit risks from balances with banks and financial institutions are managed in accordance with the Groups policy. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

Each company of the Group has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors. The Group uses the allowance matrix to measure the expected credit loss of trade receivables from customers.

Based on the industry practices and business environment in which the Group operates, the management considers that the trade receivables are in default if the payment are more than 2 years past due.

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

**Table showing age of gross trade receivables and movement in expected credit loss allowance :**

Particulars	₹ Crores		
	March 31, 2017	March 31, 2016	April 1, 2015
Age of receivables :			
Within the credit period	347.92	301.93	289.11
1-90 days past due	210.97	246.89	216.48
91-180 days past due	40.61	37.42	31.40
181-270 days past due	20.92	17.33	18.80
More than 270 days past due	96.01	78.72	59.41
<b>Total</b>	<b>716.43</b>	682.29	615.20

Movement in the expected credit loss allowance	₹ Crores	
	March 31, 2017	March 31, 2016
Balance at beginning of the year	71.35	51.99
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	18.70	19.36
Balance at the end of the year	90.05	71.35

## 4.07 FINANCIAL INSTRUMENTS (Contd...)

### b) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Groups approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation. In addition, processes and policies related to such risks are overseen by the senior management. The management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

	₹ Crores			
As at March 31, 2017	< 1 year	1 - 5 year	> 5 year	Total
Non-current borrowings	319.17	1,149.67	26.87	1,495.71
Current borrowings	451.67	–	–	451.67
Finance lease obligation	3.95	9.76	1.96	15.67
Fixed Deposits payable	15.48	5.92	–	21.40
As at March 31, 2016	< 1 year	1 - 5 year	> 5 year	Total
Non-current borrowings	210.01	1,304.83	152.48	1,667.32
Current borrowings	506.81	–	–	506.81
Finance lease obligation	1.75	7.60	1.96	11.31
Fixed Deposits payable	16.68	13.84	–	30.52
As at April 1, 2015	< 1 year	1 - 5 year	> 5 year	Total
Non-current borrowings	136.18	1,613.10	6.09	1,755.37
Current borrowings	482.14	–	–	482.14
Finance lease obligation	–	1.09	1.96	3.05
Fixed Deposits payable	22.01	15.13	–	37.14

#### Financing arrangements

The Group has sufficient sanctioned line of credit from its bankers / financiers; commensurate to its business requirements. The Group reviews its line of credit available with bankers and lenders from time to time to ensure that at all point of time there is sufficient availability of line of credit to handle peak business cycle.

The Group pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories.

### (c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk : currency risk, and interest rate risk.

#### 4.07 FINANCIAL INSTRUMENTS (Contd...)

##### i. Market Risk - Foreign Exchange

Foreign currency risk is that the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and a portion of its business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Group hedges the receivables as well as payables after discussion with the Forex Consultant and as per policies set by the management.

The Group is also exposed to the foreign currency loans availed from various banks to reduce the overall interest cost. The Group had entered in the foreign currency swap purely to reduce the cost of borrowings and not for the speculation purpose where it was exposed to foreign exchange risk.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows :

Currency	In Crores					
	Liabilities			Assets		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
US Dollar (USD)	1.10	2.37	3.33	0.07	0.11	0.31
EURO	0.18	0.17	0.17	#	#	#
British Pound (GBP)	—	—	—	0.06	0.06	0.08
Japanese Yen (JPY)	0.04	0.03	0.23	—	—	—
AUS Dollar (AUD)	—	—	—	—	2.16	—
Srilankan Rupee (LKR)	0.80	0.21	0.32	12.97	10.58	0.19

# Amount less than 50,000/-

##### Foreign Currency Exposure

Foreign currency exposure as at March 31, 2017	In Crores				
	USD	EURO	JPY	GBP	LKR
Trade receivables	0.05	—	—	0.06	12.97
Loans and other receivables	0.02	#	—	—	—
Borrowings	0.86	0.08	—	—	—
Trade payables	0.24	0.10	0.04	—	0.80
Forward contracts for receivable	—	—	—	0.06	—

Foreign currency exposure as at March 31, 2016	In Crores					
	USD	EURO	JPY	GBP	LKR	AUD
Trade receivables	0.10	—	—	0.06	10.56	—
Loans and other receivables	0.01	#	—	—	0.02	2.16
Borrowings	0.77	0.08	—	—	—	—
Trade payables	0.60	0.09	0.03	—	0.21	—

#### 4.07 FINANCIAL INSTRUMENTS (Contd...)

	In Crores				
Foreign currency exposure as at April 1, 2015	USD	EURO	JPY	GBP	LKR
Trade receivables	0.19	—	—	0.08	0.19
Loans and other receivables	0.12	#	—	—	—
Borrowings	2.25	0.10	—	—	—
Trade payables	1.08	0.07	0.23	—	0.32
Forward contracts for payable	—	0.02	—	—	—

# Amount less than 50,000/-

#### Particulars of un-hedged foreign currency asset / liability as at Balance Sheet date

		In Crores					
Currency	Nature	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
EURO	Asset	#	0.14	#	0.02	#	0.23
CHF	Asset	—	—	—	—	#	0.02
DKK	Asset	—	—	—	—	#	0.01
LKR	Asset	12.97	5.53	10.58	4.80	0.19	0.09
GBP	Asset	—	—	0.06	5.40	0.08	7.70
USD	Asset	0.07	4.25	0.11	7.56	0.31	19.54
AUD	Asset	—	—	2.16	109.98	—	—
EURO	Liability	0.18	12.45	0.17	13.07	0.15	9.99
LKR	Liability	0.80	0.34	0.21	0.09	0.32	0.15
USD	Liability	1.10	71.34	2.37	157.02	3.33	208.51
JPY	Liability	0.04	0.02	0.03	0.02	0.23	0.12

# Amount less than 50,000/-

#### Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit after tax and impact on Equity

		₹ Crores			
Currency		Impact on profit after Tax and Equity			
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		1 % increase	1 % increase	1 % decrease	1 % decrease
USD		(0.67)	(1.50)	0.67	1.50
EURO		(0.12)	(0.13)	0.12	0.13
GBP		0.05	0.06	(0.05)	(0.06)
AUD		—	1.10	—	(1.10)
LKR		0.05	0.05	(0.05)	(0.05)
<b>Total</b>		<b>(0.69)</b>	<b>(0.42)</b>	<b>0.69</b>	<b>0.42</b>



#### 4.07 FINANCIAL INSTRUMENTS (Contd...)

##### ii. Market Risk - Interest Rate

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group borrows at variable as well as fixed interest rates and the same is managed by the Group by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Group has borrowed in a mix of short term and long term loans.

In order to mitigate the interest rate risk the Group has entered in to foreign currency swaps and also borrowed funds in USD.

Particulars	₹ Crores		
	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	788.68	1,107.00	1,220.62
Fixed rate borrowings	1,193.82	1,107.00	1,055.12

##### Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates on the borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for whole of the year. A 100 basis point increase or decrease is used for internal review by the key management personnel.

Particulars	₹ Crores	
	Impact on Profit / (Loss) and Equity	
	March 31, 2017	March 31, 2016
Interest rates - increase by 100 basis points *	(7.89)	(11.07)
Interest rates - decrease by 100 basis points *	7.89	11.07

\* Assuming all other variables as constant

## 4.08 RELATED PARTY DISCLOSURES

### Relationships

Particulars	₹ Crores		
	Ownership Interest		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Joint Ventures</b>			
Ardex Endura (India) Private Limited.	50%	50%	50%
Raheja QBE General Insurance Company Limited	#	#	74%
<b>Joint Venture of Subsidiary</b>			
TBK Shri Ram Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Deziner's Home Private Limited	50%	50%	50%
TBK Unique Jalgaon Tile Bath Kitchen Private Limited	50%	50%	50%
TBK P B Shah Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Deepgiri Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Prathap Tile Bath Kitchen Private Limited.	50%	50%	50%
TBK Bansal Ceramics Private Limited	50%	50%	50%
TBK Rathi Sales Agencies Private Limited	50%	50%	50%
TBK Florance Ceramics Private Limited	50%	50%	50%
TBK Sanitary Sales Private Limited	50%	50%	50%
TBK Tile Home Private Limited	50%	50%	50%
TBK Samiyaz Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Krishna Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Reddy Tile Bath Kitchen Private Limited.	50%	50%	50%
TBK Kadakia's Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Rishi Ceramics Private Limited.	50%	50%	50%
TBK Aishwarya Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Raj Kamal Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Shree Ganesh Traders Private Limited	50%	50%	50%
TBK Vaibhavi Tile Bath Kitchen Private Limited	50%	50%	50%
TBK Home Trends Private Limited	50%	50%	50%
TBK Solan Ceramics Private Limited	50%	50%	50%
TBK Rangoli Tile Bath Kitchen Private Limited	*	*	50%
# Raheja QBE General Insurance Company Limited (Subsidiary w.e.f. March 29, 2016) (refer note no 2.04)			
* TBK Rangoli Tile Bath Kitchen Private Limited (Subsidiary w.e.f. July 31, 2015)			

### Key Management Personnel (KMP)

#### Executive Directors

Mr. Vijay Aggarwal, Managing Director
Mr. Vivek K. Agnihotri, Executive Director & Chief Executive Officer - Cement
Mr. Joydeep Mukherjee, Executive Director & Chief Executive Officer - HRJ
Mr. Atul R. Desai, Executive Director & Chief Executive Officer - RMC (from August 29, 2016)
Mr. Venugopal M. Panicker, Executive Director & Chief Executive Officer - RMC (upto August 24, 2016)
Mr. Ganesh Kaskar, Executive Director & Chief Executive Officer - HRJ (upto March 2, 2016)
Mr. S. Ramnath, Executive Director - Cement (upto February 4, 2015)

#### 4.08 RELATED PARTY DISCLOSURES (Contd...)

##### Non-executive Directors

##### Non-Independent

Mr. Rajan B. Raheja, Director

##### Independent

Mr. Shobhan M. Thakore, Chairman (from August 9, 2016)

Mr. Rajesh G. Kapadia, Chairman (upto July 15, 2016)

Mr. J. A. Brooks, Director

Ms. Ameeta A. Parpia, Director

							₹ Crores
Name	Relationship	Nature of transaction	Amount of transaction in FY 2016-17	Amount outstanding as on 31.03.17 (Payable) / Receivable	Amount of transaction in FY 2015-16	Amount outstanding as on 31.03.16 (Payable) / Receivable	Amount outstanding as on 01.04.15 (Payable) / Receivable
Windsor Realty Private Limited	Companies in which Directors and/or their relatives have significant influence	Sale of goods and services	–	–	–	–	0.40
Peninsula Estates Private Limited	Companies in which Directors and/or their relatives have significant influence	Rent paid	0.12	–	0.10	–	–
		Deposit given	–	0.03	–	0.03	0.03
Varahagiri Investments & Finance Private Limited	Companies in which Directors and/or their relatives have significant influence	Rent paid	0.46	–	0.41	–	–
		Deposit given	–	0.11	–	0.11	0.11
Prism Power and Infrastructure Private Limited	Associates	Advances	–	–	–	–	0.01
		Provision for advances	–	–	0.01	–	–
Mr. Atul R. Desai	Executive Director & Chief Executive Officer - RMC	Deposit given	0.06	0.06	–	–	–
Payable to KMPs on account of Managerial Remuneration		Remuneration	–	(0.59)	–	(0.70)	(0.62)
Receivable from a KMPs on account of excess remuneration paid		Remuneration	–	1.41	–	–	–
TBK Bansal Ceramics Private Limited	Joint Venture	Purchase	0.01	#	–	#	–
		Reimbursement of service paid	0.16	–	#	–	–
TBK Florance Ceramics Private Limited	Joint Venture	Sales	10.37	0.60	9.28	0.94	1.29
		Selling and distribution expenses	1.36	–	1.10	–	–
		Loan given/ (repaid)	(0.23)	–	–	–	–
TBK Rathi Sales Agencies Private Limited	Joint Venture	Reimbursement of services received	0.18	–	0.19	–	–

#### 4.08 RELATED PARTY DISCLOSURES (Contd...)

			₹ Crores				
Name	Relationship	Nature of transaction	Amount of transaction in FY 2016-17	Amount outstanding as on 31.03.17 (Payable) / Receivable	Amount of transaction in FY 2015-16	Amount outstanding as on 31.03.16 (Payable) / Receivable	Amount outstanding as on 01.04.15 (Payable) / Receivable
TBK Rishi Ceramics Private Limited	Joint Venture	Sales	10.09	1.81	9.38	1.46	1.11
		Interest received	0.25	-	0.07	-	-
		Interest paid	0.08	-	-	-	-
		Selling and distribution expenses	1.07	-	0.63	-	-
TBK P B Shah Tile Bath Kitchen Private Limited	Joint Venture	Selling and distribution expenses	0.86	-	0.37	-	-
		Purchase	0.02	#	-	-	-
TBK Sanitary Sales Private Limited	Joint Venture	Interest paid	0.07	-	-	-	-
		Selling and distribution expenses	0.99	-	1.34	-	-
TBK Deepgiri Tile Bath Kitchen Private Limited	Joint Venture	Reimbursement of services paid	0.12	-	0.02	-	-
		Loan given	0.25	-	-	-	-
TBK Shri Ganesh Traders Private Limited	Joint Venture	Reimbursement of services paid	0.09	-	0.03	-	-
		Interest paid	0.04	-	-	-	-
TBK Solan Ceramics Private Limited	Joint Venture	Loan given/ (repaid)	0.10	-	-	-	-
TBK Prathap Tile Bath Kitchen Private Limited	Joint Venture	Loan given/ (repaid)	0.24	-	-	-	-
Others		Interest received / (waived off)	2.08	-	(0.45)	-	-
		Interest paid	0.04	-	-	-	-
		Purchase and services	#	0.04	-	0.06	0.05
		Sales	77.14	9.91	92.08	8.92	11.15
		Selling and distribution expenses	4.15	-	4.57	-	-
		Rent paid	0.05	-	-	-	-
		Electricity expenses	0.01	-	-	-	-
		Deposit given	0.01	0.01	-	-	-
		Reimbursement of services received	0.08	-	0.08	-	-
		Reimbursement of services paid	0.33	-	0.33	-	-

# Amount less than ₹ 50,000/-

#### 4.08 RELATED PARTY DISCLOSURES (Contd...)

Particulars	₹ Crores	
	Amount of transaction in FY 2016-17	Amount of transaction in FY 2015-16
Short-term employee benefits	10.69	16.49
Post-employment benefits	–	–
Other long-term benefits	–	–
Sitting fees	0.19	0.24
<b>Total Compensation to key management personnel</b>	<b>10.88</b>	<b>16.73</b>

Note : As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above. The figures for the financial year 2015-16 are net of remuneration recovered during the year.

#### 4.09 Segment Information

Products and services from which reportable segments derive their revenues

Information reported to Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on types of goods and services delivered, or provided. No operating segments have been aggregated in arriving at reporting segments in the Group.

Specifically, the Group reportable segments under Ind AS 108 are Cement, TBK (Tile, Bath and Kitchen), RMC (Readymixed Concrete) and Insurance.

##### Segment Revenue and Results :

The Following is an analysis of the Company's revenue and results from continuing operations by reportable segments.

Particulars	₹ Crores			
	Segment Revenue		Segment Results	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Cement (a)	2,346.55	2,204.62	262.08	152.42
TBK	1,881.56	2,228.34	(63.42)	18.54
Share of Profit / (loss) of Joint Ventures	–	–	1.49	(0.16)
Total TBK (b)	1,881.56	2,228.34	(61.93)	18.38
RMC (c)	1,274.17	1,287.52	15.52	27.98
Insurance (d)	78.96	54.23	2.55	12.07
(a + b + c + d)	5,581.24	5,774.71	218.22	210.85
Less : Inter Segment Revenue	19.20	15.79	–	–
<b>Total</b>	<b>5,562.04</b>	<b>5,758.92</b>	<b>218.22</b>	<b>210.85</b>
Add : Other un-allocable income net of un-allocable expenditure			24.02	71.89
Less : Finance costs			216.57	281.39
<b>Profit Before Tax</b>			<b>25.67</b>	<b>1.35</b>

#### 4.09 Segment Information (Contd...)

##### Segment Assets and Liabilities :

₹ Crores			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Segment Assets</b>			
Cement (a)	2,307.38	2,430.91	2,388.59
TBK	1,677.70	1,745.94	1,821.19
Investment in Joint Venture accounted under Equity Method	40.74	35.98	33.29
Total TBK (b)	1,718.44	1,781.92	1,854.48
RMC (c)	413.66	419.03	403.55
Insurance	334.20	286.93	–
Investment in Joint Venture accounted under Equity Method	–	–	161.10
Total Insurance (d)	334.20	286.93	161.10
Total Segment Assets (a + b + c + d)	4,773.68	4,918.79	4,807.72
Unallocated	105.68	98.00	66.54
<b>Consolidated Total Assets</b>	<b>4,879.36</b>	<b>5,016.79</b>	<b>4,874.26</b>
<b>Segment Liabilities</b>			
Cement	696.77	681.39	708.27
TBK	710.20	682.56	600.58
RMC	240.72	242.85	208.30
Insurance	214.77	171.03	–
Total Segment Liabilities	1,862.46	1,777.83	1,517.15
Unallocated	2,021.97	2,240.78	2,317.82
<b>Consolidated Total Liabilities</b>	<b>3,884.43</b>	<b>4,018.61</b>	<b>3,834.97</b>

For the purposes of monitoring segment performance and allocating resources between segments :

- All assets are allocated to reportable segments other than, other investments, loans, other financial assets. Goodwill is allocated to reportable segments as described in notes.
- All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities.

₹ Crores				
Particulars	Depreciation and amortisation		Additions to Non-current Assets	
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016
Cement	108.09	102.24	79.72	161.09
TBK	60.35	57.11	50.35	64.85
RMC	23.10	24.42	15.51	13.37
Insurance	0.30	0.36	0.67	0.13
<b>Total</b>	<b>191.84</b>	<b>184.13</b>	<b>146.25</b>	<b>239.44</b>

#### 4.10 Government grants by way of Tax subsidy /exemption schemes

- a 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 ₹ 0.94 Crores (Previous year : ₹ 15.80 Crores)."
- b As per Industrial Promotion Policy, 2010 of Madhya Pradesh, HRJ Dewas unit is entitled for subsidy of VAT /CST paid on sales above the normal production capacity achieved. Subsidy receivable for the year is ₹ 0.15 Crores (Previous year ₹ 0.22 Crores)
- c 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 ₹ 0.33 Crores (Previous year ₹ 3.01 Crores).
- d 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 ₹ 63.53 Crores (Previous year : ₹ 57.73 Crores).
- e 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 ₹ 0.98 Crores (Previous year : ₹ 0.80 Crores).
- f 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 ₹ 0.10 Crores, (previous year : ₹ 0.21 Crores).

#### 4.11 INTERESTS IN OTHER ENTITIES

##### Subsidiaries :

The Group's subsidiaries at March 31, 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.



#### 4.11 INTERESTS IN OTHER ENTITIES (Contd...)

Name of entity	Country of Incorporation	Ownership interest held by the Group			Ownership interest held by non-controlling interests			Principal Activities
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	
Raheja QBE General Insurance Company Limited	India	51%	51%	–	49%	–	–	General insurance business
Milano Bathroom Fittings Private Limited	India	100%	100%	100%	–	–	–	Manufacturing of bathroom fittings
Silica Ceramica Private Limited	India	99.82%	99.63%	99.28%	0.18%	0.37%	0.72%	Manufacturing of Tiles
Antique Marbonite Private Limited	India	50%	50%	50%	50%	50%	50%	
Spectrum Johnson Tiles Private Limited	India	50%	50%	50%	50%	50%	50%	
Sentini Cernica Private Limited	India	50%	50%	50%	50%	50%	50%	
Coral Gold Tiles Private Limited	India	50%	50%	–	50%	50%	–	
Small Johnson Floor Tiles Private Limited	India	50%	50%	50%	50%	50%	50%	Trading of Tiles
H. & R. Johnson (India) TBK Limited	India	100%	100%	100%	–	–	–	
TBK Venkataramiah Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited)	India	100%	100%	100%	–	–	–	
TBK Rangoli Tile Bath Kitchen Private Limited (Subsidiary of H. & R. Johnson (India) TBK Limited) (w.e.f July 31, 2015)	India	100%	100%	–	–	–	–	Operations not yet commenced
RMC Readymix Porselano (India) Limited	India	100%	100%	100%	–	–	–	

#### 4.11 INTERESTS IN OTHER ENTITIES (Contd...)

##### Non-controlling interests (NCI) :

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Particulars	Raheja QBE General Insurance Company Limited		Antique Marbonite Private Limited		
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 1, 2015
Summarised Balance Sheet :					
Current assets	87.84	145.06	107.61	112.73	104.99
Current liabilities	47.80	43.60	91.28	99.82	109.03
Net current assets (a)	40.04	101.46	16.33	12.91	(4.04)
Non-current assets	247.35	142.73	129.89	132.61	146.23
Non-current liabilities	53.80	16.02	22.39	19.64	25.68
Net non-current assets (b)	193.55	126.71	107.50	112.97	120.55
Net assets (a + b)	233.59	228.17	123.83	125.88	116.51
Accumulated NCI	114.22	111.58	62.31	63.30	58.26

Summarised Statement of Profit and Loss	Raheja QBE General Insurance Company Limited		Antique Marbonite Private Limited	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue	79.08	54.29	286.40	304.69
Profit for the year	2.64	10.38	9.44	17.35
Other Comprehensive Income	2.74	0.10	0.26	0.31
Total Comprehensive Income	5.38	10.48	9.70	17.66
Profit allocated to NCI	2.64	5.14	4.91	8.72

Summarised cash flows	Raheja QBE General Insurance Company Limited		Antique Marbonite Private Limited	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Cash flows from operating activities	14.94	4.46	21.11	26.66
Cash flows from investing activities	(11.92)	(18.42)	(18.82)	(6.69)
Cash flows from financing activities	—	—	(2.31)	(20.65)
Net increase / (decrease) in cash and cash equivalents	3.02	(13.96)	(0.02)	(0.68)

#### 4.12 Interests in Joint Ventures and Associate

Set out below is information on the Joint Venture of the Group as at March 31, 2017 which, in the opinion of the management, is material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Relationship	Place of business	% of Ownership	Carrying amount		
				March 31, 2017	March 31, 2016	April 1, 2015
Ardex Endura (India) Private Limited	Joint Venture	India	50%	34.90	30.38	27.38

Commitments and contingent liabilities	Ardex Endura (India) Private Limited		
	March 31, 2017	March 31, 2016	April 1, 2015
Share in Joint Venture's contingent liability in respect of VAT / CST, excise and service tax claims not acknowledge as debt	0.88	1.37	1.34
Share of capital commitment in Joint Venture	0.13	2.03	2.00

#### Summarised financial information for Joint Ventures :

The tables below provides summarised financial information for the Joint Venture that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant Joint Venture and not the Group share in the Joint Venture.

Particulars	Ardex Endura (India) Private Limited		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Summarised Balance Sheet</b>			
Current assets			
Cash and cash equivalents	1.26	1.89	1.83
Other assets	54.97	48.27	36.15
Total current assets (a)	56.23	50.16	37.98
Total non-current assets (b)	35.17	35.90	35.50
Current liabilities			
Financial liabilities (excluding trade payables)	3.53	4.99	5.04
Other liabilities	20.79	23.32	17.06
Total current liabilities (c)	24.32	28.31	22.10
Non-current liabilities			
Financial liabilities (excluding trade payables)	1.72	1.52	1.29
Other liabilities	1.44	1.36	1.27
Total non-current liabilities (d)	3.16	2.88	2.56
Net assets (a + b - c - d)	63.92	54.87	48.82

#### 4.12 Interests in Joint Ventures and Associate (Contd...)

	₹ Crores	
Reconciliation to carrying amounts	Ardex Endura (India) Private Limited	
	March 31, 2017	March 31, 2016
<b>Opening net assets</b>	<b>54.87</b>	48.82
Profit for the year	<b>9.08</b>	5.99
Other Comprehensive Income	<b>(0.03)</b>	0.06
<b>Closing net assets</b>	<b>63.92</b>	54.87
Group's share in %	<b>50%</b>	50%
Group's share in INR	<b>31.96</b>	27.44
Goodwill	<b>2.94</b>	2.94
<b>Carrying amount</b>	<b>34.90</b>	30.38

	₹ Crores	
Summarised Statement of Profit and Loss	Ardex Endura (India) Private Limited.	
	March 31, 2017	March 31, 2016
Revenue from operations	<b>134.99</b>	119.40
Other Income	<b>1.48</b>	0.71
Depreciation and amortisation	<b>3.29</b>	3.26
Interest expense	<b>0.18</b>	0.28
Income tax expense	<b>4.87</b>	3.31
Other expenses	<b>119.06</b>	107.26
<b>Profit for the year</b>	<b>9.07</b>	6.00
Other Comprehensive Income	<b>(0.03)</b>	0.06
<b>Total Comprehensive Income</b>	<b>9.04</b>	6.06

#### Individually immaterial Joint Ventures and Associate :

In addition to the interests in Joint Venture disclosed above, the Group also has interests in a number of individually immaterial Joint Ventures and Associate that are accounted for using the equity method.

	₹ Crores		
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Aggregate carrying amount of individually immaterial Joint Ventures and Associate	<b>5.60</b>	5.38	5.71
Aggregate amount of the Group's share of :			
Profit / (Loss) from operations	<b>(3.03)</b>	(3.19)	*
<b>Total Comprehensive Income / (Loss)</b>	<b>(3.03)</b>	(3.19)	*

\* Disclosure not applicable

	₹ Crores	
Particulars	March 31, 2017	March 31, 2016
Share of profits/ (losses) from Joint Venture	<b>4.52</b>	3.03
Share of profits /(losses) from subsidiary's Joint Ventures	<b>(3.03)</b>	(3.19)
<b>Total share of profits / (losses) from Joint Ventures and Associate</b>	<b>1.49</b>	(0.16)

- 4.13** Other financial Assets (note no. 2.07) includes ₹ 33.18 Crores (Previous year : ₹ 39.92 Crores) being book value of various assets relating to Sial Ghogri Coal mine of the Holding Company, which was de-allocated pursuant to Order of the Hon'ble Supreme Court dated September 24, 2014. This receivable is net of ₹ 6.74 Crores (Previous year : Nil) received from the Nominated Authority under the Coal Mines (Special Provisions) Ordinance, 2014 and Coal Mines (Special Provision) Rules, 2014 towards various approval cost incurred by the Holding Company. The Nominated Authority has also reimbursed ₹ 6.35 Crores (Previous year : Nil) towards geological survey expenses incurred by the Holding Company in earlier years. The same has been disclosed as income (note no. 3.02) under the head Miscellaneous Income. Such disbursement by the Nominated Authority is out of total sum of ₹ 32.49 Crores determined by them as payable to the Holding Company. The Holding Company has *inter alia* disputed the quantum of compensation and has lodged claim of ₹ 72.86 Crores. While disposing the writ petition of the Holding Company and others, the Hon'ble High Court of Judicature, Delhi has *inter alia* directed that the Holding Company may approach Coal Tribunal u/s. 27 of Coal Mines (Special Provisions) Act, 2015 for determination of claim amount. The Holding Company is in the process of lodging its claim before the said Tribunal and believes that the Holding Company will be appropriately reimbursed for cancelled coal mine accordingly; no provision is required to be made against the above receivables.
- 4.14** In view of inadequacy of profits for the financial year 2015-16, remuneration paid to Managing Director and two Executive Director & CEOs was in excess of the limit prescribed under Schedule V to the Companies Act, 2013 by ₹ 0.67 Crores. The Nomination and Remuneration Committee of the Board (NRC), at its meeting held on May 25, 2017 decided to withdraw the application filed with the Central Government for waiver from recovery of excess amount paid and accordingly, recovered the excess remuneration paid. Such amount has been recognised as Other Income. Similarly, in view of inadequate profits in the financial year 2016-17, the remuneration paid to the Managing Director and three Executive Director & CEOs till September 12, 2016, being the date from which the norms were relaxed by the Central Government for professional managerial personnel, was in excess of the aforesaid limits by ₹ 2.11 Crores. NRC also decided to restrict the remuneration to aforesaid limits. Excess remuneration paid, for the relevant periods in the Financial Year 2015-16 and 2016-17, has since been refunded. Outstanding liabilities for expenses is net of debit balance of a Director amounting to ₹ 1.41 Crores which is due on account of excess Managerial Remuneration paid.
- 4.15** 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 Holding Company had recognised a sum of ₹ 58.95 Crores as receivable. The Holding 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 Holding Company has more than reasonable chance of recovery of the amount recognised as recoverable and accordingly, the Holding Company has continued to recognise the same.
- 4.16** During the FY 2015-16, 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 had issued interim orders staying the retrospective implementation of the above amendments. In view of the same, the Holding Company had [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 Holding Company is contingently liable is ₹ 1.01 Crores.

#### **4.17 Business Combinations**

The Group has acquired 25% stake in Sanskar Ceramics Private Limited, a Company engaged in business of manufacturing of tiles and located at Morbi in Gujarat through Small Johnson Floor Tiles Private Limited for a total cash consideration of ₹ 5 Crores. By virtue of agreement and based on principles laid down in Ind AS 110, the said Company is considered as subsidiary with effect from the date of acquisition i.e. September 29, 2016. The details of assets and liabilities acquired and their fair value and non controlling interest as on the date of acquisition are as follows :

#### 4.17 Business Combinations (Contd...)

Details of purchase consideration, the net assets acquired and goodwill are as follows :

Particulars	₹ Crores
	Sanskar Ceramics Private Limited
Cash and cash equivalents	5.00
Total purchase consideration	5.00
The assets and liabilities recognised as a result of the acquisition are as follows :	
Tangible assets	19.04
Other current assets	17.71
Trade payables	(6.88)
Borrowings	(11.19)
Other liabilities	(4.62)
Deferred tax liabilities	(0.70)
Net identifiable assets acquired	13.36
Calculation of Capital reserve :	
Consideration transferred	5.00
Non-controlling interests in the acquired entity	6.72
Less : Net identifiable assets acquired	13.36
Capital reserve	(1.64)

#### 4.18 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS

##### Reconciliation between previous GAAP and Ind AS as at April 1, 2015

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	₹ Crores Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	(a), (h) (q)	2,341.14	125.60	2,466.74
Capital work-in-progress	(q)	71.69	(0.33)	71.36
Goodwill	(k)	49.13	(18.50)	30.63
Other Intangible assets	(q)	22.64	(0.96)	21.68
Investments in Joint Ventures and Associate	(q)	131.08	63.31	194.39
Financial assets :				
Investments	(q)	0.41	(0.40)	0.01
Loans	(d), (f) & (q)	61.95	10.95	72.90
Other financial assets	(q)	11.95	(9.59)	2.36
Deferred tax assets (net)	(l) & (q)	11.35	1.63	12.98
Other non-current assets	(d) & (q)	204.70	(7.62)	197.08
<b>Total non-current assets</b>		<b>2,906.04</b>	<b>164.09</b>	<b>3,070.13</b>
<b>Current Assets</b>				
Inventories	(a) & (q)	713.49	(10.72)	702.77
Financial Assets :				
Investments	(q)	86.09	(86.09)	-
Trade receivables	(c) & (q)	581.53	(18.32)	563.21
Cash and cash equivalents	(q)	89.53	(29.66)	59.87
Bank balances other than Cash and cash equivalents	(q)	40.08	0.83	40.91
Loans	(q)	10.86	(2.43)	8.43
Other financial assets	(q)	112.33	(11.39)	100.94
Current Tax Assets (net)	(q)	53.91	(0.35)	53.56
Other current assets	(d), (e) & (q)	266.48	3.77	270.25
<b>Total current assets</b>		<b>1,954.30</b>	<b>(154.36)</b>	<b>1,799.94</b>
<b>TOTAL ASSETS</b>		<b>4,860.34</b>	<b>9.73</b>	<b>4,870.07</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		503.36	-	503.36
Other Equity		550.97	(15.04)	535.93
Non-controlling interests	(q)	57.08	61.41	118.49
<b>Total equity</b>		<b>1,111.41</b>	<b>46.37</b>	<b>1,157.78</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities :				
Borrowings	(m) & (q)	1638.51	(4.52)	1633.99
Other financial liabilities	(h) & (q)	147.55	(8.76)	138.79
Provisions	(e) & (q)	23.08	(0.79)	22.29
Deferred tax liabilities (net)	(q)	29.49	11.87	41.36
Other non-current liabilities	(q)	21.56	(0.61)	20.95
<b>Total non-current liabilities</b>		<b>1,860.19</b>	<b>(2.81)</b>	<b>1,857.38</b>



#### 4.18 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	Ind AS
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	(q)	447.53	34.61	482.14
Trade payables	(q)	783.70	(49.69)	734.01
Other financial liabilities	(m) & (q)	484.10	(16.19)	467.91
Other current liabilities	(q)	143.45	(5.28)	138.17
Provisions	(q)	29.63	2.33	31.96
Current Tax Liabilities (net)	(q)	0.33	0.39	0.72
<b>Total current liabilities</b>		<b>1,888.74</b>	<b>(33.83)</b>	<b>1,854.91</b>
<b>Total equity and liabilities</b>		<b>4,860.34</b>	<b>9.73</b>	<b>4,870.07</b>

#### Reconciliation between previous GAAP and Ind AS as at March 31, 2016

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	₹ Crores Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	(a),(h) & (q)	2295.62	132.18	2427.80
Capital work-in-progress	(q)	70.12	(1.00)	69.12
Goodwill	(k)	46.60	(21.18)	25.42
Other Intangible assets	(q)	20.67	(1.79)	18.88
Investments in Joint Ventures and Associate	(q)	-	35.98	35.98
Financial assets				
Investments	(q)	126.54	0.58	127.12
Loans	(d),(f) & (q)	67.07	10.25	77.32
Other financial assets	(q)	5.52	9.57	15.09
Deferred tax assets (net)	(l) & (q)	45.06	3.91	48.97
Other non-current assets	(d) & (q)	221.21	1.73	222.94
<b>Total non-current assets</b>		<b>2,898.41</b>	<b>170.23</b>	<b>3,068.64</b>
<b>Current Assets</b>				
Inventories	(a) & (q)	656.52	(11.95)	644.57
Financial Assets				
Investments	(q)	116.50	0.44	116.94
Trade receivables	(c) & (q)	635.36	(24.42)	610.94
Cash and cash equivalents	(q)	95.99	(12.15)	83.84
Bank balances other than Cash and cash equivalents	(q)	48.28	(1.00)	47.28
Loans	(q)	8.88	(3.19)	5.69
Other financial assets	(q)	240.74	(2.92)	237.82
Current tax assets (net)	(q)	50.70	(1.67)	49.03
Other current assets	(d) & (q)	144.86	3.50	148.36
<b>Total current assets</b>		<b>1,997.83</b>	<b>(53.36)</b>	<b>1,944.47</b>
<b>TOTAL ASSETS</b>		<b>4,896.24</b>	<b>116.87</b>	<b>5,013.11</b>

#### 4.18 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)

				₹ Crores
Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		503.36	-	503.36
Other Equity		512.84	(18.02)	494.82
Non-controlling interests	(q)	111.83	137.05	248.88
<b>Total equity</b>		<b>1,128.03</b>	<b>119.03</b>	<b>1,247.06</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	(m) & (q)	1481.03	(4.10)	1476.93
Other financial liabilities	(h) & (q)	203.14	1.98	205.12
Provisions	(e) & (q)	46.19	(0.03)	46.16
Deferred tax liabilities (net)	(q)	11.92	13.50	25.42
Other non-current liabilities	(q)	23.96	(0.54)	23.42
<b>Total non-current liabilities</b>		<b>1,766.24</b>	<b>10.81</b>	<b>1,777.05</b>
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	(q)	475.24	31.57	506.81
Trade payables	(q)	739.91	(38.25)	701.66
Other financial liabilities	(m) & (q)	562.70	(12.98)	549.72
Other current liabilities	(q)	189.78	1.90	191.68
Provisions	(q)	33.56	4.20	37.76
Current Tax Liabilities (net)	(q)	0.78	0.59	1.37
<b>Total current liabilities</b>		<b>2,001.97</b>	<b>(12.97)</b>	<b>1,989.00</b>
<b>Total equity and liabilities</b>		<b>4,896.24</b>	<b>116.87</b>	<b>5,013.11</b>

#### 4.18 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)

##### Reconciliation of total Comprehensive Income for the year ended March 31, 2016

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	₹ Crores
				Ind AS
<b>Income</b>				
Revenue from operations	(n), (p), (j) & (q)	5,633.72	125.20	5,758.92
Other income	(d), (f), (g), (j) & (q)	68.90	83.41	152.31
<b>Total Income</b>		<b>5,702.62</b>	<b>208.61</b>	<b>5,911.23</b>
<b>Expenses</b>				
Cost of materials consumed	(q)	1,506.32	86.05	1,592.37
Purchase of stock-in-trade	(q)	721.33	(340.31)	381.02
Changes in inventories	(q)	6.91	(2.63)	4.28
Power and Fuel expenses	(q)	948.02	-	948.02
Freight outward expenses	(q)	723.20	-	723.20
Excise duty	(n) & (q)	-	535.82	535.82
Other Manufacturing expenses	(a) & (q)	301.41	101.74	403.15
Employee benefits expense	(l) & (q)	436.53	5.55	442.08
Finance costs	(h) & (q)	277.63	3.76	281.39
Depreciation and amortisation expense	(a), (h) & (q)	178.58	5.55	184.13
Other expenses	(d), (h) & (q)	604.93	(216.82)	388.11
<b>Total Expenses</b>		<b>5,704.86</b>	<b>178.71</b>	<b>5,883.57</b>
<b>Profit / (Loss) before share of profit of Joint Ventures and Associate and exceptional items</b>		(2.24)	29.90	27.66
Share of profit / (loss) of Joint Ventures and Associate	(b)	-	(0.16)	(0.16)
<b>Profit / (Loss) before exceptional items and tax</b>		(2.24)	29.74	27.50
Exceptional items	(q)	(3.69)	(0.09)	(3.78)
<b>Profit / (Loss) before tax</b>		<b>(5.93)</b>	<b>29.65</b>	<b>23.72</b>
Tax expenses				
Current tax	(q)	18.84	4.67	23.51
Deferred tax	(l) & (q)	(30.50)	5.45	(25.05)
<b>Total tax expense</b>		<b>(11.66)</b>	<b>10.12</b>	<b>(1.54)</b>
<b>Profit / (Loss) for the year</b>		<b>5.73</b>	<b>19.53</b>	<b>25.26</b>
Non-controlling interest adjustment		<b>2.43</b>	<b>20.22</b>	<b>22.65</b>
Other Comprehensive Income	(o)	-	(0.77)	(0.77)
<b>Total Comprehensive Income</b>		<b>3.30</b>	<b>(1.46)</b>	<b>1.84</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

#### 4.18 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)

##### Reconciliation of total equity as at March 31, 2016 and April 1, 2015

	Notes to first time adoption	March 31, 2016	April 1, 2015
<b>Equity under previous Indian GAAP</b>		512.84	550.97
<b>Benefit / (Charge) :</b>			
Impact on account of re-classification of Stores and Spares as Property, Plant and Equipment	(a)	(3.89)	(1.78)
Expected Credit Loss on Trade Receivables	(c)	(9.61)	(5.28)
Discounting / unwinding of liabilities	(e)	7.36	7.69
Gain arising on financial assets designated at FVTPL		0.17	0.76
Gain arising on financial assets designated at FVTOCI		0.88	0.18
Reversal of Goodwill on consolidation on account of transitional adjustments		(15.86)	(15.86)
Others	(d),(f),(g) & (k)	0.24	(3.02)
Tax Adjustments	(l)	2.69	2.27
<b>Equity under Ind AS</b>		<b>494.82</b>	<b>535.93</b>

##### Footnotes for Ind AS Adjustments

##### (a) Property, Plant and Equipment

The Group has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Stores and spares which meet the definition criteria of Property Plant and Equipment under Ind AS 16 - Property, Plant and Equipment have been capitalised. Consequently, there is also an increase in the amount of depreciation charged to the Statement of Profit and Loss.

##### (b) Change in method for consolidation of Joint Venture

The Group has joint control over certain entities. Under previous GAAP, Group has proportionately consolidated its interest in such entities in the consolidated financial statements. On transition to Ind AS the Group has accounted for interest in such entities using the equity method as against proportionate consolidation.

##### (c) Trade Receivables

Under the previous GAAP, the Group has created provision for impairment of receivables consisting specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss Model (ECL) which has led to an increase in the amount of provision as on the date of transition.

##### (d) Security Deposit

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Group has fair valued these security deposits under Ind AS and the difference between the fair value and the transaction value of the security deposit has been recognised as prepaid rent.

##### (e) Provisions

Under the previous GAAP, the Group has accounted for provisions, including long-term provision, at the undiscounted amount. Under Ind AS 37, the provisions are accounted at the present value of the expenditures expected to be incurred to settle obligation considering the time value of money. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost.

#### **4.18 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)**

##### **(f) Loan to Employees**

The Group has given loans to its employees at a lower interest rate. Under the previous GAAP this loan was accounted for as "Non-current Assets" under Loans and Advances.

As per Ind AS employee loans should be measured at fair value on initial recognition with a subsequent decrease in the amount of employee loan. The fair value is determined using the present value method using discount rate which is the market borrowing rate. The Group will accrue interest income at the effective interest rate (discount rate) over the term of the loan. The difference between the loan amount and its fair value is charged to the Statement of Profit and Loss as "Employee Cost".

##### **(g) Investment in Preference shares**

The preference shares do not meet the definition of equity instrument as per Ind AS 32 and are held to collect contractual cashflows, hence they are fair valued at amortised cost. The fair value is determined using the present value method using the discount rate which is the borrowing market rate. The difference between the amount paid for acquiring the preference shares and its fair value is considered as investment in equity. The Group has accrued interest using the effective interest rate (discount rate) over the term of the preference shares.

##### **(h) Finance lease**

Under the previous GAAP, leasehold land was accounted for at the premium paid at the time of commencement of the lease. The lease rentals paid were recognised in the Statement of Profit and Loss. Land was not covered under the scope of AS -19 Leases. Ind AS 17 Leases now includes land under the scope of the standard. As on the transition date to Ind AS, the Group recognises the lease as an asset as well as liability at fair value (present value of minimum lease payments). Any direct expense incurred by the Group is added to the cost of leased asset. The lease payments are apportioned between finance charge and finance lease obligation. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### **(i) Defined Benefit Plans**

Both under the previous GAAP and Ind AS, the Group recognised costs related to its post employment defined benefit plans on an actuarial basis. Under previous GAAP the entire cost, including actuarial gains and losses are charged to the Statement of Profit and Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income and the corresponding tax effect is also given in Other Comprehensive Income .

##### **(j) Government Grants**

Under the previous GAAP, grant related income were presented as a part of Statement of Profit and Loss under "Other Operating Income". However as per Ind AS, the same is presented under the head "Other Income" in the Statement of Profit and Loss as the grant is in the nature of sales tax exemption, it cannot form part of operating revenue.

##### **(k) Goodwill on acquisition under common control**

The previous GAAP does not specify treatment of goodwill arising on account of acquisition under common control. Ind AS 110 prohibits recognition of goodwill on account of acquisition under common control, accordingly goodwill is shown under capital reserve as negative.

##### **(l) Deferred tax**

The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account

#### 4.18 RECONCILIATION TO FIRST TIME ADOPTION OF IND AS (Contd...)

for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

##### (m) Borrowings

As per Ind AS 109, the transaction costs incurred towards origination of borrowings are deducted from the carrying amount of borrowings on initial recognition. Accordingly the unamortised balance of transaction cost has been deducted from the carrying amount of the borrowings as on the date of transition.

##### (n) Sale of goods

Under the previous GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss.

##### (o) Other Comprehensive Income

Under previous GAAP, the Group has not presented Other Comprehensive Income separately. Hence it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total Comprehensive Income as per Ind AS.

##### (p) Cash discount and commission

Under the previous GAAP, cash discount and commission was recognised as a part of other expenses. Under Ind AS revenue and expense that relate to the same transaction or other event are recognised simultaneously and hence the cash discount and commission is adjusted against revenue

##### (q) Change in the relationship status and method of consolidation

Based on a control assessment carried out under Ind AS 110 Consolidated Financial Statements certain entities are considered to be subsidiaries of the Group under Ind AS which under previous GAAP were considered as Joint Ventures, because the Group has sufficiently dominant voting interest to direct the relevant activities of these entities. Consequently due to the change in the relationship status as per Ind AS the method of consolidation has been changed from proportionate consolidation in previous GAAP to line by line consolidation in Ind AS.

#### 4.19 Additional Information required by Schedule III

March 31, 2017

₹ Crores

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total Comprehensive Income	Amount
<b>Parent</b>	49.35%	624.00	133.48%	19.02	-279.77%	(2.35)	110.47%	16.67
<b>Subsidiaries (Group's share)</b>								
<b>Indian</b>								
Milano Bathroom Fittings Private Limited	1.60%	20.19	29.89%	4.26	—	—	28.23%	4.26
Silica Ceramica Private Limited	3.07%	38.81	-288.98%	(41.18)	-7.14%	(0.06)	-273.29%	(41.24)
H. & R. Johnson (India) TBK Limited *	1.22%	15.42	-26.60%	(3.79)	-7.14%	(0.06)	-25.51%	(3.85)
RMC Readymix Porselano (India) Limited	—	0.05	—	—	—	—	—	—
Antique Marbonite Private Limited *	4.79%	60.54	31.86%	4.54	21.43%	0.18	31.28%	4.72
Small Johnson Floor Tiles Private Limited *	1.28%	16.20	23.16%	3.30	11.90%	0.10	22.53%	3.40
Spectrum Johnson Tiles Private Limited *	1.74%	21.98	20.42%	2.91	11.90%	0.10	19.95%	3.01
Sentini Cermica Private Limited	3.15%	39.85	17.61%	2.51	-1.19%	(0.01)	16.57%	2.50
Coral Gold Tiles Private Limited	0.54%	6.81	5.33%	0.76	-7.14%	(0.06)	4.64%	0.70
Raheja QBE General Insurance Company Limited	9.42%	119.12	9.33%	1.33	166.67%	1.40	18.09%	2.73
<b>Non-controlling interests in all subsidiaries</b>								
<b>Indian</b>	21.31%	269.42	112.64%	16.05	192.86%	1.62	117.09%	17.67
<b>Joint Ventures (Investment as per equity method)</b>								
Ardex Endura (India) Private Limited*	2.53%	31.96	31.86%	4.54	-2.38%	(0.02)	29.95%	4.52
<b>Total</b>	<b>100%</b>	<b>1,264.35</b>	<b>100%</b>	<b>14.25</b>	<b>100%</b>	<b>0.84</b>	<b>100%</b>	<b>15.09</b>



#### 4.19 Additional Information required by Schedule III (Contd....)

March 31, 2016

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	% of consolidated net assets*	Amount	% of consolidated profit or loss*	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total Comprehensive Income	Amount
Parent	51.16%	638.04	9.58%	2.42	192.21%	(1.48)	3.84%	0.94
Subsidiaries (Group's share)								
Indian								
Milano Bathroom Fittings Private Limited	1.28%	15.93	14.81%	3.74	1.30%	(0.01)	15.23%	3.73
Silica Ceramica Private Limited	3.53%	44.08	-120.11%	(30.34)	-1.30%	0.01	-123.85%	(30.33)
H. & R. Johnson (India) TBK Limited *	1.55%	19.28	-14.01%	(3.54)	-19.49%	0.15	-13.84%	(3.39)
RMC Readymix Porcelano (India) Limited	-	0.05	-	-	-	-	-	-
Antique Marbonite Private Limited *	5.02%	62.58	34.56%	8.73	-16.88%	0.13	36.18%	8.86
Small Johnson Floor Tiles Private Limited	0.96%	11.98	11.04%	2.79	1.30%	(0.01)	11.35%	2.78
Spectrum Johnson Tiles Private Limited *	1.52%	18.97	9.98%	2.52	-1.30%	0.01	10.33%	2.53
Sentini Ceramica Private Limited	3.00%	37.35	22.01%	5.56	1.30%	(0.01)	22.66%	5.55
Coral Gold Tiles Private Limited	0.49%	6.11	1.27%	0.32	-9.09%	0.07	1.59%	0.39
Raheja QBE General Insurance Company Limited	9.33%	116.37	30.44%	7.69	-7.79%	0.06	31.65%	7.75
Non-controlling interests in all subsidiaries								
Indian	19.96%	248.88	88.55%	22.37	-36.36%	0.28	92.49%	22.65
Joint Ventures (Investment as per equity method)								
Ardex Endura (India) Private Limited *	2.20%	27.44	11.88%	3.00	-3.90%	0.03	12.37%	3.03
Total	100%	1,247.06	100%	25.26	100%	(0.77)	100%	24.49

\* Based on consolidated financial statement of the respective entities.

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, 2017

For and on behalf of the Board of Directors of Prism Cement Limited

**Shobhan M. Thakore**

(Chairman)

**Vijay Aggarwal**

(Managing Director)

**Aneeta A. Parpia**

(Director)

**Vivek K. Agnihotri**

(Executive Director & CEO - Cement)

**Atul R. Desai**

(Executive Director & CEO - RMC)

**Aneeta S. Kulkarni**

(Company Secretary)

**Joydeep Mukherjee**

(Executive Director & CEO - HRU)

**Pramod K. Akhramka**

(Chief Financial Officer)

# FORM AOC-1

(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 the Subsidiary	Milano Bathroom Fittings Private Limited	Silica Ceramica Private Limited	H. & R. Johnson (India) TBK Limited *	RMC Readymix Porselano (India) Limited \$	Raheja QBE General Insurance Company Limited
1	Date when subsidiary was acquired	26.06.2010	11.09.2009	01.04.2009**	01.04.2009**	10.12.2007
2	Reporting Currency	INR	INR	INR	INR	INR
3	Share Capital	0.72	34.56	1.61	0.05	207.00
4	Reserves and Surplus	19.46	19.57	14.70	#	26.57
5	Total Assets	36.59	321.70	28.62	0.05	335.19
6	Total Liabilities	16.41	267.57	12.31	#	101.62
7	Investments	0.01	—	5.60	—	276.92
8	Turnover	48.07	164.15	36.32	—	78.96
9	Profit Before Taxation	4.57	(41.26)	(3.21)	#	3.89
10	Provision for taxation	0.31	—	0.06	#	1.25
11	Profit after taxation (Before OCI)	4.26	(41.26)	(3.27)	#	2.64
12	Other Comprehensive Income and Minority share	0.01	(0.06)	(0.06)	—	2.74
13	Profit / Loss for the year (after OCI)-Total Comprehensive Income attributable to the owners of the company	4.25	(41.32)	(3.33)	#	5.38
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
15	% of shareholding	100%	99.82%	100%	100%	51%

### Part "B" : Associates and Joint Ventures

Sr. No	Name of Associates/ Joint Ventures	Sentini Cermica Private Limited	Spectrum Johnson Tiles Private Limited *	Antique Marbonite Private Limited *	Small Johnson Floor Tiles Private Limited*	Coral Gold Tiles Private Limited	Ardex Endura (India) Private Limited*	Prism Power and Infrastructure Private Limited \$
1	Latest audited Balance Sheet date	31-03-2017	31-03-2017	31-03-2017	31-03-2017	31-03-2017	31-03-2017	31-03-2017
2	Date when Associates/ Joint Ventures was acquired	01.04.2009**	01.04.2009**	01.04.2009**	18.11.2011	04.11.2015	01.04.2009**	08.02.2006
3	Shares of Associates/ Joint Ventures held by the company on the year end							
	- Number	23,00,000	21,65,388	30,09,000	20,00,000	26,00,000	65,00,000	4,900

**Part "B" : Associates and Joint Ventures**

Sr. No	Name of Associates/ Joint Ventures	Sentini Cermica Private Limited	Spectrum Johnson Tiles Private Limited *	Antique Marbonite Private Limited *	Small Johnson Floor Tiles Private Limited*	Coral Gold Tiles Private Limited	Ardex Endura (India) Private Limited*	Prism Power and Infrastructure Private Limited \$
	- Amount of investment in Associates/Joint Venture	11.50	8.03	15.08	13.30	5.46	6.50	#
	- Extend of Holding %	50%	50%	50%	50%	50%	50%	49%
4	Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate
5	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
6	Networth attributable to Shareholding as per latest audited Balance Sheet	39.85	21.98	61.53	16.20	6.81	31.96	#
7	Profit/Loss for the year (after OCI)-Total Comprehensive Income attributable to the owners of the company							
	i. Considered in Consolidation	5.00	6.02	9.64	6.79	1.40	4.52	N.A.
	ii. Not Considered in Consolidation	Refer Note no. 5					4.52	N.A.

\* Based on Consolidated financial statements of respective entities.

\$ Entities yet to commence operations.

# Denotes amount less than ₹ 50,000/-

\*\* The appointed date of amalgamation of erstwhile H. & R. Johnson (India) Ltd. with the Company.

Notes :

(1) None of the entities have been liquidated or sold during the year.

(2) The reporting period of all the subsidiaries is 31-03-2017.

(3) Investments excludes investment in subsidiaries.

(4) On March 10, 2017, the Company has acquired additional 0.19% holding in Silica Ceramica Private Limited.

(5) As per the principles of Ind-AS, these entities are considered as Subsidiary therefore total profit of the said entities have been considered for consolidation.

For and on behalf of the Board of Directors of Prism Cement Limited

**Shobhan M. Thakore**

(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)

**Atul R. Desai**

(Executive Director & CEO - RMC)

**Aneeta S. Kulkarni**

(Company Secretary)

Place : Mumbai

Date : May 25, 2017

# NOTICE

**NOTICE IS HEREBY GIVEN** that the Twenty-fifth Annual General Meeting of the Company will be held on Wednesday, August 9, 2017 at 11.00 a.m. at National Institute for Micro, Small and Medium Enterprises (ni-msme), Auditorium Hall, 2<sup>nd</sup> Floor, Training Block, Yousufguda, Hyderabad - 500 045, Telangana, 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, 2017 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 22<sup>nd</sup> Annual General Meeting until the conclusion of the 26<sup>th</sup> Annual General Meeting, be and is hereby ratified."

## **Special Business :**

4. **Appointment of Mr. Atul R. Desai as Director of the Company**

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. Atul R. Desai (DIN : 01918187), who was appointed as Additional Director of the Company as per Section 161 of the Act and the Articles of Association of the Company

with effect from August 29, 2016 and who holds office upto the date of the 25<sup>th</sup> Annual General Meeting and in respect of whom the Company has received a notice in writing from a member alongwith the deposit of the requisite amount 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."

5. **Appointment of Mr. Atul R. Desai as Executive Director & CEO (RMC)**

**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 of the Company, approval of the Company be and is hereby accorded to the appointment of Mr. Atul R. Desai (DIN : 01918187) as Executive Director & CEO (RMC) 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. Desai.

1. **Period :**

Three years with effect from August 29, 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. Desai as Executive Director & CEO (RMC) of the Company, the above mentioned remuneration be paid to Mr. Desai, as minimum remuneration."

"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 Dr. Raveendra Chittoor as Independent Director of the Company

**To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Dr. Raveendra Chittoor (DIN : 02115056), who was appointed as Additional Director in the category of Non-executive Independent Director of the Company as per Section 161 of the Act and the Articles of Association of the Company with effect from July 3, 2017 and who holds office upto the date of the 25th Annual General Meeting and in respect of whom the Company has received a notice in writing from a member alongwith the deposit of the requisite amount 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."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2017, Dr. Raveendra Chittoor (DIN : 02115056), a Director of the Company who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 be appointed as an Non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from July 3, 2017."

"RESOLVED FURTHER THAT the Board of Directors of the Company 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."

## 7. 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 as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, 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."

## 8. 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 in supersession of the Special Resolution passed at the 24<sup>th</sup> Annual General

Meeting of the Company held on August 23, 2016 and 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, Securities and Exchange Board of India (Listing Obligations & 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 8 above, is annexed hereto. Details of the Directors seeking re-appointment/appointment under Item 2, 4 - 6 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 signature(s) 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 Thursday, August 3, 2017 to Wednesday, August 9, 2017 (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 25<sup>th</sup> 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](mailto:einward.ris@karvy.com) quoting the Folio Number and Name of the Company. The Notice of the 25<sup>th</sup> AGM and the Annual Report will also be available on the Company's website [www.prismcement.com](http://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. Members are informed that the dividend amount for the year 2010-11 remaining unclaimed/unpaid shall become due for transfer on December 14, 2017 to the Investor Education and Protection Fund established by the Central Government in terms of Section 124 of the Companies Act, 2013 on expiry of 7 years from the date of its payment. Members are requested to note that no claim shall lie against

the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of 7 years from the dates they became first due for payment.

Any member, who has not claimed dividend in respect of the year 2010-11 is requested to approach the Company/Karvy for claiming the same as early as possible.

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. to 1.00 p.m. on any working day, except Saturdays, 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 Wednesday, August 2, 2017, ('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 Secretary, 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 e-mail 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 4, 2017 (9.00 a.m.) till August 8, 2017 (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 4, 2017 and ends at 5.00 p.m. on August 8, 2017. 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 2, 2017, 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 of the Company, 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](http://www.prismcement.com) and on Karvy's website [www.evoting.karvy.com](http://www.evoting.karvy.com) and shall also be communicated to the BSE Limited and the National Stock Exchange of India Limited.
- vii. A Route Map along with prominent landmark to reach the venue of AGM is annexed to this notice.

By Order of the Board of Directors,

Place : Mumbai  
Date : July 3, 2017

**Aneeta S. Kulkarni**  
*Company Secretary*

# 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 8 mentioned in the accompanying Notice dated July 3, 2017.

## Item Nos. 4 - 5

The Board of Directors of the Company at its meeting held on August 29, 2016 appointed Mr. Atul R. Desai (DIN : 01918187) as Additional Director and designated him as Executive Director & CEO (RMC) of the Company for a period of three years with effect from August 29, 2016.

Pursuant to Section 161 of the Companies Act, 2013, Mr. Desai 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 notice from a shareholder under Section 160 of the Companies Act, 2013, proposing the name of Mr. Desai for appointment as a Director 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	2016-17	2015-16	2014-15
		Total Revenue	5,555.24	5,831.13	5,627.36
		Total Expenses	5,527.11	5,849.40	5,700.23
		Exceptional Items	—	(3.61)	62.12
		Profit/(Loss) Before Tax	28.13	(21.88)	(10.75)
		Profit After Tax	17.51	8.11	14.70
		Dividend Rate	—	—	—
	5. Foreign investments or collaborators, if any	There are no foreign collaborators. The Company is listed on the BSE Limited and the National Stock Exchange of India Limited. The foreign holding in the Company as on March 31, 2017 is 7.54%.			

II.	INFORMATION ABOUT THE APPOINTEE	
	<b>1. Background details</b>	<p>Mr. Atul R. Desai, 55 years, has a rich experience of 30 years. He was the Whole-time Director and Chief Marketing Officer at Reliance Cement Company Private Limited ('RCC') prior to joining the Company. He joined RCC in 2013. He led the marketing, logistics and sales operations, product management, partnership marketing, customer service and customer retention. As a part of the marketing operations, he also took care of RCC's media and industry relations, advertising, interactive programmes, communications as well as market and customer research.</p> <p>He started his career as a GET with Gujarat State Fertilizer Corporation and subsequently served other leading companies including Star Cement and Ambuja Cement as Head of Operations &amp; Marketing.</p> <p>Mr. Desai has done B.E. (Chemical) from Gujarat University and MBA (Marketing) from South Gujarat University. He has also undergone a Senior Executive Programme at London Business School and Senior Leadership Programme at IMD Luccane - Switzerland.</p>
	<b>2. Past Remuneration</b>	<p>The remuneration paid to Mr. Desai for the period August 29, 2016 to March 31, 2017 is ₹ 1.42 Crores.</p>
	<b>3. Job profile and his suitability</b>	<p>Mr. Desai, as the Executive Director &amp; CEO (RMC) of the Company, functions with special focus on the RMC Readymix (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. Desai.</p>
	<b>4. Remuneration proposed</b>	<p>To be decided by the Nomination &amp; Remuneration Committee/ Board of Directors from time to time within the overall limits as approved by the shareholders.</p>
	<b>5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	<p>Considering the general industry and the specific company profile, the remuneration decided by the Nomination &amp; Remuneration Committee/Board of Directors to be paid to Mr. Desai is in line with industry trends and is fair and reasonable.</p>
	<b>6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any</b>	<p>Except for the remuneration payable to him, Mr. Desai 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 &amp; CEO (RMC).</p>

<b>III.</b>	<b>OTHER INFORMATION</b>	
	<b>1. Reasons of loss or inadequate profits</b>	Not applicable, as the Company has earned profits during the year 2016-17.
	<b>2. Steps taken or proposed to be taken for improvement</b>	<p>The Company is taking all efforts to improve its performance which, <i>inter alia</i>, include :</p> <ul style="list-style-type: none"> <li>• Use of Alternative Fuels &amp; Raw Materials for cement operations and reduction of power consumption.</li> <li>• Cost rationalisation measures and optimisation of logistic costs.</li> <li>• Cost management and greater utilisation of assets and adding new readymixed concrete plants in existing markets where demand is robust.</li> <li>• Strengthening of distribution network and merchandising.</li> <li>• Launching new value-added products.</li> </ul>
	<b>3. Expected increase in productivity and profits in measurable terms</b>	All efforts are being undertaken to ensure an improved performance and increase the profitability of the Company.
<b>IV.</b>	<b>DISCLOSURES</b>	<ol style="list-style-type: none"> <li>1. The appointment may be terminated at any time by either party giving six months' notice of such termination to the other party.</li> <li>2. Mr. Desai does not hold any securities of the Company.</li> <li>3. Mr. Desai does not have any interest in the capital of the Company or any of its subsidiaries directly or indirectly or through any other statutory structures and does not have any direct or indirect interest nor is he related to the directors or promoters of the Company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment.</li> <li>4. He possesses graduate level qualification with expertise and specialised knowledge in the field in which the Company operates.</li> </ol>

The draft Agreement to be entered into with the Mr. Atul R. Desai, Executive Director & CEO (RMC) is 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. Desai and therefore recommend adoption of the Resolutions at Item Nos. 4 and 5.

Except for Mr. Desai who may be deemed to be interested in his appointment, 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. 6

Dr. Raveendra Chittoor (DIN : 02115056) was appointed as an Additional Director in the category of Non-executive Independent Director by the Board with effect from July 3, 2017. Pursuant to Section 161 of the Companies Act, 2013 ('Act') read with Articles of Association of the Company, Dr. Chittoor holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith the requisite deposit under the provisions of Section 160 of the Act proposing the candidature of Dr. Chittoor for the office of Director.

Dr. Chittoor, 50 years, is a post graduate in management from the Indian Institute of Management, Ahmedabad and is a Fellow in Management (equivalent to a PhD) from the Indian Institute of Management, Calcutta.

Dr. Chittoor is an associate professor of strategy and international business and Canada Research Chair in Global Economy at the Gustavson School of Business in University of Victoria, Canada. His research is focused on improving understanding of the internationalisation processes of emerging economy firms and the structure and strategies of family-owned business groups. This work provides insights for managers and leaders of global firms for whom emerging market economies are becoming increasingly vital.

He has won many awards for his research and teaching and his research has been published (or accepted for publishing) in leading academic journals such as the Strategic Management Journal, Academy of Management Journal, Organisation Science, Journal of International Business Studies, Global Strategy Journal, Management International Review, Journal of International Management and Long Range Planning.

Prior to joining the University of Victoria, he taught at the Indian School of Business, Hyderabad and the Indian Institute of Management, Calcutta. He has more than 12 years of industry experience primarily in the areas of corporate finance and investment management and held senior management roles as an analyst, financial controller and treasurer.

The Company has received from Dr. Chittoor (i) consent in writing to act as Director in Form DIR-2 pursuant to Section 152 of the Act read with Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Section 164 of the Act read with Rule 14(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The resolution seeks the approval of members for the appointment of Dr. Chittoor as an Independent Director of the Company for a term of five consecutive years effective from the July 3, 2017 pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder.

He is not liable to retire by rotation. In the opinion of the Nomination & Remuneration Committee and the Board of Directors, Dr. Chittoor, the Independent Director proposed to be appointed, fulfils the conditions specified in Section 149(6) of the Act and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and

he is independent of the Management. A copy of the draft letter for the appointment of Dr. Chittoor as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the 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.

No director, key managerial personnel or their relatives, except Dr. Chittoor and his respective relatives to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members. Dr. Chittoor does not hold any shares of the Company. He does not have any inter se relation with any other Director or any employee of the Company.

#### Item No. 7

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, 2018 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

The Directors recommend passing of the Resolution at Item No. 7 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. 8

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 ₹ 800 Crores by way of NCDs at competitive costs due to which the average cost of borrowing of the Company has reduced. The Company seeks to pass an enabling resolution to borrow funds in addition to the existing borrowing 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 August 23, 2016, 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. 8, within the overall borrowing limits of the Company, as approved by the members from time to time.

The Directors recommend passing of the resolution at Item No. 8 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.

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#### **Details of Director seeking re-appointment as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 :**

Mr. Rajan B. Raheja (DIN : 00037480), aged 64 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,

Place : Mumbai  
Date : July 3, 2017

**Aneeta S. Kulkarni**  
*Company Secretary*

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



# 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

## Form No. MGT-11 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 the above named company, 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 25<sup>th</sup> Annual General Meeting of the Company, to be held on August 9, 2017 at 11.00 a.m. at Auditorium Hall, 2<sup>nd</sup> Floor, Training Block, National Institute for Micro, Small and Medium Enterprises (ni-msme), Yousufguda, Hyderabad - 500 045, Telangana 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, 2017.		
2.	Re-appointment of Director retiring by rotation.		
3.	Ratification of Appointment of Auditors.		
Special Business		FOR *	AGAINST *
4.	Appointment of Mr. Atul R. Desai as Director of the Company.		
5.	Appointment of Mr. Atul R. Desai as Executive Director & CEO (RMC).		
6.	Appointment of Dr. Raveendra Chittoor as Independent Director of the Company.		
7.	To ratify remuneration of the Cost Auditors of the Company.		
8.	Private Placement of Non-convertible Debentures and/or other Debt Securities.		

Signed this ..... day of ..... 2017

Signature of shareholder.....

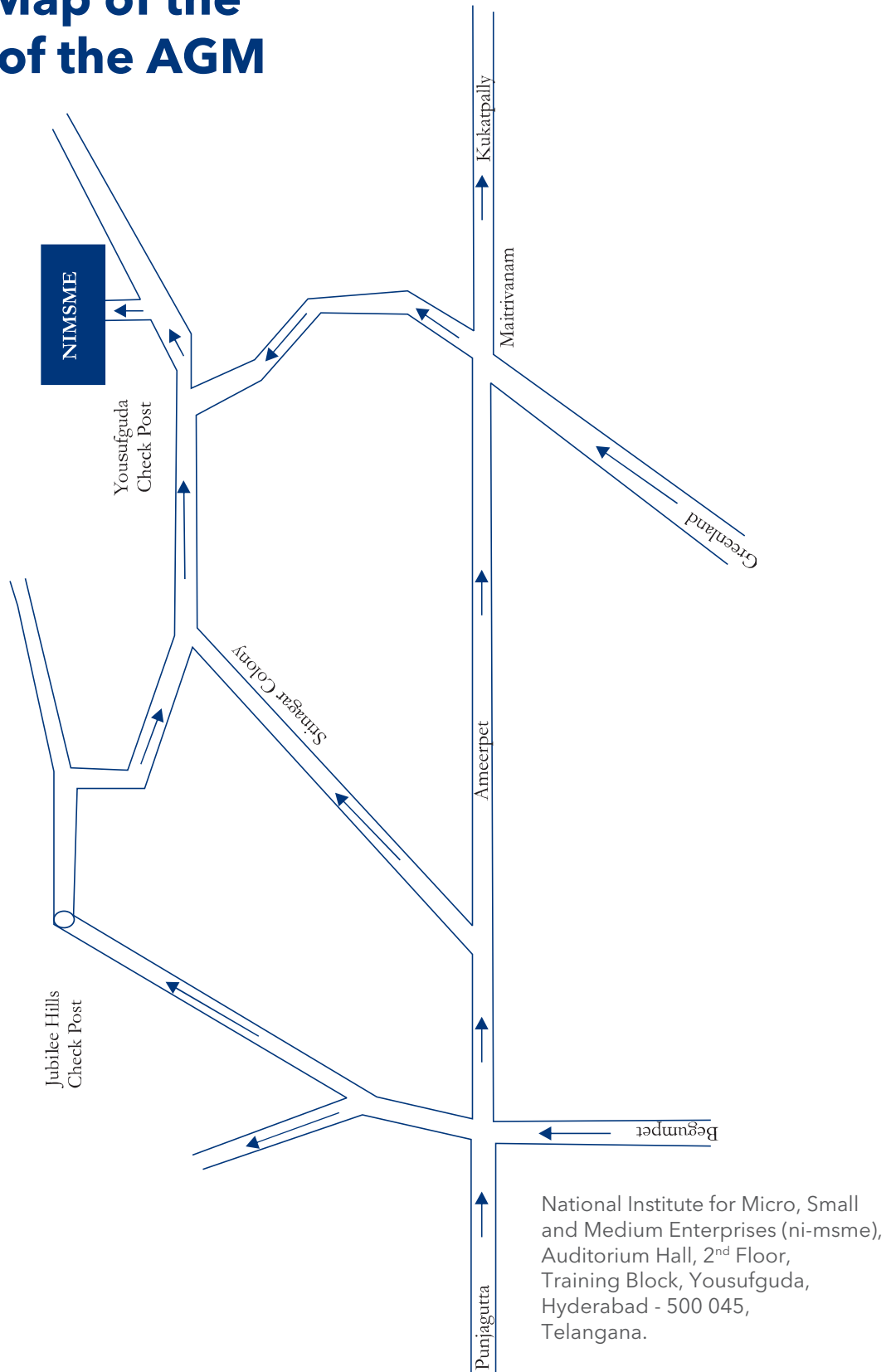
Signature of proxyholder(s).....

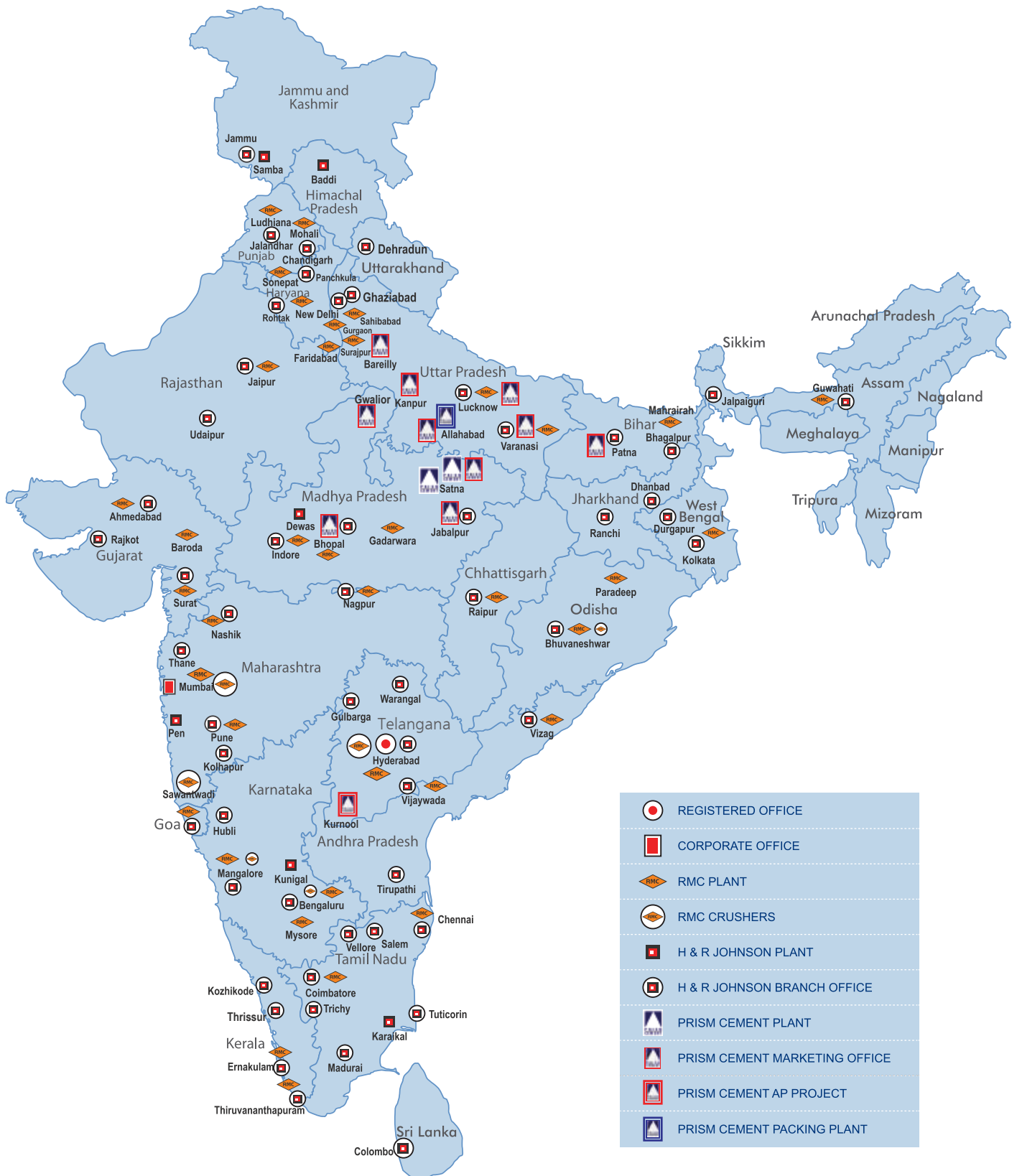
Affix  
Revenue  
Stamp











### Notes :

- \* 1. Please put a '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.

# Route Map of the Venue of the AGM





-  REGISTERED OFFICE
-  CORPORATE OFFICE
-  RMC PLANT
-  RMC CRUSHERS
-  H & R JOHNSON PLANT
-  H & R JOHNSON BRANCH OFFICE
-  PRISM CEMENT PLANT
-  PRISM CEMENT MARKETING OFFICE
-  PRISM CEMENT AP PROJECT
-  PRISM CEMENT PACKING PLANT

# PRISM CEMENT LIMITED

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